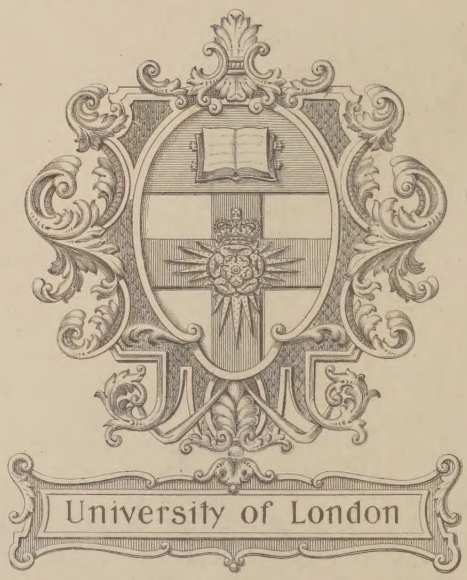
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REPORTS

FROM

COMMISSIONERS:

TWENTY-FOUR VOLUMES.

—(24—PART I.)—

RAILWAYS.

Session

5 February——*21 August* 1867.

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1867.

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1867.

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TWENTY-FOURTH VOLUME.

PART I.

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ROYAL COMMISSION ON RAILWAYS.

REPORT

OF

THE COMMISSIONERS.

Presented to both Houses of Parliament by Command of Her Majesty.

LONDON:
PRINTED BY GEORGE E. EYRE AND WILLIAM SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.
FOR HER MAJESTY'S STATIONERY OFFICE.

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1867.

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ORIGINAL COMMISSION.

VICTORIA R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith.

To Our right trusty and right entirely beloved cousin William Duke of Devonshire, Knight of our most noble Order of the Garter; Our right trusty and right well-beloved Cousin and Councillor Richard John Earl of Donoughmore; Our right trusty and well-beloved Councillor Edward Henry Smith Stanley (commonly called Lord Stanley); Our trusty and well-beloved Edward Frederick Leveson Gower, Esquire; Our right trusty and well-beloved Councillor Robert Lowe; Our trusty and well-beloved Sir Rowland Hill, Knight Commander of Our most honourable Order of the Bath; Our trusty and well-beloved John Arthur Roebuck, Esquire; Our trusty and well-beloved Thomas Berry Horsfall, Esquire; Our trusty and well-beloved Robert Dalglish, Esquire; Our trusty and well-beloved George Carr Glyn, Esquire; Our trusty and well-beloved Acton Smee Ayrton, Esquire; Our trusty and well-beloved Douglas Galton, Esquire; Our trusty and well-beloved Edward Terrick Hamilton, Esquire; and Our trusty and well-beloved John Robinson M^c^Clean, Esquire, greeting,

Whereas We have deemed it expedient that a Commission should forthwith issue for Inquiry into the charges now and heretofore made for conveyance on the several Railways of Great Britain and Ireland, and whether it would be practicable to effect any considerable reduction in such charges, with a due regard to safety, punctuality, and expedition.

Now know ye, that We, reposing great confidence in your zeal and ability, have authorized and appointed, and do by these Presents authorize and appoint you, the said William Duke of Devonshire, Richard John Earl of Donoughmore, Edward Henry Smith Stanley (commonly called Lord Stanley), Edward Frederick Leveson Gower, Robert Lowe, Sir Rowland Hill, John Arthur Roebuck, Thomas Berry Horsfall, Robert Dalglish, George Carr Glyn, Acton Smee Ayrton, Douglas Galton, Edward Terrick Hamilton, and John Robinson M^c^Clean, to be Our Commissioners for the purposes aforesaid.

And Our will and pleasure is, that you, or any Five or more of you, shall inquire into the charges now and heretofore made by the several Railway Companies of Great Britain and Ireland for the conveyance on their lines of passengers, parcels, goods, minerals, animals, agricultural products, and other merchandise, and into the equality or difference of such charges under similar circumstances, whether as between different Companies, or by the same Company in different cases; and where such inequality or difference exists, you are to inquire whether there are special circumstances which render necessary such inequality or difference; and you are also to inquire into the actual costs of such conveyance, and to compare such costs and charges respectively, if and so far as you shall think fit, with the costs and charges relatively to the accommodation given and service performed on the Railways in any one or more foreign countries; and to report your opinion whether, with a due regard to the progressive extension of the Railway system, it would be practicable, by means of any changes in the laws relating to Railways or otherwise, to effect a more convenient interchange of traffic between the several systems of Railways, and more economical arrangements for the working of Railways, so as to make any considerable reduction in the said costs of conveyance, and in the charges

to the public on account thereof; and more effectually to provide for securing the safe, expeditious, punctual, and cheap transit of passengers and merchandise upon the said Railways with as near an approach as may be to uniformity of charge and equality of treatment for all persons under similar circumstances.

And for the purpose of enabling you Our said Commissioners to make the said inquiries, We do hereby authorize and empower you, or any Five or more of you, to invite all such persons as you may judge most competent, by reason of their situation, knowledge, or experience, to afford you correct information on the subject of this inquiry, to attend before you and to bring with them all such Books, Documents, Papers, and Accounts as may appear to you, or any Five or more of you, calculated to assist your researches in the execution of the trust hereby reposed in you, and to inquire concerning the premises by all other lawful ways and means whatsoever.

And We do command and require you, or any Five or more of you, to report to Us, in writing under your hands and seals, or under the hands and seals of any Five or more of you, as soon as the same can reasonably be, your several proceedings by virtue of this Our Commission.

And for your further assistance in the execution of these Presents, We have made choice of Our trusty and well-beloved William Pole, Esquire, to be Secretary to this Our Commission, and to attend you, whose services and assistance you are to use from time to time as occasion may require.

And We will and command that this Our Commission shall continue in full force and virtue, and that you Our said Commissioners, or any Five or more of you, may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

Given at Our Court at Saint James's, the Eleventh day of March 1865, in the Twenty-eighth year of Our reign.

By Her Majesty's Command.

(Signed) G. GREY.

SECOND COMMISSION.

N.B.—*This Commission is substituted for the former one, bearing date the 11th March* 1865.

VICTORIA R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith.

To Our right trusty and right entirely beloved Cousin William Duke of Devonshire, Knight of Our most noble Order of the Garter; Our right trusty and right well-beloved Cousin Somerset Richard Earl of Belmore; Our right trusty and right well-beloved Cousin and Councillor Richard John Earl of Donoughmore; Our right trusty and well-beloved Councillor Edward Henry Smith Stanley (commonly called Lord Stanley); Our trusty and well-beloved Edward Frederick Leveson Gower, Esquire; Our right trusty and well-beloved Councillor Robert Lowe; Our right trusty and well-beloved Councillor William Monsell; Our trusty and well-beloved Sir Rowland Hill, Knight Commander of Our most honourable Order of the Bath; Our trusty and well-beloved John Arthur Roebuck, Esquire; Our trusty and well-beloved Thomas Berry Horsfall, Esquire; Our trusty and well-beloved Robert Dalglish, Esquire; Our trusty and well-beloved George Carr Glyn, Esquire; Our trusty and well-beloved Acton Smee Ayrton, Esquire; Our trusty and well-beloved Douglas Galton, Esquire; Our trusty and well-beloved Edward Terrick Hamilton, Esquire; and Our trusty and well-beloved John Robinson M^c^Clean, Esquire, greeting,

Whereas We did, by Warrant under Our Royal Sign Manual, bearing date the Eleventh day of March last, appoint you, the said William Duke of Devonshire, Richard John Earl of Donoughmore, Edward Henry Smith Stanley (commonly called Lord Stanley), Edward Frederick Leveson Gower, Robert Lowe, Sir Rowland Hill, John Arthur Roebuck, Thomas Berry Horsfall, Robert Dalglish, George Carr Glyn, Acton Smee Ayrton, Douglas Galton, Edward Terrick Hamilton, and John Robinson M^c^Clean, to be Our Commissioners for inquiring into the charges now and heretofore made on the several Railways of Great Britain and Ireland, and whether it would be practicable to effect any considerable reduction in such charges, with a due regard to safety, punctuality, and expedition.

Now know ye, that We have revoked and determined, and do by these presents revoke and determine, the said Warrant, bearing date the Eleventh day of March last, and every matter and thing therein contained.

And We, reposing great trust and confidence in your ability and discretion, have nominated, constituted, and appointed, and do by these Presents nominate, constitute, and appoint you, the said William Duke of Devonshire, Somerset Richard Earl of Belmore, Richard John Earl of Donoughmore, Edward Henry Smith Stanley (commonly called Lord Stanley), Edward Frederick Leveson Gower, Robert Lowe, William Monsell, Sir Rowland Hill, John Arthur Roebuck, Thomas Berry Horsfall, Robert Dalglish, George Carr Glyn, Acton Smee Ayrton, Douglas Galton, Edward Terrick Hamilton, and John Robinson M^c^Clean, to be Our Commissioners for the purposes aforesaid.

And Our will and pleasure is, that you, or any Five or more of you, shall inquire into the charges now and heretofore made by the several Railway Companies of Great Britain and Ireland for the conveyance on their lines of passengers, parcels, goods, minerals, animals, agricultural products, and other merchandise, and into the equality or difference of such charges under similar circumstances, whether as between different Companies, or by the same Company in different cases; and where such inequality or difference exists, you are to inquire whether there are special circumstances which render necessary such inequality or difference; and you are also to inquire into the actual costs of such conveyance, and to compare such costs and charges respectively, if and so far as you shall think fit, with the costs and charges relatively to the accommodation given and service performed on the Railways in any one or more Foreign countries; and to report your opinion whether, with a due regard to the progressive extension of the Railway system, it would be practicable, by means of any changes in the laws relating to Railways or otherwise, to effect a more convenient interchange of traffic between the several systems of Railways, and more economical arrangements for the working of Railways, so as to make any considerable reduction in the said costs of conveyance, and in the charges to the public on account thereof; and more effectually to provide for securing the safe, expeditious, punctual, and cheap transit of passengers and merchandise upon the said Railways with as near an approach as may be to uniformity of charge and equality of treatment for all persons under similar circumstances.

And for the purpose of enabling you Our said Commissioners to make the said inquiries, We do hereby authorize and empower you, or any Five or more of you, to invite all such persons as you may judge most competent, by reason of their situation, knowledge, or experience, to afford you correct information on the subject of this inquiry, to attend before you and to bring with them all such Books, Documents, Papers, and Accounts as may appear to you, or any Five or more of you, calculated to assist your researches in the execution of the trust hereby reposed in you, and to inquire concerning the premises by all other lawful ways and means whatsoever.

And We do command and require you, or any Five or more of you, to report to Us, in writing under your hands and seals, or under the hands and seals of any Five or more of you, as soon as the same can reasonably be, your several proceedings by virtue of this Our Commission.

And for your further assistance in the execution of these Presents, We have made choice of Our trusty and well-beloved William Pole, Esquire, to be Secretary to this Our Commission, and to attend you, whose services and assistance you are to use from time to time as occasion may require.

And We will and command that this Our Commission shall continue in full force and virtue, and that you Our said Commissioners, or any Five or more of you, may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

Given at Our Court at Saint James's, the Nineteenth day of December 1865, in the Twenty-ninth year of Our reign.

By Her Majesty's Command.

(Signed) G. GREY.

REPORT.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY,

WE, the Commissioners appointed by Your Majesty for the purpose of inquiring into various matters connected with the Railways of Great Britain and Ireland, humbly report to Your Majesty as follows:—

PART I.*

Origin of railway legislation.

1. The railway system of this country had its origin in the enterprise of individuals interested in the several localities; their efforts were not fostered by the Legislature as objects of national concern, but were treated as projects undertaken for the private profit of their promoters, which might be sanctioned by Parliament for the public advantage. In this respect the Legislature followed the policy which had been pursued with great success and benefit to the country for half a century, in allowing private enterprise to develop and manage inland navigation.

Under this system each project was considered entirely on its own merits, and sanctioned by a private Act, which contained the entire statute law applicable to the undertaking.

Earliest Railway Act.

2. The earliest railway or tramway Act was passed in 1801, for the construction of a railway from Wandsworth to Croydon, for "the advantage of conveying coals, corn, and "all goods and merchandise to and from the metropolis and other places." A company was by this Act incorporated under the name of the Surrey Iron Railway Company, with a capital of 35,000*l.*, in shares of 100*l.* each, with power to borrow, on mortgage of its undertaking, a further capital of 15,000*l.*, and with the requisite powers for the management of its affairs.

The tolls for the use of the railway were left to be charged at the discretion of the company within the following maximum rates per ton per mile:—

	s.	*d.*
Dung - - - - -	0	2
Limestone, chalk, lime, and all other manures (except dung), clay, breeze, ashes, sand, and bricks - - -	0	3
Tin, copper, lead, iron, stone, flints, coals, charcoal, coke, culm, fuller's earth, corn, seeds, flour, malt, and potatoes	0	4
All other goods, wares, merchandise, and things whatsoever - -	0	6

All persons were empowered to use the railway at the prescribed rates with horses, cattle, and carriages, subject to such rules as might be made by the company for regulating the construction of the carriages and the convenient use of the railway. The company was authorized to acquire the land necessary for the undertaking, on paying compensation.

Succeeding Acts:

3. From this period new tramways or railways were sanctioned in almost every session for the conveyance of goods at various maximum rates.

Stockton and Darlington.

In 1821 an Act was passed authorizing the construction of a railway from certain collieries near Darlington to the port of Stockton-on-Tees. This short line was destined to have an important influence on railway progress, as it was the first public line on which steam power was used for locomotion, and also the first to carry passengers.

The Act of 1821 provided only for horse power; but on the earnest representation, by George Stephenson, of the advantages that would result from the use of his improved steam locomotive, the promoters resolved to give it a trial, and an amended Act, obtained in 1823, contained a clause giving power to work the railway by means of locomotive engines, and to employ them for the haulage of passengers, as well as merchandise.

* The recommendations and formal expressions of opinion are inserted in Parts I. to VI. in large type, and are collected in Part VII.

It is worthy of remark that in order to check the use of this line for conveying coals for shipping, and to confine it to inland traffic, parties interested in rival ports contrived to insert a clause limiting the charge for the haulage of all coal to Stockton for shipping, to one halfpenny per ton per mile, whereas the rate of fourpence per ton per mile was allowed for all coals transported for land sale.

It was supposed by all parties that it would be impossible to carry coals at such a low rate without loss; but this rate not only turned out profitable, but formed ultimately the vital element in the success of the railway.

In 1824 the number of Acts passed for separate undertakings amounted to 24.

Liverpool and Manchester Railway.

4. In the year 1825, in consequence of the delays and difficulties experienced by the Manchester manufacturers in obtaining their supplies of cotton from Liverpool by water communication, owing to drought in summer and frost in winter, an application was made to Parliament to sanction the Liverpool and Manchester Railway. It was mainly intended for the conveyance of merchandise, but the promoters sought powers in their Bill to convey both goods and passengers by locomotive power. In that year the promoters failed to obtain their Act, but they were successful in the following year, when the Act was passed.

Liverpool and Birmingham, and other Railways.

5. The attention which the Stockton and Darlington Railway had attracted led also, in 1825, to a more extensive proposal, and which was, in fact, the first great effort to supplant the then existing means of communication, by the construction of a railway from Liverpool to Birmingham, intended both for passengers and merchandise traffic; but so little favour did railway enterprise find in Parliament that the Bill then introduced failed, as also did a subsequent attempt made in 1826; the project was then abandoned, and did not become law till 1833. The applications to Parliament to sanction new projects, chiefly for small local lines of railway, continued, however, to increase, and 44 additional Acts had been passed by the end of the session of 1831.

Another great effort was made in the year 1832 to pass a Bill authorizing a railway with locomotive power from London to Birmingham. This was, however, rejected, but the application was renewed in the following year, and the Bill was then passed.

General nature of the early Acts.

6. The Acts by which the earlier railway companies were established followed very closely, in their general scope, the provisions which had been applied to canal companies.

The earliest Canal Acts, however, gave no powers of borrowing. The first Acts in which these powers appeared were passed in 1770. By degrees the borrowing powers of the several companies were restricted to one-third of the share capital.

The promoters were constituted a corporation, and were authorized to raise such money, either by shares or by borrowing, as they required for completing their undertaking; and they were empowered in their corporate capacity to take lands compulsorily, and to charge tolls at their discretion for the use of their railway, within the limit of certain prescribed rates for various classes of goods, as illustrated in the Act of 1801 already quoted.

In the Act for the Liverpool and Manchester Railway, and other subsequent undertakings, a further provision was introduced that if the dividend should exceed 10 per cent. an abatement should be made from the maximum tonnage rates, of 5 per cent. on the amount thereof for each 1 per cent. which the company might divide over and above a dividend of 10 per cent. on its capital.

Railway companies not originally intended to have a monopoly of their lines.

7. In their capacity of owners of a road, railway companies were not intended by Parliament to have any monopoly or preferential use of the means of communication on their lines of railway; on the contrary provision was made, in all or most of the Acts of incorporation, to enable all persons to use the road on payment of certain tolls to the company, under such regulations as the company might make to secure the proper and convenient use of the railway. But no sooner were railways worked on a large scale with locomotive power than it was found impracticable for the public in general to use the lines either with carriages or locomotive engines; and the railway companies, in order to make their undertakings remunerative, were compelled, with the assistance of the persons who had been previously engaged in the carrying trade of the country, to embark in the business of common carriers on their lines of railway, and conduct the whole operations themselves.

Endeavours to secure consistency.

8. The number of Acts passed for new railways from 1832 to 1835 did not average eleven in each year, but 29 Acts were passed in the year 1836.

Both houses of Parliament then deemed it necessary to secure consistency in private Bill legislation.

House of Lords.

9. In the House of Lords it had been the practice, down to that period, to commit local and personal bills, including railway bills, to a certain number of lords named in the order for commitment, and sometimes to all lords present; and when bills were opposed there were added "all lords who shall have been or shall be present this session."

In the year 1835 a committee was appointed which made recommendations, subsequently embodied in the standing orders of the House; the principal of which, so far as relates to committees on private bills, were, that every opposed bill should be referred to a committee of five, to be selected for that purpose by the chairman of committees, assisted by a select committee; that no peer who had any interest was to serve on the committee; and that every member of the committee should attend its proceedings throughout its continuance.

House of Commons.

10. In the House of Commons the standing orders at that time were much less precise in their nature than they now are, and there was no single committee or authority to which the questions that might arise respecting the compliance with standing orders, were referred. In fact they appear to have been generally decided in an inefficient manner by the special committee which sat on the merits of the particular Bill.

In forming these committees the members representing boroughs or counties supposed to be interested in the scheme were placed on the committee, and to these were added a certain number of members representing places at a distance, and therefore supposed to be impartial.

Committee of 1837.

11. To remedy the inconsistencies in the decisions on standing orders which thus naturally arose, the House of Commons in 1837 appointed a select committee, to which were referred all petitions for private bills, and it was the duty of this committee to decide how far the standing orders had been complied with in each case.

This committee was strictly of a judicial character; it consisted of 42 members, who were assisted by four sub-committees, under four separate chairmen, for the greater despatch of business.

The committee had the power to meet when it was deemed necessary so to do, to discuss and settle points of practice. This secured greater uniformity of decision and more consistent practice, than had formerly existed in private Bill legislation.

Railways in 1838.

12. In 1838 there were 490 miles of public railway open in England and Wales, and about 50 miles open in Scotland. The cost of constructing these lines had amounted to 13,300,000*l.*

Committee on Mails. Resulting Act.

13. The growing importance of this means of communication being more appreciated, Parliament, in 1837, appointed a select committee to report what measures it would be just and expedient to adopt, for the purpose of securing to the public the benefit of the conveyance of mails by railroads.

The committee reported in March 1838, and recommended the general provisions which have been inserted in the Act 1 & 2 Vict. c. 98., but added a recommendation that the Post Office should have power to run its own engines on a railway with a train conveying passengers without paying tolls, but subject to payment for services rendered by the Company and accommodation given; the recommendation was not adopted by Parliament.

The Act provided, with regard to all existing and future railways, that the Postmaster-General might require the mails to be conveyed at a speed not exceeding the maximum speed in use on the line, and in such carriages as he desired to be used; and that the railway companies should observe all such reasonable regulations respecting the mails as the Postmaster-General might think fit to make; but the officers of the Post Office were prohibited from any interference with the engine drivers. The railway companies were to be paid a reasonable remuneration for all services rendered by them, to be settled by agreement with the Postmaster-General, or, failing agreement, by arbitration. It was also provided that the decision of the arbitrator should continue in force as against the Postmaster-General, until any change was made in the service to be rendered; but that the railway company should be entitled, at the end of three years, to have the rate of remuneration reconsidered and a new arbitration entered into. The Postmaster-General was also empowered, by giving six months' notice, to determine any existing

arrangement without any compensation, or at any time without notice, on making compensation to the company, unless the notice should have been given in consequence of their default.

Committee of 1840. Resulting Act.

14. In 1840 another select committee was appointed by the House of Commons upon the railway system. It came to the conclusion that the right secured to the public by the railway Acts, of running their engines and carriages on the railways, was practically a dead letter; (1), because no provision had been made for ensuring to independent trains and engines access to stations and watering places along the lines; (2), because the rates for toll limited by the Act were almost always so high as to make it difficult for independent persons to work at a profit; (3), because the necessity of placing the running of all trains under the complete control of one head interposed numerous difficulties in the way of independent traders.

The committee recommended that the executive government should be entrusted with the duty of inspecting new lines of railway, and exercising a general supervision over the manner in which the railway companies used their powers, and added,—

"Your committee in framing these resolutions have been guided by this consideration, that however improvidently Parliament may, in the first instance, have granted to the railway companies such extensive powers, it is now advisable to interfere with them as little as possible, and to limit recommendations to a plan which may ensure the effectual administration of the laws by which each railway company is incorporated. Your committee feel, moreover, that in adopting this course they are more likely to carry along with them the good feelings and the support of the railway companies and their directors, thereby exciting their continued exertions to meet the wants and remedy the complaints of the public. Trusting therefore to the salutary influence which they conceive a superintending authority will exercise over these bodies, your committee have in their recommendations mainly had in view the means of enforcing the law and the power of obtaining such returns as may be required, with the view of observing in what manner these powerful bodies continue to execute the important trusts committed to them, and to enable such superintending authority to recommend to Parliament additional measures if hereafter they should be deemed requisite."

In consequence of the recommendations of this committee, the Act 3 & 4 Vict. c. 97. was passed, by which it was provided that no new railway for the conveyance of goods or passengers should be opened without previous notice to the Board of Trade, and the Board were empowered to appoint officers to inspect all new railways. The Board was also empowered to require, under a penalty, that every railway company should deliver to them returns in whatever form they might prescribe, of the traffic in passengers and goods, as well as of accidents attended with personal injury, and a table of tolls and rates from time to time levied on passengers and goods. All bye-laws already made by companies were to be certified to the Board, and no new ones were to be made without its sanction. The Board was also constituted the guardian of the public interests, being empowered at its discretion to certify to the law officers of the Crown any infraction of the law, and the law officers of the Crown were thereupon required to take the requisite legal proceedings.

The power which had been conferred upon proprietors of land adjoining railways by their private Acts of Parliament, for making junctions, was placed under the control of the Board of Trade, with a discretion to regulate the manner in which it should be exercised.

Act of 1842.

15. In 1842, by the Act 5 & 6 Vict.c. 55., these powers of the Board of Trade were somewhat altered. The notice to be given before opening a railway was confined to passenger lines, and the power of requiring returns of accidents was extended to all cases of accident, whether or not attended with personal injury. Every railway company was also required to convey troops on railways at prices to be settled between the railway companies and the Secretary at War. The Act defined "that no railway shall be considered "a passenger railway if two-thirds or more of the gross annual revenue of such railway "shall be derived from the carriage thereon of coals, ironstone, or other metals or "minerals."

Railways in 1843.

16. The length of railway authorized by Parliament to the end of 1843 amounted to 2390 miles, of which 2036 had been opened for traffic. The authorized capital for these lines amounted to 82,848,081*l.*, of which about 66,000,000*l.* had been raised.

Committee of 1844.

17. At the beginning of 1844 Parliament again directed its attention to the increasing importance of railway communication, and appointed a select committee to inquire into the question.

This committee, in the first place, with a view to obtain a power of control over the railway companies through their special Acts of Parliament, recommended, and the

House resolved, that the following clause should be inserted in all railway Bills passing through Parliament, viz.:—

"And be it further enacted that nothing herein contained shall be deemed or construed to exempt the railway by this or the said recited Acts authorized to be made from the provisions of any general Act relating to such Bills which may pass during the present session of Parliament, or of any general Act relating to railways which may pass during the present or any future session of Parliament."

The committee then proceeded to give the question of railway legislation a more comprehensive consideration than it had hitherto received. They observed that the complaint of monopoly urged against railways was an indication of the benefits they had conferred on the country; as it was not by force of special privileges conferred on them, but by superior accommodation and cheapness, that they had acquired the command of travelling in their district; that railway enterprise should be encouraged; that the country still afforded great scope for the extension of the railway system; that Parliament should "take no step which would induce so much as "a reasonable suspicion of its good faith with regard to the integrity of privileges already "granted, because one of the elements of encouragement to future undertakings was just "and equitable dealing with those already established; and that at the same time nothing "in the nature of a vested interest (by which the committee mean an interest and claim, "over and above positive enactments, for some restraint of general principles in favour of "the party) ought to be recognized by Parliament as attaching to existing railways."

The committee proceeded to recommend that all future railways should be conceded on the conditions of being subject to a reduction of maximum rates and tolls, where, after 15 years from the passing of the Act authorizing a railway, the profits should exceed 10 per cent. for three years, and that similarly every railway should be subject to be purchased by Government. The committee further recommended that railway companies should be required to run one train each way daily for the conveyance of third-class passengers at 1*d.* per mile, and to convey military and police at 1*d.* per mile for privates, and 2*d.* per mile for officers; and they made certain recommendations as to postal communication.

The committee also suggested improvements in conducting the investigation made by the House of Commons into the private railway Bills. They pointed out that heretofore it had not been customary to examine the Bills systematically with reference to public interests, and suggested that the committees on the Bills should consist of five members each, who were not to be interested, either personally or through their constituents, in the Bills they were to investigate; and that all Bills for competing lines should be referred to the same committee; another select committee being appointed early in each session to determine which were Bills for competing lines.

They further laid down regulations as to the extent of the engineering details of proposed lines to be prepared for the consideration of Parliament, and to enable persons whose property would be affected to learn the extent of interference; and suggested that the committee, in deciding upon schemes either competing with each other or with existing lines, should take into account the relative advantage to the public promised by the new schemes or tendered by existing companies.

In order to secure that the public interests in new schemes should be adequately brought forward, the committee recommended that the Board of Trade should make reports upon all railway Bills, which reports should be submitted to the committees on the Bills.

They also recommended that in order to obtain greater uniformity in the general conditions inserted in railway Acts, and to render them more concise, the numerous clauses in railway Acts which were common to all and undisputed should be consolidate into a general Act.

18. In consequence of these recommendations an Act was passed in 1844 (7 & 8 Vict. c. 85.), by which it was provided, that if the clear annual divisible profits should amount to 10 per cent. on the paid-up capital of any railway authorized in that or any subsequent session, at the end of 21 years from the passing of the Act sanctioning the line, the Lords of the Treasury might revise the tolls, fares, and charges, so as to reduce the dividend to 10 per cent.; but such revision was to be accompanied by a guarantee on the part of the Crown that the revised rates should produce a dividend to the company of 10 per cent. for a further period of 21 years. Act of 1844.

The Treasury was also empowered to purchase the railways sanctioned in that or any future session upon terms and subject to conditions which will be noticed more fully hereafter.

The Act conferred upon the public the right to have one train run daily along every passenger line of railway for the conveyance of third-class passengers, with half a hundredweight of luggage for each passenger, at the rate of 1*d.* a mile, to proceed at a speed of not less than 12 miles an hour, and to stop, if required by the Board of Trade, at every station on the line. Further facilities were also afforded for the conveyance of mails and of troops, and for the construction and use of electric telegraphs along the lines of railway by the Government. The powers of the Board of Trade to compel railway companies to comply with the law were extended to all unauthorized proceedings on the part of the railway companies.

The Act altered the definition of a passenger railway to be one "upon which one-third or more of the gross annual revenue is derived from the conveyance of passengers by steam or other mechanical power."

Clauses Consolidation Acts.

19. The provisions of the special Acts passed for each company had year by year become more complicated and numerous. The clauses had gradually increased from 95 in the Act for the Wandsworth and Croydon Railway to 381 in the Act for the Lancaster and Carlisle Railway passed in 1844.

In 1845 Parliament, as recommended by the select committee, passed three Acts containing the clauses which could be made applicable to companies in general, and which it had been usual to insert in the private Acts, and adding such other general provisions as Parliament deemed it desirable to enforce on railway companies.

These general Acts when incorporated by words of reference with the private Acts secure uniformity, but do not preclude committees of the Houses of Parliament from dispensing specially with their provisions in particular cases where, on cause shown, the committees deem it desirable.

The three Acts are as follow—

Companies Clauses Act.

20. 1. The 8 Vict. cap. 16., The Companies Clauses Act.

To regulate the manner in which the company's capital should be raised, and further capital borrowed, the rights of the shareholders, the powers and duties of directors, the declaration and payment of dividends, the keeping and auditing of accounts, and generally the mode in which the company's affairs should be conducted, as regards the shareholders and creditors of the company.

Lands Clauses Act.

21. 2. The 8 Vict. cap. 18., The Lands Clauses Act. To regulate the acquisition of land for the undertaking, either compulsorily or by arrangement, the payment of compensation, the security of title to the land, and the sale of superfluous land.

Railway Clauses Act.

22. 3. 8 Vict. cap. 20., The Railway Clauses Act. To regulate the construction of railways, the temporary use of lands for that purpose, and the acquisition of additional lands for stations, the crossing of roads, the construction of bridges, the screens for roads, the works for accommodation of landowners and the acquisition and working of mines under a railway.

By section 76 the owners of lands adjoining the railway are empowered to make collateral branch lines to communicate with the railway, subject to the above quoted Act of 5 & 6 Vict. c. 55., and also to the following restrictions:—

No branch railway shall run parallel to the railway. The company shall not be bound to make an opening at any place which they may have set apart for any specific purpose, with which such communication would interfere, nor upon any inclined plane or bridge, nor in any tunnel. The persons making the branch are to be subject to such bye-laws as the company may make, and to maintain the junction properly under the direction of the company's engineer.

The Act empowered the company to use locomotive engines and to carry passengers and goods at rates not exceeding the tolls authorized to be taken by its special Act, and to enter into contracts with other railway companies for passing over its line and for the division and apportionment of tolls. The company was entitled to the protection against liability for damage and loss of goods afforded by the Carriers' Act. The tolls levied by the company might be varied, provided the company charged equally to all persons under like circumstances. Any persons might use the railway, with engines and carriages, on payment of the tolls, which were to be exhibited at stations on a board; distance posts or stones were also to be set up at every $\frac{1}{4}$ mile. The Act contained regulations as to the mode of levying tolls and charges, and the company were required to make up an annual account of their receipts and expenditure under distinct heads, to be certified by the directors and audited by the auditors, to be transmitted to the clerk of the peace in each county and to the overseers of the poor in each parish, and to be open to inspection. The

company was empowered to make bye-laws for regulating the use of the railway, to be approved of by the Board of Trade and exhibited at the stations. The lessee of a railway was subjected to the provisions of the Acts under which the railway had been granted to the company leasing it. The Act regulated the use of engines and carriages by persons other than the company. It also made provisions for the settlement of questions by arbitration and regulated the appointment and proceedings of arbitrators and umpires, and the recovery of damages and penalties. It also provided that copies of the special Acts should be deposited with the clerks of the peace and be open to inspection.

Classification of passengers, cattle, and goods.

23. This Act, however, contained no provisions for regulating the classification of passengers, cattle, or goods, or the services to be rendered by railway companies to the public as carriers, or the rates of toll or fares.

These, therefore, continued to be provided for as previously in the special Acts of each company, without any controlling power to ensure either uniformity or system; but in order to afford some idea of the manner in which the tolls and charges were regulated by private Acts at that time, we may insert the following illustration of the usual provisions for this purpose from the Act of the Lancaster and Carlisle Railway, 7 Vict. c. 37. ss. 304 to 315.

"CCCIV. And with respect to the tolls to be levied for the use of the railway, be it enacted, that the company may lawfully demand any tolls not exceeding the following (that is to say,)

1. In respect of the tonnage of all articles conveyed upon the railway or any part thereof, as follows:

For all dung, compost, and all sorts of manure, lime and limestone, and all undressed materials for the repair of public roads on highways, per ton per mile not exceeding one penny halfpenny; and if conveyed in carriages belonging to the company, an additional sum per ton per mile not exceeding one halfpenny:

For all coals, coke, culm, charcoal, and cinders, all stones for building, pitching, and paving, all bricks, tiles, slates, clay, sand, ironstone and iron ore, pig iron, bar iron, rod iron, hoop iron, and all other similar descriptions of wrought iron and iron castings not manufactured into utensils or other articles of merchandise, sugar, grain, corn, flour, hides, dyewoods, earthenware, timber, stones, and deals, metals (except iron), nails, anvils, vices, and chains, per ton per mile twopence halfpenny; and if conveyed in carriages belonging to the company, an additional sum per ton per mile not exceeding one penny:

For all cotton and other wools, drugs, manufactured goods, and all other wares, merchandise, articles, matters, or things, per ton per mile not exceeding fourpence; and if conveyed in carriages belonging to the company, an additional sum per ton per mile not exceeding twopence:

And for every carriage of whatever description, not being a carriage adapted and used for travelling on a railway, and not weighing more than one ton, carried or conveyed on a truck or platform not belonging to the company, per mile not exceeding sixpence, and a sum of twopence per mile for every additional quarter of a ton or fractional part of a quarter of a ton which any such carriage may weigh.

2. In respect of passengers and animals conveyed in carriages upon the railway, as follows:

For any person conveyed in or upon any such carriage, per mile not exceeding twopence; and if conveyed in or upon any carriage belonging to the company, an additional sum not exceeding one penny halfpenny:

For every horse, mule, ass, or other beast of draught or burden, and for every ox, cow, bull, or neat cattle, conveyed in or upon any such carriage, per mile not exceeding threepence; and if conveyed in or upon any carriage belonging to the company, an additional sum not exceeding one penny:

For every calf or pig, sheep, lamb, or other small animal, conveyed in or upon any such carriage, per mile not exceeding one penny; and if conveyed in or upon any carriage belonging to the company, an additional sum not exceeding one farthing.

"CCCV. And be it enacted, that the following provisions and regulations shall be applicable to the fixing of such tolls; (that is to say,)

For articles or persons conveyed on the railway for a less distance than six miles, the company may demand the said tolls as for six miles, in addition to a reasonable charge for the expense of stopping, loading, and unloading:

For a fraction of a mile beyond six miles, or beyond any greater number of miles, the company may demand tolls for such fraction in proportion to the number of quarters of a mile contained therein, and if there be a fraction of a quarter of a mile such fraction shall be deemed a quarter of a mile:

For a fraction of a ton the company may demand toll according to the number of quarters of a ton in such fraction, and if there be a fraction of a quarter of a ton such fraction shall be deemed a quarter of a ton:

With respect to all articles, except stone and timber, the weight shall be determined according to the usual avoirdupois weight:

With respect to stone and timber, fourteen cubic feet of stone, forty cubic feet of oak, mahogany, teak, beech, ash, or fifty cubic feet of any other timber, shall be deemed one ton weight, and so in proportion for any smaller quantity.

"CCCVI. And with respect to small packages and also to single articles of great weight, be it enacted, that the company may lawfully demand the tolls following; (that is to say,)

For the carriage of small parcels (that is to say, parcels not exceeding five hundred pounds weight each) the company may demand any sum which they think fit: Provided always, that articles sent in

large aggregate quantities, although made up of separate parcels, such as bags of sugar, coffee, meal, and the like, shall not be deemed small parcels, but such term shall apply only to single parcels in separate packages:

For the carriage of any one boiler, cylinder, or single piece of machinery, or single piece of timber or stone, or other single article, the weight of which, including the carriage, shall exceed four tons but shall not exceed eight tons, the company may demand such sum as they, from time to time, may think fit, not exceeding sixpence per ton per mile:

For the carriage of any single piece of timber, stone, machinery or other single article, the weight of which, with the carriage, shall exceed eight tons, the company may demand such sum as they think fit.

" CCCVII. And be it enacted, that the toll which the company may demand and receive for the use of the locomotive engines, which they may think proper to provide for propelling carriages on the railway, shall not exceed twopence per mile for each passenger, or threepence per mile for each parcel or package not exceeding three hundredweight, or fourpence per mile for each parcel not exceeding five hundredweight, and one penny per hundredweight per mile for all weight over and above five hundredweight by the ordinary passenger trains, and not exceeding twopence per mile for each animal and fourpence per mile for each ton of goods or other articles by the ordinary luggage trains, in addition to the several other tolls or sums by this Act authorized to be taken, except where the said company may be required to carry such passengers, animals, or goods at a greater rate of speed than the ordinary rate of conveying the same on the railway by the said trains respectively, or with a less load than may be the full load of any such engine so to be employed: Provided always, that nothing herein-before contained shall extend to any case in which any special or extra train may be required and allowed by the said company.

" CCCVIII. And be it enacted, that it shall be lawful for the said company, and they are hereby authorized (if they shall think proper), to use and employ locomotive engines or other moving power, and carriages and waggons to be drawn or propelled thereby, and to carry and convey upon the said railway hereby authorized, or any other railway, all such passengers, cattle, goods, wares, merchandise, articles, matters, and things, as shall be offered to them for that purpose, and to make such reasonable charges for and about such carriage and conveyance as they from time to time determine upon, not exceeding threepence halfpenny per mile for every passenger, including the several tolls herein-before authorized, to be by them charged and received.

" CCCIX. Provided always, and be it enacted, that it shall be lawful for the company to charge any sum which they may think fit in respect of the carriage of passengers conveyed by first-class trains appointed by the company to travel at a speed not being less than twenty-five miles in the hour, including stoppages.

" CCCX. And be it enacted, that every passenger travelling upon or along the railway may take with him his ordinary luggage, not exceeding sixty pounds in weight and four cubic feet in dimensions, without any charge being made for the carriage thereof.

" CCCXI. Provided always, and be it enacted, that nothing in this Act contained shall in any case extend, or be deemed or construed to extend, to charge or make liable the said company further or in any other case than where, according to the laws of the realm for the time being, stage coach proprietors and common carriers would be liable; nor shall anything herein contained extend or be deemed or construed to extend in any degree to deprive the said company of any protection or privilege which, either now or any time hereafter, common carriers or stage coach proprietors have or may have, but on the contrary the said company shall from time to time and at all times have and be entitled to the benefit of every such protection and privilege.

" CCCXII. And be it enacted, that all tolls for the use of the railway shall be at all times charged equally to all persons, and after the same rate, whether per mile or per ton per mile or otherwise, in respect of all passengers, and all goods, animals, or carriages of a like description, and conveyed or propelled by a like carriage or engine.

" CCCXIII. And be it enacted, that it shall be lawful for the said company to charge for locomotive or steam power and carriages, and for loading and unloading the said goods, wares, merchandise, articles, matters, or things, and for the use of the stations or other accommodation or services provided or performed by them, such sum or sums, and that either per ton or per mile, or by bulk, measure, number, or admeasurement, or by fixed charges, as they shall think expedient: Provided always, that in whatever way the said charges are made by the company hereby incorporated, or charges of the same description by any other company or party with whom the company hereby incorporated may enter into any contract or arrangement pursuant to the provision herein-after contained, they shall be made equally to all persons in respect of all animals, and of all goods, wares, merchandise, articles, matters, or things of the same description and quantity, and conveyed or propelled by a like carriage or engine passing only over the same portion of and over the same distance along the railway by this Act authorized (and also any other railway), and at the same speed and in the same direction, and in the same class of train or carriage, and in all other respects under the same circumstances, and in respect of all accommodations of the same nature afforded in respect thereto; and no reduction or advance in any of such charges shall be made partially, either directly or indirectly, in favour of or against any particular company or person; but the said company shall not be compellable to charge after the same rates per mile or per ton, or in the same manner for long as for short distances, or for goods or passengers carried to or from places beyond their own line, as for goods or passengers carried on or along their own line.

" CCCXIV. Provided always, and be it enacted, that in the event of the said railway being let on lease to or becoming the property of any other railway company or companies, it shall be lawful for the said company or companies, being lessees, to demand and take rates and charges of less amount in respect of passengers or goods conveyed by them on the said railway, and which shall also be conveyed by them on their own or any other railway or railways, or any part thereof, than the rates and charges which may at the same time be demanded by them in respect of the conveyance of passengers, and of the same description of goods, passing only on their own or such other railway or railways, or only on the railway hereby authorized (as the case may be).

"CCCXV. And be it enacted, that the company shall not at any time demand or take a greater amount of toll than the company are by this Act authorized to demand; and upon payment of the tolls from time to time demandable all persons shall be entitled to use the railway with engines and carriages properly constructed as by this Act directed, subject nevertheless to the regulations to be from time to time made by the company by virtue of the powers in that behalf herein conferred upon them."

Act of 1845.

24. In 1845 Parliament passed an Act prohibiting the sale, lease, or transfer of any railway except under the provisions of a special Act of Parliament.

Gauge Commission and Act.

25. Meanwhile the system of parliamentary legislation had permitted a diversity in the gauge of railways to come into existence. So long as the railways were detached from each other no inconvenience had resulted therefrom, but when the two gauges met at Gloucester the attention of the public was directed to this evil, and in 1845 an address from the House of Commons was presented to Your Majesty praying for the appointment of a Royal Commission to inquire whether a uniform gauge should not be prescribed. The Royal Commission appointed thereupon reported in 1846, and concluded with recommending that uniformity should be obtained by altering the broad to the narrow gauge.

The Gauge Act was founded upon this report and passed in 1846. This Act did not fully adopt the recommendations of the report, but only defined the districts to which the broad gauge was to be limited, and rendered it compulsory on all railway companies in other parts of Great Britain to adhere to the narrow gauge of 4 feet 8½ inches, unless Parliament should, in the special Act of a company, otherwise define the gauge. In Ireland, a special gauge was enforced as we shall mention hereafter.

Standing orders.

26. The large number of railway Bills which had been brought forward in 1844, 1845, and 1846 had occasioned so much pressure on the general committee on standing orders, originated in 1837, that the sub-committees were discontinued, and examiners of standing orders were appointed in their stead.

It may be well here to recall the fact that the standing orders committee of 1837 was assisted by four sub-committees, each of which had its own chairman. These sub-committees decided whether each private Bill had or had not complied with standing orders. Their reports went to the standing orders committee to decide whether the standing orders might or might not be dispensed with in the particular case. The four chairmen of sub-committees were ex-officio members of the standing orders committee, which therefore had the benefit of their advice. When the examiners were substituted, the committee lost this benefit.

First Commons Committee of 1846.

27. In 1846 a committee was appointed by the House of Commons to consider the principle of amalgamation as applied to the railway and canal Bills then under the consideration of Parliament. They recommended in their first report,

"First, that general powers of granting or accepting a lease or sale of a railway or canal, or of otherwise merging the independence of one company in another not named, should not be allowed to be inserted in any Bill.

"Secondly, that the same rule be applied to all Bills which contain clauses enabling the companies to lease or sell their tolls or works to any one of a number of railway companies therein specified.

"Thirdly, that a clause be inserted in each Bill subjecting all the parties involved in it to all general Railway Acts.

"Fourthly, that in all instances in which railway companies propose to take powers of amalgamation, the rates and tolls of the amalgamated companies should be subjected to revision."

In their second report they made the following general remarks on the subject:—

"The general conclusion, therefore, to which your committee have come is, that it would not be politic altogether to refuse the sanction of Parliament to the amalgamation of railways with canals. They would, however, strongly impress upon the attention of the committees to whom Bills, whether for the amalgamation of canals with railways, or for the conversion of canals into railways, may be referred, that a most searching inquiry should be instituted into the merits of each case; and that their sanction should be given only in those instances in which it shall have been clearly proved that the amalgamation can be effected without prejudice to the public.

"They venture to submit the following points as deserving of consideration in the case of all such Bills:—

"1st, the imposition of a low scale of tolls and charges upon all parties to the scheme. It should be borne in mind, that in the case of canals the scale of tolls is of much greater importance than in that of railways; for as, in most instances, the public are themselves the carriers on canals, they are more interested in the tolls than in the general charges. Subject to this observation, your committee refer to the suggestions with respect to tolls and charges contained in their former report, and which they consider equally applicable to the amalgamation of railways with canals.

"2ndly, strict regulations should be made for maintaining the canals in an efficient state of repair, and for securing a proper supply of water.

"3rdly, power should be expressly secured to the public of carrying passengers and all kinds of goods and merchandise on canals.

"4thly, the privilege of making bye-laws should be subjected to a careful revision.

"Many of the canal companies exercise much power in this respect. They are authorized, for instance, under these laws, to suspend the navigation of the canals for various purposes, and during uncertain periods; and though this power may be innocuous so long as it is exercised by a party directly interested with the public in the limited exercise of it, it is obviously one which may be used with great and detrimental effect to fair competition, by parties so disposed.

"5thly, in cases of the conversion of a canal into a railway, care should be taken that no district is deprived of efficient means of general communication, and the company should be compelled to afford due facilities of access to canal companies and other parties who may be affected by the change.

"After mature consideration, your committee have come to the conclusion that it is absolutely necessary that some department of the executive Government, so constituted as to command general respect and confidence, should be charged with the supervision of railways and canals, with full power to enforce such regulations as may from time to time appear indispensable for the accommodation and general interests of the public."

Lords Committee of 1846. Second Commons Committee of 1846.

28. In 1846 also a committee of the House of Lords was appointed to consider whether a uniform system of management could be enforced on railways; how the expense attendant on obtaining Acts of Parliament could be diminished; and whether legislative measures could be framed to protect individuals from the injury they sustained from railways passing through their property, so as to relieve them from being subjected to the expense of opposing Bills in Parliament: a committee of the House of Commons was also appointed to consider whether conditions could not be embodied in railway Acts, better fitted than those already inserted, to promote the interests of the public.

These committees concurred in recommending the appointment of a department of the Government which should make preliminary investigations into all railway schemes, and be charged with a general control and supervision of railways.

Commissioners of Railways, 1846. Bill of 1847.

29. An Act was passed in consequence in 1846, establishing a Board of Commissioners of Railways, to whom the powers possessed by the Board of Trade were transferred.

At the time of the appointment of this board it was intended that these powers should be extended in the sense of the recommendations of the committee; and the whole subject of railway legislation was referred to the commissioners in order that a bill might be introduced in the ensuing session of Parliament for the regulation of railways, and for defining the powers which should be vested in the commissioners.

This Bill was accordingly introduced in 1847. It proposed to regulate future applications to Parliament for new lines by making it incumbent on the promoters of a railway to apply to the commissioners in the first instance for powers to survey their intended line, depositing at the same time an adequate sum for payment of expenses of survey, not exceeding 500*l.* per mile. After the survey the promoters were to set out the line on the ground, either by means of a furrow or stakes, and mark upon posts set up at intervals the intended height of the rails above or below the ground, so that proprietors might clearly see how their property was to be affected by the proposed line; and where objections were entertained by the proprietors as to the precise course of the line a means was afforded by the Bill to enable the projectors and proprietors to come to an equitable arrangement as to deviations or alterations.

The projected line when laid out was to be reported on by an officer of the commissioners of railways, and the final plans for submission to Parliament were to be deposited with the commissioners on or before the 31st July next before the session of Parliament in which the promoters intended to apply for powers to construct the railway.

The commissioners were to report to each house of Parliament upon the engineering merits of the Bill, to show the proposed tolls, fares, and charges, and to compare them with those on lines connected with the proposed line; to report also on the proposed accommodation to be afforded to the Post Office: and upon any proposed union with, or purchase of, other undertakings.

The Bill empowered the commissioners to examine into compliance with the standing orders of the Houses of Parliament. They were to cause the inspection of all new lines. They also took powers to call for returns of tolls and charges actually levied by railway companies, and railway companies were to publish at the stations either the whole of their tolls and charges or such portions of them as the commissioners might direct. The companies were not to raise these tolls and charges without 15 days' notice. The commissioners were to report annually to Parliament upon the tolls, fares, and charges actually taken by railway companies, and to direct the attention of Parliament to irregularities or discrepancies, or cases of excessive tolls, or to any other matters relating to the tolls, fares, and charges which, in the opinion of the commissioners affected the public interest.

The times of running trains were not to be altered without fourteen days' notice, and the companies were to register the actual times kept by trains at any stations ordered by the commissioners, and to suspend for public inspection, if required, a registry of the time kept by the trains for the previous week at such stations; and the commissioners were to report to Parliament annually upon the regularity or irregularity of trains. They were also to regulate "cheap trains."

The Bill proposed to modify the existing law as to the conveyance of military and police, as follows:—

"For every commissioned officer, two-thirds of the fare for the time being charged by such company for passengers travelling in carriages of the same class as that in which such officer shall travel."

"For every sailor, soldier, marine, private of militia, or police constable, or the wife, widow, or child of twelve years of age and upwards, of any such sailor, soldier, marine, private of militia, or constable, two-thirds; and for every such child of three years of age and upwards, but under twelve, one-third of the fare for the time being charged by such company for passengers travelling by the cheap trains of such company."

"For such children under three years of age no charge shall be made."

"For every ton of baggage, stores, arms, ammunition, and other necessaries, except gunpowder and other combustible matter, twopence per mile, the assistance of the military or other forces being given if required in the loading and unloading thereof."

"For gunpowder, and other combustible matters, such reasonable sum as shall be demanded by the railway company, but subject nevertheless to be reduced, and the excess, if any, repaid by order of the commissioners, if they so think fit, on complaint being made to them."

The commissioners were to settle disputes between railway companies having termini or portions of line in common. They were also to obtain returns of traffic and of accidents from the railway companies, and were empowered to call for such other returns as they might think fit of fares, charges, receipts, expenditure, regulations, general proceedings, and management, and to inspect the books and documents of the railway companies.

The expense of inquiries was to be defrayed by the railway companies.

Byelaws were to be approved by the commissioners; and, during the construction of a railway, they were empowered to require the company to provide police for protection of districts.

We have been thus particular in describing the provisions of this Bill, because it shows the extent of control which the Government of that day deemed either advantageous or desirable. It was in fact limited to inquiry and publicity.

The Bill, however, did not meet with the approbation of the House of Commons, and was withdrawn on the second reading. In 1851 the Board was abolished, and its powers and duties were retransferred to the Board of Trade.

30. The profitable returns afforded by the earlier railways having attracted in 1844 and subsequent years a large amount of capital, competing lines had been proposed, either by new or by existing companies, to most of the important centres of population. Legislation in 1844, '5, '6, and '7.

The Legislature had, as the report of the Committee of 1844 shows, sanctioned many such lines on the ground of competition, assuming that the remedy for the evil consequences of any monopoly which a railway was considered to possess on its own line was to be obtained by affording a competing line.

The number of Acts for new lines of railway and for alterations or extensions of the powers of existing companies, which had been 57 in 1844 for 805 miles of railway, with power to raise 20,500,000*l.*, rose to 120 in 1845 for 2,700 miles of railway, with power to raise 59,479,500*l.*, and reached 270 in 1846 for 4,538 miles of railway, with power to raise 132,617,368*l.*, and 190 in 1847 for 1,354 miles of railway, with 39,460,128*l.* of capital. This led to a demand for capital for investment larger than the resources of the country could supply; consequently the public were compelled to retrace their steps. At the end of 1847 an Act was passed for extending the time for making certain railways, and in 1850 another Act for enabling railway companies to give up the powers for proceeding with portions of their undertakings, and to release them from the conditions which had been attached to such powers. And of the 8,592 miles sanctioned in the three sessions of 1845, 1846, 1847, no less than 1,560 miles were abandoned by the promoters under the powers of this Act.

31. To secure a greater uniformity of procedure in the House of Lords, a standing order was passed by that House in 1848, by which the former practice of the House of leaving questions arising out of the compliance with standing orders, to be dealt with by the committee on the bill, was abolished; and a general committee, consisting of 40 peers, was appointed to decide all such questions. Lords' standing order, 1848.

Committee of 1849.

32. The financial difficulties to which the pressure for capital, caused by the rapid extension of railways gave rise, led to the investigation of the accounts of railway companies, and a committee of the House of Lords was appointed in 1849 to consider "whether the "railway Acts do not require amendment, with a view of providing for a more effectual "audit of accounts, to guard against the application of the funds of such companies to "purposes for which they were not subscribed, under the authority of the Legislature."

The committee recommended that a uniform regulated form of account should be prescribed for all railway companies, and that the accounts should be made more explanatory. They proposed that this form should embrace the following particulars.

1st. A full statement of all the parliamentary powers granted for raising money, and showing the undertakings to which they were applicable; the manner in which the money had been raised under these parliamentary powers, showing the nature of securities issued under each Act, with the conditions and rate of interest applicable to each, and the amount of money obtained and arrears; and the balance of parliamentary powers unexhausted.

2nd. A capital account explaining how the money shown as having been raised under the parliamentary account had been disbursed.

3rd. An account of the ordinary income and expenditure of the railway company.

They also recommended separate accounts to be kept for separate branches, and the creation of a reserve fund.

The committee further recommended that the right of inspection by shareholders of the accounts should be unrestrained; that all accounts without exception touching or relating to the receipts or payments of the company should be required to be produced; and that in case of refusal the statutory penalty should be extended from the book-keeper to the governing body; also that the registered list of shareholders and transfer books should be accessible to shareholders.

The committee also recommended that the restriction upon selecting auditors from among the shareholders should be repealed, and that the auditors should be empowered to call for all books and documents of the company necessary to elucidate not only the balance sheet, but the whole financial condition of the company.

The committee further recommended that the Government should name one auditor to act in conjunction with two auditors to be named by the company; and that if the Government auditor differed in opinion from the company's auditors, his opinion should be recorded and published with the accounts for the information of the shareholders.

Bills embodying some of these provisions were introduced into Parliament in subsequent sessions, but they did not become law.

Railway Clearing House.

33. In the earlier period of railways the carriages and waggons of one company did not generally pass from one line to another, and the inconvenience and expense from change of vehicles were very great. Parliament had contented itself with providing in general terms for the use of railways by the public without any preference, and with prescribing rates of toll on very general and various classifications; but when the railway system began to be developed, the necessities of the railway companies compelled them to come to an understanding with one another, upon a more precise and definite basis, adapted to their real position as common carriers over those lines where they came in contact, in order to accommodate the general wants of the community.

For this purpose the chief railway companies created from amongst themselves an association, with a central office in London, to regulate certain questions of interchange of traffic as between the several companies, and to adjust the accounts arising out of the united action of the companies: to settle disputes as to the division of, and to apportion, the receipts from the traffic which might pass over more than one line under agreements made between the several companies; and to keep the records of the movement of waggons and carriages when these might pass off the lines of the company to which they belonged to the lines of other companies. This institution is called the Railway Clearing House. It was first formed in 1847 by the voluntary association of a few of the narrow gauge companies.

The association made regulations for a more complete classification of all merchandise, and for separating the mileage rate for conveyance along the railway from the charges for any service at the stations, or in the collection and delivery of goods, so that a just division of the gross charge made to the public might be effected amongst the several railway companies engaged in the transport of the goods.

In 1850 Parliament recognized the existence of the clearing-house system, by an Act of Incorporation, enabling the body to sue and be sued; and enacted that any railway

company might join the association or retire from it at a month's notice, and that any company might be compelled to retire at the request of two-thirds of the associated companies.

Each company is represented by a delegate; the delegates constitute a committee for conducting the business of the association, with a chairman, secretary, and treasurer.

The committee are empowered to adjust all accounts between the several companies, and decisions by a plurality of the votes of the delegates respecting any matters of account between the companies are final and conclusive. Any balance found due from a company is a debt due to the committee, for the recovery of which a special remedy is conferred by the Act.

The committee is required to keep entries of all its proceedings, which are to be received in evidence in any suit against a company which is a member of the association.

Amalgamations.

34. The earlier railways had been formed by companies owning comparatively short lines. Thus the line from London to Liverpool belonged to three companies. That from Bristol to Leeds belonged to three companies, and great loss of time on the road and inconvenience arose from the want of unity of management, and from disputes between the companies.*

Therefore, partly for economy of management, and partly for the convenience of the traffic, some of the earlier railway companies, whose interests were identified in a through route of communication, obtained powers to amalgamate their lines.

By amalgamation the places in which these united companies were interested increased in number, and as the number of railways increased, they came into competition with neighbouring lines at many more points. It became necessary to buy up rivals, and this led to further amalgamation, which thus became not so much a question of economy in the management of the lines as of offensive and defensive policy.

The extensive amalgamations which took place, whilst they caused a gradual tendency towards an apportionment of the country into districts, had not removed from the companies the desire to increase the area from which they derived their traffic respectively, and hence continual Parliamentary contests went on between the larger companies for lines to penetrate into each other's districts, and between new and existing companies.

Committee of 1853.

35. The railway Bills submitted to Parliament in the session of 1853 proposed such important amalgamations that a select committee was appointed in that session "to "consider the principle of amalgamation as applied to railway or railway and canal Bills

* The inconvenience experienced is shown in the following extract from the Report by Mr. Laing, Secretary to Railway Department of Board of Trade, in 1844:—

"As regards the public, the existence of so many independent companies, subject to no control, has been attended with considerable inconvenience in addition to the evil of high fares. For instance, where a great line of communication is broken up into several links, each in the hands of an independent company, the through passenger is not only exposed to loss of time and inconvenience, but frequently to the pecuniary loss of having either to stay at some stage of his journey for several hours, or proceed by a more expensive class. To take an example, the London and Birmingham Railway Company runs seven mixed trains, or trains with second-class carriages, each way daily; but the Grand Junction Company only runs two mixed trains, of which one leaves Birmingham at 6 in the morning, and another Liverpool at 4.45 p.m., being respectively too late and too early to form links in the through communication by day between London and Liverpool; whilst of the remaining mixed trains, one leaves Liverpool at 6 a.m., which is too early for any passengers arriving that day by steamboats. The extent to which the public suffer by these arrangements may be estimated from the fact that while upon the London and Birmingham Railway the proportion of second and third-class passengers to first-class passengers is as 63 to 37, upon the Grand Junction line it is as 46 to 54. Taking the actual numbers who travelled upon these lines by each class in 1842, this result would appear to indicate that at least 75,000 persons annually who would wish to travel by second or third-class carriages are compelled by the arrangements of the Grand Junction Company to travel by first class. The same thing takes place, though to a less extent, in several other cases where the links of communication are in the hands of independent companies, and especially as regards third-class passengers, who can seldom avail themselves of the facilities of railway travelling *for long distances.*

"This appears to me by far the most important evil inflicted on the public by the existence of so many independent railway companies; but there are also many minor inconveniences resulting from the disagreements of those bodies, and the clashing of conflicting interests. For instance, the public have been for two years deprived of cheap access to the London Bridge Terminus, and of the benefit of low fares on the Croydon Railway, owing to a dispute between the Croydon and Greenwich companies as to the amount of toll to be paid by the former for the use of 1¾ miles of the Greenwich line. The extent of inconvenience to the public may be judged of from the fact that the number of passengers using the Croydon Railway in the course of the year fell off more than 200,000, owing to the dispute and consequent increase of fares, and that the Croydon Company were actually on the point of abandoning their traffic altogether. Another instance is afforded at Preston, where, owing to the disputes between the different railway companies whose lines terminate in that town, separate stations have been erected at a heavy expense, and passengers proceeding through have been compelled to alight and walk 200 yards without shelter from the carriages of one company to those of the other."

"about to be brought under the consideration of Parliament, and to consider the principles "which ought to guide the House in railway legislation."

The committee recommended—

1. Improvements in the means of dealing with railway Bills.
2. General legislation.

In considering the question of railway Bills it showed that the decisions of the committees on the Bills were fortuitous and inconsistent with each other; that it was frequently not the interest of either one party or the other which appeared before the committee to bring out in evidence the whole case, and that a committee unaccustomed to such investigations was unable to push the inquiry further than counsel chose to direct them; and it instanced what had been the result of the legislation on the gauge system, viz., that what Parliament had undertaken to settle by general legislation, Parliament, in compliance with the finding of private bill committees upon the special circumstances of each case, had forthwith proceeded to unsettle.

It proposed as a remedy the institution of a committee of a character more permanent than heretofore, with the object of securing a comprehensive review of all schemes submitted to Parliament every session.

In dealing with the question of allowing competing lines, the committee urged that greater protection should be given to existing interests, upon the ground that an Act of Parliament constitutes an engagement with the promoters on one side and the public on the other; that this principle rightly understood conveys to the promoters no right that their privileges shall be exclusively maintained when they cease to be consistent with general advantage; but that it does imply that the promoters having been authorized by the Legislature to construct expensive works for public use, the resources from which their just remuneration was to spring should not be taken away upon any other than clear grounds of public policy.

The committee also suggested that amalgamation between companies should be discouraged, and that it was preferable to have working arrangements between the companies for the regulation of traffic and division of profits, which would be subject to revision after limited periods; and that running powers should only be conceded where the free transit from one system to another could not be ensured by other means.

The result was the appointment in the session of 1854 of a general committee, from which the chairmen of the several committees on railway Bills were selected, and the Board of Trade was required to report on the several railway Bills so as to point out to the committees any exceptional legislation proposed by the Bills.

These attempts to guide committees have invariably failed, because all committees necessarily look upon the merits of the particular case before them, just as a jury does, and will not act upon principles of general policy as laid down by another committee when the justice of the case before them appears to render a departure from such general principles necessary. Hence, notwithstanding the recommendation of the committee against amalgamation, the three following years saw the amalgamation of the North-eastern lines of railway, the Lancashire and Yorkshire and East Lancashire, and the Great Western with the Shrewsbury lines; and the decisions of Parliamentary committees with respect to competing lines were not more uniform than before.

Traffic Act, 1854.

36. With regard to general legislation the Committee of 1853 recommended that every company should be compelled to afford the public the full advantage of free interchange of traffic from one system of railway to another, and proposed some interference with the management of railways to secure the safety of the public by fixing greater responsibility on the officers of railway companies in respect of accidents than had hitherto prevailed.

Parliament in consequence passed in 1854 the Railway and Canal Traffic Act, which enunciated, more fully than had been done before, the principle that every railway company should afford all reasonable facilities, for the receiving and forwarding and delivery of traffic, upon and from the different railways, and that no company should make or give any undue or unreasonable preference or advantage to, or in favour of, any particular person or company, or any particular description of traffic in any respect whatsoever, and that every railway company having or working railways, which form part of a continuous line of railway or railway communication, or which have the terminus or station of the one near the terminus or station of the other, should afford all due and reasonable facilities for receiving and forwarding all the traffic arriving by one of such railways by the other without any unreasonable delay, and without any preference or advantage, or prejudice or disadvantage, and so that no obstruction should be offered to the public desirous of using such railways.

The Act also provides a summary remedy against railway companies for any violation of its enactments by an application to the Court of Common Pleas in England, and to other corresponding courts in Ireland and Scotland.

By another provision of the Act the liability of railway companies in the conveyance of horses and cattle was limited in amount unless insured, and any special contracts limiting the liability of the companies beyond the restrictions of the Carriers Act were required to be reasonable to the satisfaction of the court, and to be in writing, signed by the person despatching the commodity.

Parliament did not give legislative effect to the recommendation of the Committee of 1853, that greater responsibility should be fixed on the officers of railway companies in respect of accidents than had hitherto prevailed.

Act of 1858.

37. The general prohibition against railway companies leasing their undertakings without a special Act for that purpose was extended in 1858 to all canal companies owning railways, as regards both their railways and canals.

Standing order of 1858.

38. In consequence of the great pressure on private Bill legislation in the House of Commons at the beginning of a session, that House in 1858 agreed to a standing order that it would not insist on its privileges with regard to any clauses in private Bills sent down from the House of Lords which referred to tolls and charges for services performed and are not in the nature of a tax; and since that time the proceedings on private Bills have commenced in either House of Parliament, as may be found most convenient.

Arbitration Act, 1859.

39. With a view to facilitate the settlement of differences between railway companies, an Act was passed in 1859 empowering the companies to submit to arbitration any existing or future differences, questions, or other matters whatsoever, in which they were or should be mutually interested.

Committees of 1858 and 1863. Resulting Acts.

40. The want of uniformity in the decisions of committees on railway Bills was again brought before the House of Commons in 1858, when a select committee recommended that the panel of chairmen should be reduced, if possible, to five. But the large number of private Bills which continued annually to come before Parliament, as well as complaints respecting the length and costliness of the proceedings in contested cases, and of the want of uniformity in the decisions, again led to the appointment of committees in both Houses of Parliament in the year 1863.

Various proposals for some new form of tribunal were brought forward before these committees, but in consequence of the large discretion which must be vested in any tribunal, however constituted, to which the duty may be entrusted of adjudicating on contested private Bills, and the impossibility of having fixed rules for the guidance of such a tribunal, it was considered to be inexpedient for the duty to be performed otherwise than by committees of the Houses of Parliament. As one means, however, of diminishing the amount of private Bill legislation, the committee of the House of Commons recommended the passing of an Act on the principle of the Clauses Consolidation Acts of 1845 for the further consolidation of clauses usually contained in railway Acts, and also an Act to enable new and existing railway companies, on compliance with conditions to be contained therein (such compliance to be certified by a department), to make new lines of railway, with the consent of all parties affected, without application to Parliament; also to give power to two or more companies to enter into mutual arrangements for the working or use of their respective lines for limited periods, and power to raise further capital with preferential dividends, or otherwise for completion of existing lines, or for additional works, the priority of the rights of existing preference shareholders being secured.

The legislation on these questions is contained in the "Railway Companies Powers Act" and the "Railways Construction Facilities Act," 27 & 28 Vict. cc. 120. and 121.

Railway Companies' Powers Act.

41. The first of these Acts enables railway companies to enter into agreements in the following matters:—

The maintenance and management of the railways of the companies respectively, or of any one or more of them, or of any part thereof respectively. The use and working of the railways or railway, or of any part thereof, and the conveyance of traffic thereon. The fixing, collecting, and apportionment of the tolls, rates, charges, receipts, and revenues levied, taken, or arising in respect of traffic. The joint ownership, maintenance, management, and use of a station or other work, or the separate ownership, maintenance, management, and use of several parts of a station or other work. Public notice of the intended agreements is to be given, the Board of Trade having power to inquire into the merits of objections; but in case any railway or canal company objects to the proposed

agreement, and desires to be heard by counsel, the Board of Trade is not to proceed with the agreement, but to leave the parties to apply to Parliament.

Railway Construction Facilities Act.

42. Under the Railway Construction Facilities Act power may be obtained from the Board of Trade to construct a railway when the whole of the proprietors, whose land is required for the purpose, consent to part with it for the undertaking, and when no railway or canal company objects to the project in the manner prescribed by the Act; but this latter provision renders the Act to a great extent inoperative. The promoters of the undertaking, if more than seven, are to be incorporated by the Board of Trade, with power to raise capital by shares or by borrowing to the extent prescribed in the certificate of incorporation.

The company is to be entitled to take tolls and charges within the maximum prescribed in the schedule to the Act, unless varied by the certificate of the Board of Trade. This schedule is the first attempt made by Parliament to reduce the rate of tolls or charges to be made by railway companies to a general system, and will be found at length in the Appendix DS.

Terminal charges.

43. In 1861 the subject of terminal charges, which had been found to be in a very unsatisfactory state, was brought, by the representatives of the railway companies, under the consideration of Parliament; and they proposed that the following clause should be inserted, after the maximum rate clause in each special railway Act.

"It shall also be lawful for the company, acting as carriers, to make a reasonable terminal charge for the accommodation afforded, and service rendered by them in respect of any goods or minerals other than the actual conveyance thereof along the railway; provided always, that such charge shall in no case exceed the rate of 2*s.* per ton for goods, and 9*d.* per ton for minerals, at each terminal station of such traffic, unless the matters to which such charge relates shall remain on the premises of the company more than 24 hours, by the desire or default of the consignor thereof, or shall so remain by the desire or default of the consignee thereof for twenty-four hours (Sunday, Christmas-day, and Good Friday excepted), after notice of the arrival of the same shall have been despatched to the consignee, in either of which cases it shall be lawful for the company to charge an additional reasonable sum for such occupation of their premises and for services performed by them in consequence of such delay; and when the company performs any service with respect to traffic outside their premises, they may charge a further reasonable sum for such service.

"For a fraction of a ton the company may demand the aforesaid terminal charges according to the number of quarters of a ton in such fraction, and if there be the fraction of a quarter of a ton such fraction shall be deemed a quarter of a ton: and small parcels shall be altogether exempt from such terminal charges."

Owing, however, to the opposition of the coal owners, who feared the exaction of the 1*s.* 6*d.* per ton upon coal traffic, and whom the representatives of the companies failed to satisfy, the clause was withdrawn.

In 1865 a Bill was brought into the House of Commons by the President of the Board of Trade, for enacting certain general clauses applicable to railways, and the following is one of these referring to terminal charges.

"In addition to the charges for goods conveyed on the railway specifically authorized by the Special Act, a reasonable charge shall be payable for the loading, covering, and unloading of goods at any station on the railway, being a terminal station in respect of such goods, and for delivery and collection and any other services incidental to the duty or business of a carrier where such services, or any of them, are or is performed by the company. A station shall not be considered a terminal station in respect of any goods unless they are received there direct from the consignor, or are ordered to be delivered there to the consignee."

The Bill was re-introduced in 1866, but it did not become law.

Proposals to regulate working.

44. We may notice here that Bills have at various times been introduced with the object of compelling railway companies to adopt some precise system of working, but they have not been passed. In the last session a Bill of this nature proposed to compel railway companies to adopt a means of communication between passengers and guards and guards and engine drivers of all trains. It proposed that ready and effectual means of communication should be provided from each compartment to the guard, and from the guard to the driver, under a penalty for non-compliance; and it proposed a penalty on every passenger wantonly or mischievously using the means of communication. A select committee appointed on the Bill recommended it should stand over till the next session.

Railway accounts.

45. From this sketch, showing the principal features of the railway system which has grown up under the sanction of Parliament, must not be omitted the mention of two important subjects, which have at various times occupied the attention of committees of the Houses of Parliament.

These are, the question of railway accounts, and the borrowing powers of railway companies.

Parliament has endeavoured to secure a faithful record and account of all the financial transactions of the companies to be kept under the authority of the directors; a power for any shareholder within limited bounds to examine the company's accounts; the periodical exhibition of a balance sheet showing all the capital, stock, credits, and property of and debts due by the company, and giving a distinct view of the profit and loss; the appointment of auditors independent of the directors, but interested as shareholders; and the payment of a dividend out of profits coupled with a prohibition against reduction of capital by means of dividends, and allowing the formation of a reserve fund out of revenue.

These provisions of the law are nevertheless defective in so far that they do not secure an uniform system of accounts. Each company is at liberty to adopt the form it considers most convenient, and to vary that form from time to time. The result is that no adequate means are afforded by which to compare the financial affairs of two railways, or even to compare the accounts of the same railway from time to time. This uncertainty deprives the public of the power of ascertaining the relative condition of different companies; it deprives one company of the means of profiting by the experience of another, and it leaves shareholders without an adequate check on the governing body.

Borrowing powers.

46. As regards the borrowing powers of railway companies, although the power of a railway company to borrow is generally limited by its special Act to one-third of the share capital, companies have continually exceeded their borrowing powers.

In 1844 it was necessary to legalize the large class of securities termed *loan notes*, which they had down to that time issued in excess of their borrowing powers; but it was at the same time provided "that any railway company issuing any loan note or other "negotiable or assignable instrument purporting to bind the company as a legal security "for money advanced otherwise than under the provisions of some Act or Acts of "Parliament authorizing the railway company to raise such money and to issue such "security, should, for every such offence, forfeit to Her Majesty a sum equal to the sum "for which such loan note or other instrument purports to be the security." It is to be observed, however, that these provisions do not extend to obligations issued for other considerations than money advanced to the company.

A committee appointed by the House of Lords in 1864 stated that at that time the directors of some railway companies, without consulting the shareholders, and without the knowledge of the statutory debenture holders, had defeated the intentions of Parliament, and incurred obligations to a large amount by the issue of a security, termed Lloyd's bonds, for debts contracted for the purposes of the undertaking other than for cash advances, in excess of their Parliamentary powers for raising money; that the holders of these securities can sue upon them, and recover judgment against the companies; and that success in any conflict for priority of claim between them and the holders of statutory debentures would appear to be only a question of more or less diligence

The committee added that they—

"see no reason why railway companies should continue altogether free from the adjusting process to which other trading companies are liable through proceedings in bankruptcy. On the contrary, they are of opinion that the present practice by which the affairs of companies practically bankrupt are patched up by successive Acts of Parliament is injurious to the public, and too frequently of no real benefit to the shareholders. When a company pays little or no dividend on its original capital, the working expenses are often cut down injuriously, danger arises from insufficient service, and the risk of present loss attending any reduction of fares, even with the fairest expectation of future profit, is a bar to liberality of management. For the public advantage, it is desirable that a railway should yield reasonable returns to those under whose control it is placed; and when a company becomes seriously embarrassed, it is expedient that the concern should be transferred to others, under whose management it may be efficiently conducted. The knowledge that such must be the result of mismanagement would probably have a most beneficial effect on the proceedings of directors, and subject the credit which they would be able to obtain to some useful restraint."

The committee recommended compulsory registration of statutory debentures, but saw no remedy against the issue of Lloyd's bonds beyond taking away from the creditors of a railway company the right to seize the stock and stop the traffic of the company; adding that regulations with the objects above mentioned should be framed in a public Act, whereby Parliament would be relieved from dealing with a very troublesome class of Bills.

Railway Securities Act, 1866.

47. In the session of 1866 Parliament accordingly passed the Railway Companies Securities Act, under which every railway company is bound to register half yearly at the office of the Registrar of Joint Stock Companies an account of the loan capital, showing,—

"1. The Act or Acts of Parliament under the powers of which the company have contracted any mortgage or bond debt existing at the end of the half year, or have issued any debenture stock then

existing, or the Act or Acts of Parliament by or under which any mortgage or bond debt or debenture stock of the company then existing has been confirmed, and the Act or Acts of Parliament under which the company have any subsisting power to contract any mortgage or bond debt, or to issue any debenture stock either on fulfilment of any condition or otherwise.

"2. The amount or respective amounts of mortgage or bond debt or debenture stock thereby authorized or confirmed.

"3. Whether or not by any such Act or Acts the obtaining of the certificate of a justice or sheriff for any purpose, or the obtaining of the assent of a meeting of the company, has been made a condition precedent to the exercise of the power thereby conferred of borrowing on mortgage or bond, or of creating and issuing debenture stock.

"4. The date at which such condition has been fulfilled.

"5. The amount or the aggregate amount under the powers of such Act or Acts actually borrowed up to the end of the half year on mortgage or bond (distinguishing them), and then being an existing debt, and of debenture stock actually issued up to that time and then existing.

"6. The amount or the aggregate amount remaining to be borrowed."

And with respect to new borrowing powers the company is to show,—

"1. The Act of Parliament conferring the power to borrow on mortgage or bond, or to issue debenture stock (either on fulfilment of any condition or otherwise).

"2. The amount of mortgage or bond debt or debenture stock thereby authorized.

"3. Whether or not by such Act the obtaining of the certificate of a justice or sheriff for any purpose, or the obtaining of the assent of a meeting of the company, has been made a condition precedent to the exercise of the power thereby conferred of borrowing on mortgage or bond, or of creating and issuing debenture stock.

"4. The date at which such condition has been fulfilled."

The account kept by companies is to be open to all persons interested without payment, and the documents kept by the registrar are to be open to any one on payment of a fee of 1*s*. The Act forbids any company to borrow money under any Act until it has registered the Act which gives the borrowing power.

Railway legislation for Scotland.

48. In the above account of the history of railway legislation we have omitted any special reference to the cases of Scotland, Ireland, and the Metropolis, as it was more convenient to mention them separately.

The legislation for Scotland is identically the same as that for England, except that Scotland has required an exceptional Act for the Railway Clauses Consolidation Act, because of the different administration of law in that country.

An Act has also been passed for authorizing the construction of tramways on public roads. These tramways are to be entirely under the trustees of turnpike roads, they are to form part of the road, and to be supported and maintained out of the tolls or money borrowed on the security of the tolls, but they may be laid down by private parties on statute labour roads.

Railway legislation for Ireland.

49. As regards Ireland the case is different.

The condition of Ireland has at various times caused the attention of Parliament to be directed to the prosecution of Public Works in that country, and a large system of inland navigation has been executed there mainly out of Imperial funds.

In 1836 the question of the construction of railways in Ireland was brought forward by the Government.

Royal Commission of 1836-7.

A Royal Commission was appointed at the end of 1836, in the reign of His late Majesty William IV., and renewed by Your Majesty in 1837, for the purpose of considering a general system of railways for Ireland, and the best mode of directing the development of this new means of intercourse to the channels where the greatest advantage might be obtained by the smallest outlay, with a view to developing the resources of the country.

The commission made a very elaborate survey of the country, and recommended certain trunk lines of railways, but they proposed—

"That every effort be made to combine into one interest and under one management and control the whole of the southern system of intercommunication between Dublin and Cork, Limerick, Waterford, and Kilkenny, and that the northern line by Navan—to Armagh at least—be treated according to the same principle and considered as one concern."

If no large body of capitalists could be found for the undertaking, the commission further stated:—

"That to avoid the evil of partial execution, and to accomplish so important a national object as that contemplated in the completion of the entire system, we may look forward to a certain degree of assistance from the State, as great, at least, as has been given for the encouragement of other public works in Ireland, and on those grounds of policy which we believe have not been disputed, and on which it is therefore unnecessary for us to enlarge."

They therefore recommended—

"1. That Government should advance by way of loan a considerable portion of the amount of the estimates at the lowest rate of interest, and on the easiest terms of repayment, to be secured by a mort-

gage of the works. We think that many landholders may also be found to subscribe towards carrying into effect an object which, in addition to its importance as a national concern, cannot fail to benefit and improve their own properties.

"As a further assistance in filling the subscription, perhaps powers might be given to the counties interested, as well as to corporate towns, to become shareholders to certain amounts; the Government in such case advancing the money on the security of presentments in the usual manner, and the return of such shares being available for the reduction of the county or other rates.

* * * * * *

"2. If these means be rejected, or fail to produce sufficient subscriptions to insure in the first instance the execution of the entire system, we would suggest that the work might still be allowed to go forward, beginning at Dublin, or other fixed terminus, to any other determinate point, such portion, however, not to be considered as an integral line, but only as a part of the general system, and to be continued from that point towards the ultimate intended termini of the several lines and branches as new subscriptions are received. The subscribers to these continuations should be entitled to all the privileges and advantages arising from the whole portion of the line already executed, from the date of the payment of their respective subscriptions, equitably estimated according to the time when each subscription shall be made.

"3. We would further venture to suggest that the Government should undertake either or both of the proposed combined lines, on the application of the counties interested, the outlay to be repaid by small instalments at the lowest admissible rate of interest, and under the provision that in the event of the returns not paying the stipulated amount of interest, the counties shall supply the deficit by presentments."

The Government agreed generally in these proposals, and submitted to the House of Commons the following general resolutions as to the manner in which the recommendations of the commissioners should be carried into effect:—

"That the lines of railway recommended by the Commissioners between Dublin and Cork, with branch to Limerick, should be executed as public works, the management to be vested in the Board of Works, with power to the Treasury to confer such assistance as may be requisite."

"That the usual powers as to appointing officers, entering on lands for survey, &c. be given to them. Detailed plans and sections to be made out by the Commissioners and submitted to the Treasury for approval. Compensation for lands or premises required for these works to be determined by the Commissioners in a manner similar to that laid down in the Act for the improvement of the Shannon. The Treasury empowered to issue exchequer bills from time to time, as may be required for execution of these works, and all other purposes of this Act, not exceeding a given amount.

Accounts of expenditure and reports of progress to be annually laid before Parliament. Commissioners to fix the rates of carriage, and give facilities to parties desirous of making branch lines, subject to the approval of the Treasury. Appropriation of the revenue received: 1st. Maintenance of working of railways. 2nd. Payment of interest at 3½ per cent. on advances; arrears of interest on advances accruing before the works become productive, to be added to the capital advanced, and to bear interest accordingly. 3rd. Repayment of capital at a rate not exceeding 1½ per cent. per annum. 4th. Surplus to be afterwards disposed of in reduction of rates or extension of railways, as Parliament may direct."

These resolutions were adopted by the House, but the question of Government interference was subsequently dropped, and private companies were allowed to proceed as in England and Scotland.

Governme Loans to Irish Rail- ways.

50. The Irish railway companies were, however, treated somewhat exceptionally. They early sought and obtained Government aid for constructing their railways, and under the Acts authorizing the advance of money out of the Consolidated Fund for public works several sums were advanced from time to time to aid the construction of Railways in Ireland. The first of these advances was made to the Dublin and Drogheda Railway Company in 1842.

The distress in Ireland caused by the famine led to increased application for such assistance, in consequence of which Parliament in 1847 authorized the further issue of 620,000*l.* out of the Consolidated Fund to the Great Southern and Western, the Waterford and Kilkenny, and the Dublin and Drogheda railway companies. In 1849 Parliament also authorized the issue of 500,000*l.* out of the Consolidated Fund to aid the Midland Great Western Railway of Ireland Company in completing the line of that company. Other advances have since been made to Irish railway companies amounting in the whole, on 26th May 1865, to 2,364,300*l.*, out of which 1,208,748*l.* have been repaid, and the rest is in course of repayment.

The Midland Great Western Railway Company was assisted by a guarantee, from the baronies through which it passed, of five per cent. upon the capital required for the purposes of its extension from Mullingar to Galway. The railway company were required to render accounts, which were submitted to an auditor named by the Government, and the baronies were called upon to levy rates for payment of the guarantee during many years; but under the provisions of an Act passed in the year 1865 the baronies will be, in October 1870, relieved from all further liability to the guarantee, and the railway company will no longer be required to submit the accounts of this portion of line to Government audit.

In the last session Parliament sanctioned the advance of 500,000*l.* out of the Consolidated Fund to Irish railway companies for a period not exceeding 12 months, to enable them to meet pressing liabilities. This latter loan has been of advantage rather to pay off persons who had incautiously lent their money on the security of existing Irish railways than to increase the amount of railway communication in Ireland.

Irish gauge.

51. Ireland was also treated exceptionally in the matter of its gauge. The Royal Commission recommended a gauge of 6 feet. In 1846, when the Gauge Act was passed defining the gauge of 4 feet 8½ inches for England, except in certain specified districts, the gauge for Irish railways was fixed at 5 feet 3 inches, being a compromise between the two.

The Ulster Railway Company, which had already been opened upon the gauge of 6 feet, as recommended by the Royal Commission, was altered, and the expense of alteration shared between it and the adjacent companies.

Tramways in Ireland.

52. In the Act 23 & 24 Vict. cap. 152. power is given by which any persons, under an Order in Council from the Lord-Lieutenant, instead of an Act of Parliament, may construct tramways, to be worked by animal power, between places where railway communication does not exist, and may take tolls and rates upon them. The grand jury of the county or counties in which the tramway lies considers objections urged by persons whose property would be affected, and after approving or modifying the application passes the question to the Lord-Lieutenant in Council. To him also an appeal lies from persons whose property is affected, and who are not satisfied with the decision of the grand jury. The Board of Works make a local inspection to see if improvements can be introduced, and the Lord-Lieutenant, after hearing the appeals and considering any questions raised by the Board of Works, makes a final Order.

In the session of 1866, a bill was passed by the House of Commons to alter this Act by introducing a power to run locomotives on the tramways, subject to a report from the Board of Trade on questions of safety; but this did not become law.

In respect of the extension of railways in a cheap form, Ireland is thus somewhat in advance of this country.

Metropolitan Railways.

53. With regard to the metropolis, a Royal Commission was appointed in 1846 to inquire into and report upon certain schemes for railways proposed to be constructed in and around the metropolis. The limits within which the inquiries of the commission were restricted were as follows, viz., the Edgeware Road from Oxford Street to the intersection with the New Road; the New Road and City Road to Finsbury Square; Bishopsgate Street to London Bridge; High Street, Borough; Blackman Street, Borough Road, Lambeth Road, Vauxhall Road, Vauxhall Bridge, Vauxhall Bridge Road, Grosvenor Place, and Park Lane.

The Commission recommended—

"That if at any time hereafter it should be deemed advisable to admit railways within those limits, this should be done in conformity with some uniform plan carefully laid down under the authority of Your Majesty's Government, and sanctioned by the wisdom of Parliament; and that under no circumstances should the thoroughfares of the metropolis, and the property and comfort of its inhabitants, be surrendered to separate schemes brought forward at different times, and without reference to each other."

Under the influence of this report all railway enterprise within the prescribed limits of the metropolis remained in abeyance till 1853, when Parliament sanctioned a railway to run under the New Road from Edgeware Road to King's Cross.

A Bill was at the same time proposed for an extension of this line to Farringdon Street. This received the serious consideration of Your Majesty's Government, who came to the following decision, which was announced by Mr. Cardwell, then President of the Board of Trade:—

"Lord Palmerston, Lord Canning, Sir W. Molesworth, and I have considered the scheme of Mr. Pearson very carefully. It does not seem to us that this scheme fulfils those conditions which were contemplated by the second resolution of Lord Canning's Commission in 1846.

"Without, therefore, expressing any opinion against such a scheme for passenger traffic as might answer those conditions, it is not in the power of the Government to give their sanction to the second reading of the Bill this year."

The Bill was in consequence abandoned, and the company prosecuting it dissolved.

Your Majesty's Government, however, not long afterwards determined not to interfere further with metropolitan railways, and in the following session an extension from King's Cross to the Post Office was sanctioned. The two lines became the Metropolitan Railway. In 1854 the company obtained an extension line to join the Great Western London and North-western, and Great Northern railways and the Post Office. The railway after some further modifications was completed in the year 1864.

In 1855 a committee of the House of Commons on metropolitan communications recommended—

"That the different metropolitan railway termini should be connected by railway with each other, with the docks, the river, and the Post Office, so as to accelerate the mails, and take all through traffic, not only of passengers, but in a still more important degree of goods off the streets."

* * * * * *

"That wherever, as for example, in the case of the Metropolitan Railway, works for improving the communication of the metropolis can be carried out by private enterprise, that course be adopted, and your committee consider that most important results may be secured in this way.

"That when the improvements contemplated partake more of the character of a public benefit than of a commercial speculation care be taken by such means as economizing the waste spaces of the river, or opening new streets through poor neighbourhoods, to diminish the cost of the undertaking to the lowest possible point.

"That where the objects specified" in the two foregoing paragraphs "can be more efficiently carried out by the combined agency of railways and street improvements, suggested by Mr. Pearson, it may be desirable to economize expenditure by uniting the two objects under the superintendence of the intended Metropolitan Board of Works, as recommended in the Railway Commission Report of 1846, referred to in the evidence of Mr. Pearson."

The question of railway communication in the metropolis became so prominent in 1863 that a Committee of the House of Lords was appointed at the end of that session to examine the whole question. This committee recommended—

"That in determining the regulations which it may be expedient to apply to railways within the metropolis (herein-after called the Metropolitan Railway District) it is desirable that the limits of the metropolis prescribed to the Royal Commissioners of 1846 should be extended, those limits being the Edgeware Road from Oxford Street to the intersection of the New Road; the New Road and City Road to Finsbury Square; Bishopsgate Street; London Bridge; High Street, Borough; Blackman Street; Borough Road; Lambeth Road; Vauxhall Road; Vauxhall Bridge; Vauxhall Bridge Road; Grosvenor Place; and Park Lane; and that the new limits should be as follows:—Commencing at the Barking Road station of the North Woolwich Branch Railway, thence along that and the Great Eastern Railway to the Lea Bridge Station; thence in a straight line to the Seven Sisters Station on the Great Northern Railway; thence in a straight line to the eastern end of the Hampstead Tunnel of the Hampstead and City Junction Railway; thence along such railway to its junction with the West London Railway; thence in a southern and eastern direction along the West London and West London Extension Railway across the River Thames to the junction with the London, Chatham, and Dover Railway; thence along the London, Chatham, and Dover Railway to the Brixton Road Station, and thence in a straight line to the Lewisham Junction Station of the Mid Kent Railway, and thence in a straight line to the Barking Road Station of the North Woolwich.

"That squares and open spaces in the metropolis should not be unnecessarily taken for the purposes of a railway.

"That it would be objectionable to allow the construction of a great central station in the metropolis.

"That in the construction of any new lines of railway within the Metropolitan railway district, subways, covered ways, or tunnels appear preferable where circumstances admit of them."

* * * * *

"That additional railway communication is needed in the densely populated part of the metropolis; and it is desirable that railway communication where it does not already exist should be established between the various main lines of railway."

* * * * *

"That it would also be desirable to complete an inner circuit of railway that should abut upon, if it did not actually join, nearly all the principal railway termini in the metropolis."

* * * * *

"It would be desirable that an outer circle of railway should be formed within the Metropolitan Railway District, in its course intersecting and communicating with the principal lines of railway north of the River Thames. It might be found convenient to bring this outer circle at certain points into communication with the inner circle.

"The Committee are of opinion that every such system of internal railway communication for the metropolis should be under one management."

* * * * *

In the following session the applications for new lines were so numerous that a joint committee of both Houses of Parliament was appointed to consider the Metropolitan railway schemes. That committee generally followed the recommendations of the committee of the House of Lords of 1863.

In the succeeding sessions, however, fresh schemes have been brought forward and passed, which are to a considerable extent a departure from the suggestions of the House of Lords' Committee of 1863, and which have practically rendered every recommendation of the Royal Commission of 1846 a dead letter.

General result of legislation in encouraging Railways. Statistics in 1865.

54. Whatever may have been the contradictions of the course of legislation which has thus been pursued, it cannot be doubted that it has led to a very rapid development of the railway system, and consequently of the national resources, probably far more rapid than could have taken place under any other conditions, and has induced improvements in the construction and working of the railways which, without the spirit of emulation engendered

by it, must have taken years to attain. Thus whilst in France there is less than $1\frac{1}{4}$ miles of railway, in England and Scotland there are $2\frac{1}{2}$ miles of railway, to 5,000 inhabitants.

Under these conditions the railway enterprize of the country at the end of 1865 had raised by shares and loans 456,421,840*l.* and had opened 13,289 miles of railway. These railways had carried during the year (exclusive of 97,147 season-ticket holders) 251,862,715 passengers, for the conveyance of whom 16,572,051*l.* had been received. The railway companies had received during the same year 19,318,062*l.* for the conveyance of live stock, minerals, and merchandise, or a total of 35,890,113*l.* The working expenses amounted to about 17,200,000*l.*,* leaving a profit of nearly 18,700,000*l.*,* equivalent to 4·1 per cent. upon the money paid up.

The amount of capital which railway companies were authorized to raise by shares and loans down to the end of 1865 was 578,425,763*l.*

During last session 203 Acts were passed, which authorized 47,407,832*l.* to be raised by shares and loans, and 1,063 miles of railway to be constructed; but these are not included in the foregoing summary; hence the entire railway capital sanctioned by Parliament amounts to 625,833,595*l.*, being 169,411,755*l.* beyond the sum expended to the end of 1865.

A deduction must be made from this on account of undertakings which have been abandoned or cannot be carried out, but we are unable to state to what extent.

PART II.

Present state of the law affecting railways.

55. It appears from the above account that the legislation upon railways at the present time consists,—

A.—Of general laws applicable to all companies.

B.—Of special laws applicable to the particular companies.

Principles of general legislation.

56. A.—(1.) The general laws now existing are based on broad principles. One portion of this legislation regulates the constitution and management of the companies as joint stock undertakings; another regulates the acquisition of land, the compensation to be paid for it, the interference with adjacent property and roads in the construction of the railway and its subsequent maintenance; but the more important portion of this legislation regulates the relations between the railway companies and the public who use the railways when made.

Degree of interference with construction and working.

57. (2.) Theoretically, railway companies are free to construct their lines in any manner they choose upon the specified broad or narrow gauge in England, and upon the specified gauge in Ireland, but no railway can be opened for the public conveyance of passengers until one month's notice of the intended opening shall have been given to the Board of Trade; and if in the opinion of their inspector the opening would be attended with danger to the public the Board may postpone the opening for one month, and must forward a copy of the inspector's report to the company. The Board may go on postponing the opening from month to month until their inspector's requirements have been complied with.

After the railway has been opened for traffic the manner of working is left by Parliament entirely in the hands of the railway company; but the Board of Trade is empowered to cause the railways, the engines, and the carriages to be inspected by their officers whenever they think fit, and may, when applied to, make regulations for the safe working of the traffic at the junction of the lines of two companies.

The railway company, in undertaking the duty of carriers, become liable under the common law to compensate persons injured, and under Lord Campbell's Act to compensate the relatives of persons killed by the company's negligence or by that of their servants.

Thus Parliament has relied upon the principle of leaving the responsibility of the safe working of railways with the companies rather than upon giving the Board of Trade the power and duty of interfering in the details of management.

General provisions to regulate traffic.

58. (3.) With the object of securing to the public the free use of the railways, Parliament has enunciated the principle in the Traffic Act that the companies are bound to afford all reasonable facilities for forwarding, delivering, and interchanging traffic, without preference or delay, and that the tolls shall be charged equally to all persons, and after

* These amounts are somewhat uncertain, as the working expenses of some of the companies are omitted in the returns.

the same rate, in respect of all traffic passing over the same portions of railways under the same circumstances.

Parliament has required that distance posts or stones shall be set up at every quarter mile along the railways, and that the tolls authorized by the special Act to be taken, and which shall be exacted by the company, shall be published by being exhibited on a board.

This has been regarded by railway companies to apply only to the tolls leviable for the use of the railway; but it would appear from the context of the Act that Parliament intended that this publication of the charges actually made by the company should apply as much to rates charged where they carried the traffic as to tolls levied upon the engines and carriages of other persons using the lines.

The companies are bound to permit to be carried on their lines all goods except aqua-fortis, gunpowder, lucifer matches, or any other goods which in the judgment of the company are dangerous.

Parliament, however, has not enunciated that the companies are bound to carry the traffic themselves; on the contrary, it has only enacted that when a railway is open any persons may use it with their engines and carriages upon certain conditions, and that the railway companies are themselves at liberty to carry the traffic in their own vehicles; but if they carry it that they may levy tolls not exceeding the amount laid down in their special Acts.

The companies in fact may elect either to carry the traffic and to provide the whole of the engines and carriages and waggons, or to allow traders to provide the waggons themselves, the company merely providing the locomotive power; or they may leave the traders to provide both; but they are not bound to provide accommodation for the waggons or engines at the stations, or otherwise except for the mere transit along the lines.

Under the general Act ample powers are given to the railway companies to control the description and quality of waggons used by traders, and the regulations under which they may be run, so as to ensure freedom from accident; but there is no provision for ensuring that the movements of traders' waggons when used shall be regulated, and delays prevented, with the same degree of care as is practised with the companies' waggons.

The owners and occupiers of land adjoining the railway, and other persons are empowered to lay down branch lines of railway to communicate with the railway for the purpose of bringing engines and carriages to or from or upon the railway, and to make junctions, where it can be done with safety to the public, without injury to the railway, and without inconvenience to the traffic thereon.

With the object of ensuring that engines and carriages of one railway company should be able to pass on to the lines belonging to other companies, Parliament has enacted that the railways in Great Britain shall be on the gauge of 4 ft. 8½ in.; but, inasmuch as before the passing of the Act, the Great Western Railway and its tributaries had been already constructed on the 7-foot gauge, certain specified railways were allowed to be of the latter gauge.

There are at the present time 26 places where the broad gauge joins the narrow gauge, where a transfer of traffic takes place, whilst at the time of the passing of the Act of 1846, Gloucester was the only place.

In Ireland a uniform gauge of 5 ft. 3 in. has been established.

There are three descriptions of traffic which have been strictly regulated by Act of Parliament, viz., the carriage of the poorer class of travellers, the conveyance of the military, and the conveyance of the mails.

Every passenger railway company is obliged to run at least one train each way daily at an average speed of not less than 12 miles an hour, to stop at every station, the carriages to be provided with seats and protected from the weather in a manner to be approved of by the Board of Trade. The fare not to exceed 1*d.* for each mile travelled; children under three years old to travel free, and children between 3 and 12 years old at half price; each passenger to be entitled to carry 56 lbs. of baggage free of charge. The receipts for this description of traffic are relieved from passenger duty.

The railway companies are bound to carry the soldiers and police in covered carriages with seats and adequate space at 1*d.* per mile, and officers in first-class carriages at 2*d.* per mile; also to carry public baggage and stores accompanying them at 2*d.* per ton per mile.

The Postmaster General is empowered to require railway companies to run trains at such times as he fixes, and at such speed, not exceeding 27 miles per hour including stoppages, as the inspector of the Board of Trade certifies to be safe, stopping at such

stations as the Postmaster General requires, upon payment of a sum to be fixed, in case of difference, by arbitration. The Postmaster General may also send guards with mail bags by any train, on payment of ordinary passenger fares; but this has been held by the law courts not to allow the guards to discharge their bags and receive others at the various intermediate stations.

With the object of developing the use and the extension of railways, Parliament has passed Acts for establishing the railway clearing system, for enabling railway companies to enter into working and traffic arrangements, and for enabling railways to be constructed without the necessity of an application to Parliament, in cases where such construction is not opposed by the persons whose land is taken, or by adjacent railway or canal companies.

Provisions for purchase by the State.

59. (4.) In order to prevent any future evil arising from the position which railway companies occupy, Parliament has reserved to itself the right of purchasing the lines after the expiration of a definite period, if it should consider that the public interests require such purchase. Parliament has also reserved a power in certain contingencies of reducing the maximum tolls and rates leviable by railway companies, and has also reserved the right of passing any general railway Act it may deem necessary for regulating the railway system.

Great number of private Acts.

60. B.—The special legislation for railway companies is now comprised in about 1,800 Acts of Parliament sanctioning the construction of new lines from 1801 to the present time, and in about 1,300 Acts modifying the provisions of the original Acts by authorizing the extension of capital, the variation of lines, the construction of additional works, the leasing or amalgamation of lines, the variation of tolls and rates, and the amendment and consolidation of original Acts; so that it has become an extremely difficult task to ascertain the precise law affecting any company, or any particular portion of its lines of railway.

Special clauses.

61. Since the passing of the Companies Clauses, the Lands Clauses, and the Railway Companies Clauses Acts, we believe that they have been very generally incorporated into private Acts, and to that extent the legislation is of uniform character; but in almost every Act sanctioning new lines there are special clauses conferring particular rights or benefits on individuals or other railway companies to carry into effect arrangements which have been entered into by the promoters to avert opposition to their bill.

Clauses governing tolls and charges.

62. The clauses however governing tolls and charges, which have been left entirely to the special Acts, are of a very bald and imperfect character, and are by no means uniform.

There is not only a diversity in the amount of tolls for the use of the line, and in the rates when the company is a carrier, but an imperfect enumeration and often a diversity of classification of the various goods to which the tolls apply. Thus some important commodities are altogether omitted, and the class in which a particular article is placed in the Act of one company is not always the same as that in which the same article is placed in the Act of another company.

In some cases Parliament has taken advantage of the amalgamation of companies to bring all their powers as to rates and tolls into the amalgamation act; this has been done, for instance, in the case of the Lancashire and Yorkshire Railway, and to some extent in the case of the London and North-western Railway, whilst in other cases the toll clauses are scattered through the numerous separate Acts originally obtained by the companies which have since been amalgamated.

For instance, the Midland Railway Company has its power of levying tolls divided over three Acts. In one Act coals are classed in the lowest class with a maximum toll of 1*d.* per ton per mile; in another Act they are classed in the second class with a toll of 1½*d.* In one Act grain is classed in the lowest class but one, with a toll of 1½*d.*; in the other two Acts it is placed in the next class but one, with a maximum toll of 2*d.*

In the Midland Railway Acts generally there are four classes for merchandize and minerals; in the Lancashire and Yorkshire there would appear to be eight, in the North-eastern five, and in the London and South-western three.

The London and North-western Railway Company appear to derive their powers from five Acts, in some of which the articles are placed in eight classes, in others in three or four classes.

The Great Eastern Railway Company has five Acts, in some of which the articles are placed in five classes, in others in four classes.

The Great Northern Railway would appear to have its powers for levying tolls and rates contained in nine separate Acts, in some of which the articles are placed in five classes, in others in four classes.

The Great Western would appear to have 13 Acts with toll and rate clauses. In one Act the maximum toll for rod and pig iron and iron ore is $\frac{1}{2}d.$ per ton per mile; in another these articles are placed in another class with a toll of $1\frac{1}{2}d.$ In one Act grain is placed in the lowest class but one with a maximum toll of $1d.$; in another Act it is placed in a class above with a maximum toll of $2d$; and in a third Act the maximum toll is $2\frac{3}{4}d.$ In one Act the articles are divided into eight or nine classes, in others into four classes.

These instances will afford a sufficient example of the nature of the anomalies in the classification of goods and in tolls and rates.

The enumeration is moreover extremely imperfect. One Act enumerates 22 articles, another 98, another 160; the Acts adding at the end of the highest class general words to include all other articles and matters not enumerated in the previous classes.

Terminal charges.

63. In addition to a toll or rate per mile for conveyance along the line, nearly every special Act at the present time enables the companies to make some additional charges for services in connexion with such conveyance, which are varied in their nature.

In the earlier Canal Acts carriers were allowed to pass over distances of one-eighth of a mile, only paying for one-eighth of a mile. In the session of 1841 the Acts not only limited the tolls for the use of the railway, but also limited the charges which the company might make for supplying carriages and locomotive power. And about the same time the "short distance" clause took the following form, viz.:—

"For articles and persons conveyed a less distance than (six) miles the company may demand, in addition to the tolls and charges, a reasonable charge for the expense of stopping, loading, and unloading."

Thus it would seem that originally the maximum mileage rate for distances beyond six miles was intended to cover all services of loading and unloading, and that this "short "distance" clause was put in as a means of remunerating a company in cases when the traffic was carried so short a distance that the mere mileage rate would not cover expenses of this nature.

Subsequent legislation has modified this view, and Parliament has recognised a charge for services performed at the station in addition to the mileage rate.

The clauses allowing these charges take some of the following forms:—

"It shall not be lawful for the company to charge in respect of the several articles, matters, and things, and of the several descriptions of animals herein-after mentioned conveyed on the railway, any greater sum, including the charges for the use of carriages, waggons, or trucks, and for locomotive power and all other charges incident to such conveyance, (except a reasonable charge for the expense of loading and unloading when such service is performed by the company) than the several sums herein-after mentioned."

In some Acts they have taken the form:—

"A reasonable sum for the loading, unloading, and covering, and for delivery and collection of goods and other services incidental to the business of a carrier, and a further reasonable sum for warehousing and wharfage and for any other extraordinary services which may be reasonably and properly performed by the company."

In more recent Acts the "short distance" clause has assumed the following terms, viz.:—

"For articles or persons conveyed on a railway for a less distance than (six) miles, the company may demand the said tolls as for six miles in addition to a reasonable charge for the expense of stopping, loading, and unloading."

In some Acts of the session of 1860 the clause limiting the maximum rates of charge is followed by a proviso authorizing the company to demand "a further reasonable sum "for collection and delivery of goods and other services incidental to the business of a "carrier where such collection, delivery, and services respectively shall be performed by "the company elsewhere than within the premises of the company."

Later Acts again appear to contain the following form:—

"And with respect to the conveyance of horses, cattle, carriages, and goods, the maximum rates of charges to be made by the company, including the tolls for the use of the railway and waggons or trucks and locomotive power, and every expense incidental to such conveyance (except a reasonable sum for loading, covering, and unloading of goods at any terminal station of such goods, and for delivery and collection and any other services incidental to the business or duty of a carrier, where such services or any of them are or is performed by the company) shall or not exceed the following sums."

In the Great Eastern Railway Act, 1862, 25 & 26 Vict. c. ccxxiii. s. 230, to the usual exception there is added "a reasonable sum for warehousing and wharfage."

In some special Acts which contain the form of proviso in question there is also inserted a clause defining terminal stations in the following terms, viz. :—

"No station is to be considered a terminal station in regard to any goods conveyed on the railway which have not been received thereat direct from the consigner of such traffic, or are not directed to be delivered thereat to the consignee."

It is also to be observed that Acts containing those provisions usually contain the following, viz. :—

"For articles or persons conveyed at a less distance than (six) miles, the company may demand tolls and charges as for (six) miles."

"Nothing herein contained shall be held to prevent the company from taking any increased charge over and above the charges herein-before limited for the conveyance of goods of any description by agreement with the owners or persons in charge of such goods, either in respect of the conveyance thereof (except small parcels) by passenger trains, or by reason of any other special service performed by the company in relation thereto."

Some few companies have a power to charge, in addition to their tolls and charges for loading, covering, and unloading goods, a reasonable sum for the use of stations and sidings.

In the North Staffordshire Railway Act, 27 & 28 Vict. c. 308. s. 19., 1864, there is a provision for settling the terminal charges by arbitration. The clause is as follows :—

"Besides the rates per mile which the company are authorized to charge for conveyance of goods or minerals on their railways or canals, they may charge for such terminal services as are performed by them such reasonable sum only as may be from time to time agreed upon between the company and the person sending or receiving goods, minerals, or other articles of traffic, or, failing agreement, as may be settled by arbitration under 'The Railway Companies' Arbitration Act, 1859.'"

In the Railways Construction Facilities Act the following is the clause for regulating these charges :—

"In addition to the charges in Table III., a reasonable charge is to be payable for the loading, covering, and unloading of goods at any station being a terminal station in respect of such goods, and for delivery and collection, and any other services incidental to the duty or business of a carrier, where such services, or any of them, are or is performed by the proprietors of the railway.

"A station is not to be considered a terminal station in respect of goods unless they are received there direct from the consignor, or are directed to be delivered there to the consignee."

It would thus appear that, although there is great diversity in the clauses of this nature, Parliament now considers that the maximum rate should as a rule cover all the cost of conveyance and use of railways and sidings for the receipt of trucks ready laden, but not the cost of loading, covering, or unloading. Thus, if a railway company provide special means for facilitating loading, covering, and unloading, or allow goods to remain in the stations beyond a reasonable time, they would apparently under their powers and the intentions of Parliament be enabled to charge for such services. But, whatever Parliament may have intended, railway companies seem to have generally interpreted their Acts of Parliament as authorising them to make additional charges for the expense of constructing sidings as well as of working them.

Reduction of tolls.

64. In a few of the special Acts the power conferred upon the Treasury of reducing the rate of tolls at the end of 21 years when the dividend exceeds 10 per cent. has been extended to a lower rate of profit. Thus, for instance, the Act which amalgamates the Great Western, the South Wales, and the West Midland Railway companies (26 & 27 Vict. c. 198. s. 64) limits the rate to six per cent.

Bills to remedy public evils.

65. It may be mentioned here that in some of the earlier amalgamation Acts Parliament inserted a clause to the effect that if any evil to the public interests was found to arise from the amalgamation, the Treasury or Board of Trade had power to introduce a Bill into Parliament to remedy the evil; but this power was never found to be operative.

PART III.

Government purchase of railways.

66. Having thus described the origin and progress of the railway system, we proceed to inquire whether any fundamental change is required in it by the public interests.

It was clearly contemplated by Parliament that it might be desirable at a future time to reconsider the relations of railways to the State, inasmuch as it is stated in the Act of 1844 that it is not intended to prejudge by its provisions the policy of revision and

purchase, but to leave the question open for the future consideration of the Legislature upon grounds of national policy.

As the period of 21 years fixed by that Act for the purchase of railways authorized in 1844 has now elapsed, the proper opportunity for a full examination of the question has manifestly arrived.

67. We will in the first place examine the provisions of the Act of 1844, and the manner in which they could be carried into effect. Act of 1844

The Act provides that after the end of 21 years from the 1st January next after the passing of any Act of the session of 1844 or any subsequent session of Parliament for the construction of any new line of passenger railway, such new line of passenger railway, whether a trunk, branch, or junction line, sanctioned in that or any subsequent session, and whether such new line be constructed by a new company or by an existing company, shall be liable to be purchased for a sum equal to 25 years' purchase of the average annual divisible profits for three years before such purchase, provided these profits shall equal or exceed 10 per cent. on the capital; and if not, the railway company shall be at liberty to claim any further sum for anticipated profits, to be fixed by arbitration.

The company owning such line is to keep and render to the Treasury accounts of the receipts and expenses for the three years, distinguishing such receipts and expenses, if a branch, or if worked in connection with other railways, from the receipts and expenses on such other railways.

It is especially enacted that the option of purchase shall not extend to any railway the construction of which was authorized before the session of 1844. But any railway company subject to its provisions may require that if the Government purchase a branch of their line sanctioned subsequently to 1843, they shall also purchase the whole of the company's lines.

It is declared by the Act that, in order to prevent the public resources from being employed under these powers to sustain an undue competition against any independent company or companies, the powers are not to be exercised by the Treasury until Parliament has by law authorized the guarantee or the levy of the purchase money and determined the manner in which the option is to be exercised.

68. There were 2,320½ miles of railway sanctioned before the session of 1844, which are, therefore, excluded from the provisions of the Act. The following statement shows the companies to which these railways belong, with the length of each. Railways exempted.

Railways authorized by Parliament to the End of the Session of 1843, and which are now open:—

	Miles.	Miles.
Birkenhead:		
Chester to Birkenhead	16	
Bodmin and Wadebridge	14¾	
Bristol and Exeter	75	
Caledonian:	Miles.	
Glasgow, Garnkirk, and Coatbridge	10	
Polloc and Govan	2¼	
Paisley and Greenock	22	
Dundee and Newtyle	10¼	
Wishaw and Coltness	13	
		57½
Dublin and Drogheda	32	
Dublin and Kingstown	7¾	
Dundee and Arbroath	16	
Glasgow and South-western		
Main line	51	
Kilmarnock and Troon	10	
Paisley and Renfrew	3	
		64
Great Eastern:		
London to Colchester	51	
Stratford to Newport	38	
Hertford to Ware	5½	
Yarmouth to Norwich	21	
		115½
Great Western:		
London to Bristol	118¼	
Didcot to Oxford	9¾	
Swindon to Cheltenham	48	
		176
Lancashire and Yorkshire:		
Manchester to Normanton	50	
Preston and Wyre	20	
Manchester and Bolton	11	
		81
Lancaster and Preston Junction		20¼
Llanelly		20¼
London and Blackwall		3½
London and North-western:		
London and Birmingham	112½	
Grand Junction	83¼	
Liverpool and Manchester	31¾	
Manchester and Birmingham	30¼	
Chester and Crewe	21¼	
Leamington Branch	8¾	
Blisworth and Peterborough	47	
Aylesbury	7¼	
Kenyon and Leigh and Bolton and Leigh	9½	
West London	3	
North Union	40	
St. Helen's	10	
		405
London and South-western:		
Nine Elms to Southampton	78¼	
Bishopstoke to Gosport	15¾	
		94
London, Brighton, and South Coast:		
London to Croydon	8¾	
Croydon to Brighton	42	
		50¾
Manchester, Sheffield, and Lincolnshire:		
Manchester to Sheffield		40½
Maryport and Carlisle		28¼

	Miles.	Miles.
Midland:		
North Midland	73¼	
Midland Counties	58½	
Birmingham and Derby Junction	48½	
Sheffield and Rotherham	7½	
Bristol and Gloucester	30½	
Birmingham and Gloucester	55½	
Leicester and Swannington	16	
		289½
North British:		
Edinburgh and Glasgow	46	
Wilsontown, Morningside, and Coltness	8½	
Edinburgh, Leith, and Granton	4	
Monklands	36	
		94½
North-eastern:		
Brandling Junction	27½	
Durham Junction	5	
Durham and Sunderland	17½	
Great North of England	48	
Hull and Selby	31	
Leeds and Selby	21	
Newcastle and Carlisle	65¼	
Newcastle and Darlington Junction	25½	
*Pontop and South Shields	24	
York and North Midland	27	
Newcastle and North Shields	7	
Whitby and Pickering	23	
North-eastern—*cont.*		
West Hartlepool:		
Hartlepool	16	
Great North of England, Clarence, and Hartlepool Junction	8	
*Clarence	37	
Stockton and Hartlepool	8	
	69	
		390¾
Preston and Longridge		6½
Scottish North-eastern:		
Arbroath and Forfar		15
South-eastern:		
Reigate to Dover	67	
Canterbury to Whitstable	6	
Maidstone Branch	9¾	
Bricklayers' Arms Branch	1¾	
London and Greenwich	3¾	
		88¼
Stockton and Darlington, including the *Bishops Auckland and Weardale Railway		69
Taff Vale		24
Ulster (Belfast to Portadown)		25
Total		2,320½

Note.—The railways marked thus * being principally used for mineral traffic may perhaps not be considered passenger railways under the Act.

This list includes (with the exception of the Great Northern Railway) the main lines of communication throughout England.

It would therefore appear that if the State elected to purchase the railways, it would never, unless with the concurrence of the proprietors of the lines, become the possessor of the whole of the principal main lines of railway, such as the Great Eastern, London and North-western, Great Western, and London and South-western, but in these cases would become possessor only of numerous lines which (like the Trent Valley) are integral parts of the several systems; nor would the State at the present time become the owner of more than those lines, or parts of lines, or branches which were sanctioned during the years 1844 and 1845. In every succeeding year it would be entitled to take so much of the existing railways as was authorized in the twenty-first preceding year.

Accounts required.

69. It would be very difficult, even if it were possible, to frame accounts to show with any approach to accuracy the receipts and working expenses upon these separate portions of railways so as to form a basis for purchase.

This condition of things is sufficient to account for the Treasury not having required the companies to render any such accounts of receipts and expenses as were contemplated by the Act of 1844.

Supposed financial advantages.

70. The question, however, of Government purchase deserves full inquiry in a broad point of view, and the expiration of the period fixed in the Act of 1844 affords a good opportunity for inquiring, with the help of the experience which has now been acquired, whether a change of system is desirable.

The transfer of the railways to the State has been recommended by several witnesses, partly for the sake of its direct financial advantages, partly as affording the means of introducing an improved system of management.

The expectation of direct financial advantages is based upon the assumption that, as the Government can borrow money on more favourable terms than any other parties, this difference in the rate of interest would either be available as profit to the State or would afford an opportunity for the reduction of rates.

It is possible that a profit from this source might be obtained, if Government could buy the railways at 25 years' purchase of their average net profits; but at present unless the profits amounted to 10 per cent. on the capital expended, an additional amount would have to be paid, to be fixed by arbitration, and it is probable that any arbitrator between the Government and private companies on such a question would make a very large allowance for future increase of profits.

There being also above 2,300 miles (including some of the most important lines in the country) not subject to the Act of 1844, the purchase of these lines, which would be absolutely necessary to carry out the scheme, could only take place with the consent of the proprietors, and this could only be obtained by the offer of liberal terms.

It is probable, therefore, that in practice much of the assumed profit would disappear in the extra price, above the assumed 25 years' purchase, which would have to be paid.

In addition to the diminution of assumed profit arising from this cause, it must not be forgotten that as the Government would have to enter the market to borrow 400,000,000*l.* or 500,000,000*l.* to carry out the operation, the terms upon which this could be raised would in all probability be materially affected.

The depressing effect upon public securities would be equally felt, whether the Government conducted the whole operation at once, or whether it came into the market year after year to repeat an operation of about 25,000,000*l.* a year; and it is not easy to foresee what the price of consols would be under the proposed addition of 500,000,000*l.* to the national debt.

It is therefore probable that the Government would have to exchange the income of the railway companies for an equivalent income in consols, to avoid being called upon to make cash payments for the purchase money, which would have to be paid out of money borrowed in consols.

It cannot, therefore, be expected that under the provisions of the present law much profit could result to the State from the transaction as a financial operation.

Improved management. Leasing.

71. We have next to consider whether, if the State owned the railways, it would be able to improve the system of management. None of the witnesses have recommended direct management by Government officers, but in the opinion of some, great advantages would be derived from the adoption of a plan of leasing the railways in groups.

In the absence of any sufficient data furnished from experience it is difficult to express an unqualified opinion on this proposal, but we are unable to perceive that the expectation referred to rests upon any solid foundation.

The capital required by lessees for working a group of lines would no doubt be comparatively small, but yet it is manifest that Government could not safely enter into engagements with any lessees who were not prepared to give ample security for the payment of the stipulated rent.

Practically, therefore, the lessees would be either joint stock companies or wealthy capitalists; if the former, there is no ground for assuming that the directors of these companies would possess qualifications not to be found in those who now manage the affairs of railway companies; if the latter, they would not in most cases individually possess the knowledge or experience required for the direct management of the concern; in either case therefore it is probable that the actual conduct of the business would fall into the hands of the present staff, as the servants of joint stock companies or private capitalists, but if other persons undertook the duty, there is no guarantee that they would possess more capacity than the present officers, while it is clear that they would possess less experience.

Again, the transaction must necessarily be attended with risk to the lessees. They would be in this position; if the net earnings should exceed the rent even by a small amount, such small excess might afford a good dividend on the comparatively small capital invested by them; but on the other hand if the rent should exceed the net earnings by only a small amount they would be altogether deprived of any dividend. It is therefore naturally to be anticipated that any lessees, in calculating the rent they would be prepared to offer, would make large allowances for the speculative character of the undertaking, and consequently it is far from manifest that the State could rely on obtaining a rent adequate to reimburse it for the outlay in purchase. It further appears to us improbable that lessees would be found willing to fetter themselves by conditions imposing on them the reduction of fares and rates, or otherwise depriving them of the liberty of managing their affairs as they might think most conducive to their interests; and we are unable to perceive that their position would be more favourable than that of the existing boards for trying the effect of experiments, which though they might ultimately be advantageous would, on the assumption we have made, necessarily be attended with immediate loss.

It has not been distinctly pointed out to us in what respects it is to be expected that the system of management by lessees would be superior to that of the existing boards, but it is obvious that there are but two possible sources of improvement, viz., (1), the reduction of working expenses, and (2), the obtaining a greater amount of work from the engines and carriages, and so increasing the receipts in proportion to the expenses.

We shall have occasion in a further part of this report to refer at length to these questions; at present it may be sufficient to remark that they are questions the bearing of which is thoroughly understood, and the importance appreciated by the general managers and other railway officers, persons for the most part well qualified by their sagacity and ability for their position.

The general result of our inquiries is, that in the great heads of expenditure an increase rather than a decrease is to be anticipated, and that the economy arising from carrying full train loads, could be obtained only at the sacrifice of convenience and accommodation.

Further objections to Government purchase.

72. The financial view of leasing railways to companies for limited periods involves this further consideration. Either the improvements required to the lines and stations to provide for additional accommodation must be directly paid for by the State, or the State would have to allow for them at the end of a lease. In either case the question of the necessity and the mode of the execution and cost of the works would require a detailed consideration on the part of the State.

The Crown as the owner of the railway property of the country would be obliged to employ properly qualified engineers and others to investigate the details above mentioned, and to watch over the national property, in order to take care that it was kept in proper working order by its lessees, and that all the conditions of the leases were duly complied with. Considering the great responsibility and delicacy of the duties they would have to perform, this staff of officers would have to be highly paid; and having regard to the manner in which establishments have grown up in this country, bringing in their train compensations and superannuations, the expense on this account would probably ultimately become a not inconsiderable per-centage on the receipts from the lessees.

The practical result of any scheme for the national purchase and leasing of railways would merely be to substitute the lesser sense of responsibility of a lessee for a limited period administering the property of others, for the heavier and more durable responsibilities of owners managing their own property. But if the Government as lessors interfered to any great extent with their lessees, there would then be a divided and a still less efficient administration, of which any profit would go to the lessees, whilst any loss resulting from it would in the end be made to fall on the public revenue.

There is yet another difficulty contingent on the proposal which should be adverted to in considering the question of the purchase of railways by the Crown, and their lease to companies or individuals. The original terms of the lease, and the more or less stringent enforcement of its conditions, might be tempered by political considerations, seeing how large an influence the railway companies necessarily must exercise in the localities which they severally accommodate. Therefore the exercise of a discretionary power over them would be open to serious objections, and would inevitably lead to abuses.

These consequences could only be guarded against by defining the power and duty of the Crown in respect of the railway property by the most precise enactments, which would in effect regulate the use of the railways by positive laws of general application. But it is impossible to over estimate the difficulty of framing such general laws as would be applicable to the many particular cases which arise from the great variety and diversity of productive and commercial undertakings in this country.

And, as there is no intention of cheapening the means of conveyance by railway at the expense of the national exchequer, all general laws should be such as would not entail any loss in the administration of the railways.

Parliament has reserved to itself the right to pass any general law to regulate the railways owned by the several companies, therefore it would be just as easy to legislate on this basis for the existing system; and hence any alteration in the law, if desirable, could be obtained by the machinery of the present companies, without transferring the administration of the railways to new companies.

Hitherto our remarks have been confined to the railways merely, but the railway enterprize of the country has not been so restricted. It has on the contrary extended to a great number of collateral undertakings, not only to extensive factories for the construction or repair of its works and rolling stock, to large stations, machinery, warehouses, and other matters for the receipt and delivery of goods, and to arrangements for the supply of coal, but also to the subsidiary undertakings of canals, docks, harbours, and steam vessels, to facilitate and economize the transport of passengers, animals, and merchandize. These have been by special Acts declared part of the undertakings of the several companies, and have been carried on out of their capital. The earnings and expenditure on account of them have also been blended with the revenue and working expenses of the companies.

We think the Crown, if it purchased the railways, would be compelled to become the purchaser of all these subsidiary undertakings; but it would then become necessary as soon as this new policy had been adopted to consider the position of the rest of the canals and docks which are not so connected with railways, and which under such an arrangement would be to some extent obliged to carry on a competition with the State and its resources.

In the event of the Crown becoming the owner of the existing railways, it would either be necessary to adopt some entirely new system in regard to the further construction of railways, or their construction would devolve entirely upon the State.

Either proposals for new lines would be discouraged by the Government as tending to diminish the revenue; or, if this consideration were disregarded, schemes might be devised for new lines, so as to leave those existing a charge upon the State. At present these difficulties are of no public concern, being the ordinary contingencies incident to private enterprise. In any case, however, an end would be put to the present spirit of enterprise on the part of existing railway companies or others; but the liberty which is at present enjoyed of promoting new lines of railway is not only the best safeguard against abuse, but the surest means of securing for the public the greatest benefit from the present system.

French opinion.

73. We would, in conclusion, call attention to an extract from the report of the French Commission, which reported in 1863 upon the construction, working, and management of French railways; the Commissioners, whilst vindicating their own system of regulated protection, observe as follows:—

"One understands the complete liberty of action left to the English companies by their Special Acts in that country of free competition, where the antagonism between private interests, constantly in presence of each other, has long been recognized as an essential condition for duly protecting the public interests. By virtue of this system, which has been applied without reserve to railway concessions, very active competition exists between the English railway companies, so much so that as soon as the apathy or want of intelligence of one company allows the service of its line to deteriorate, a new enterprise springs up, and by offering greater facilities to the public appeals to the trade of the country, and forces the first company to bring its working up to the level of public requirements. In France, the absence, almost complete up to the present time, of all competition amongst railways discards that valuable equilibrium which is the safeguard of British industry."

General conclusions.

74. On the various grounds we have mentioned we cannot concur in the expediency of the purchase of the railways by the State, and **we are of opinion that it is inexpedient at present to subvert the policy which has hitherto been adopted, of leaving the construction and management of railways to the free enterprize of the people, under such conditions as Parliament may think fit to impose for the general welfare of the public.**

Future legislation on the subject.

75. Whilst expressing our opinion that it is inexpedient to put in force the Act of 1844, we by no means wish to be understood as attempting to lay down any rule to guide the action of the State for an indefinite future. Indeed, the Act of 1844 warns us of the extreme difficulty of making prospective arrangements to take effect after many years. Instead of facilitating the acquisition of the railways by the State, it has rendered the operation more difficult, and indeed almost impracticable with a due regard to the guarantees it has accorded to the railway companies. It would no doubt have been easier to treat with the companies without any special law than with the conditions which the Act imposes.

Without forecasting measures to meet the future necessities of the country, we may observe that before the Act of 1844 could be put in force it would have to be modified so as to be made applicable to new companies and to all existing companies, so that in the event of the Government exercising its power of purchase it should take the entire undertaking of the company without regard to the period at which any part of the line may have been sanctioned by Parliament; and that, whenever Parliament should determine to purchase the railways, the purchase should be disembarrassed from the difficulties which would arise from its being left open to arbitration.

In the event of the Government at any future time purchasing the railways, it has been judiciously provided in the Act of 1844 that the price shall be estimated upon the net divisible income of the line, without regard to the capital expended upon its construction. But in the clauses relating to the reduction of tolls, as also the claim for anticipated profits, in case the tolls have not reached the 10 per cent. maximum of profit, this computation of the maximum is made to depend both upon the net income and the amount of the capital of the company owning the line. At the same time Parliament has taken no effectual means to ensure that the whole of the capital of the company should be so expended on the permanent works as to be a fair measure either of the cost of the undertaking or of its value at any subsequent period. There has been no check upon the capital being issued at a discount, nor upon charges which properly belong to revenue, such as the maintenance of the line or rolling stock, or other current expenses, being thrown upon the capital to sustain a dividend. The recent disclosures of the proceedings of the London, Chatham, and Dover Railway Company illustrate in a remarkable degree how much the

nominal capital of a company may be increased by the mode in which it is raised. Out of the whole capital of 16,683,302*l.* not less than 4,109,796*l.* is admitted to have been dissipated in obtaining the rest from the public, and 1,948,007*l.* more was disbursed out of capital for payment of interest and dividends. (*See* Appendix DW.) It has obviously been impracticable for Parliament to refuse the applications of companies requiring further capital to complete their undertakings, on the ground that they have expended that already sanctioned in an improvident manner, as such a refusal would merely aggravate the evil; it would punish the innocent shareholders by completing the ruin of their undertaking, and prevent the public from having the use of the line. It should however be considered whether the maximum dividend of 10 per cent. on the capital should be maintained, unless it can be shown that the whole of the capital has been expended upon the permanent undertaking without being enhanced by other charges. These provisions have been departed from in the case of the Great Western Railway and some other railway companies whose maximum dividend has been reduced below 10 per cent.; and a different principle of reduction is also contained in the Liverpool and Manchester Railway Act before noticed in paragraph 6.

In any amendment of the Act of 1844 it would be worthy of consideration whether the principles of these Acts should not be further applied to meet the circumstances above mentioned. But in any case we think it is undesirable that the railway companies should be left in a state of uncertainty and subject to the perennial agitation of speculative opinions, or that the Government or Parliament should be constantly assailed with proposals of shareholders or debenture holders of unprofitable railways to subvert the existing system and appropriate the public resources to repay the money they have incautiously embarked in them.

Irish railways.

Proposals for Government purchase.

76. It has however been suggested that Ireland might be treated in an exceptional manner. It has been urged by the witnesses from that country, and also by other gentlemen of experience connected with railways, that there would be no financial difficulty in purchasing the Irish railways, and that the purchase might be effected on terms which would allow of such a saving in the interest on debentures and dividends on preference capital as would afford a margin fairly applicable to a reduction of rates. They also urge as an additional recommendation of the measure that it offers the only practicable means of escaping from the evils arising from the excessive number of small independent companies.

The capital sanctioned for the Irish railways is about 36,000,000*l.*, but of this only 26,390,000*l.* was actually raised by shares and debentures at the date of the last return in 1865. Hence their purchase by the State would not be exposed to financial obstacles as in England, but in all other respects the proposal is open to all the objections to which we have adverted in the foregoing observations. In one particular it may be deemed more objectionable than in the case of the English railways, inasmuch as it is of more importance not to discourage private enterprize and self-reliance in that country.

We shall not here make any further reference to the question of amalgamation, but shall return to the subject in a subsequent part of the Report.

Besides the proposal for the direct transference of the Irish railways to the State, various suggestions have been laid before us involving the principle of affording the aid of the State, with a view to the reduction of rates. By some witnesses it has been recommended that advances should be made to the companies sufficient to enable them to pay off their debenture debt and their preference capital on condition of an equivalent reduction of rates; by others it has been proposed that a certain proportion of any loss which might result from such reduction should be borne by the State. All these proposals appear to us to be contrary to sound principle.

It would be unjust to subsidise railways in order to induce a reduction of rates without doing the same for canals, inland navigations, and other means of locomotion of a proprietary character. The subsidy would have to be extended to future railways for those parts of Ireland not yet provided with railway facilities.

When capitalists undertake to construct a railway for the conveyance of persons and things at a lower rate than they can otherwise be conveyed, they unquestionably confer a great advantage on the public, but this furnishes no reason for the Government undertaking to reduce still further the cost of conveyance by giving the aid of its credit, or by making good the loss out of the public treasury.

The proposal to give a subsidy is therefore to pay out of the public treasury for a further reduction of the cost of conveyance, when a great reduction has already been made by means of a special contrivance; but to pay nothing when no reduction has been made because the ordinary road is obliged to be used.

No facts have been disclosed to us in evidence which would justify us in disregarding these considerations, or in recommending for adoption any of the proposals above adverted to.

Inadequate dividends.

77. Ireland has certainly no reason to be dissatisfied with the extent of railways constructed in it under the present system. In proportion to the resources of the country it is fully equal to that of the lines in the rest of the United Kingdom. It is complained that their profits have been for the most part insufficient, but the inadequacy of the returns appears to be due to causes which are not peculiar to Ireland, but exist in England where the circumstances are similar.

The main sources of the prosperity of English railways, viz., the large transport of passengers, arising from commercial activity and a wealthy population, and the carriage of goods arising from great manufacturing towns and mineral production in the centre of England, do not exist in Ireland; but where these elements are wanting, as in the agricultural counties of Norfolk, Suffolk, and Essex, and in the centre of Wales, the railways are as unprofitable as any in Ireland.

Alleged high rates.

78. On the part of the public it is complained that the charges are so high that the resources of the country are in consequence not developed. An opinion has also been very generally expressed, with more or less confidence, that the increase of traffic which would follow a large reduction of charges would be so great as ultimately to entail no loss. There is no doubt that in certain circumstances a well considered reduction is advantageous, and we understand that in some cases where the policy of lower fares than usual has been adopted by railway companies the results have been satisfactory, but we have no facts before us to justify an opinion that a general reduction on a large scale would not be attended with loss.

The geographical position of Ireland, and the condition of its industry, are by no means favourable for a great increase of railway traffic. The country enjoys in a remarkable degree the benefit of natural harbours, creeks, and rivers, so that no part of the country is more than 50 miles distant from a convenient port, whilst the greater part is much nearer. The mineral productions are raised, and the manufacturing industry is carried on, near the sea coast, where the principal towns are situate, and enjoy the advantage of importing their raw material from abroad by sea.

The industry of Ireland is mainly employed upon agriculture, and the amount of traffic from such industry is necessarily limited in quantity as compared with that of manufacturing districts.

The imports into the interior are in like manner restricted to the comparatively small bulk or weight of articles other than food produced and consumed by a rural population, whilst the absence of commercial activity, or of a wealthy resident population, in the central parts of Ireland, reduces to the lowest degree both the necessity and the disposition to travel.

It has been complained that the cattle trade is prejudiced, and there is no doubt that a large quantity of lean stock are driven from one part of the country to another along the roads, and are not conveyed by railway. As there are many districts at a considerable distance from the nearest railway, much of this description of stock would still continue to travel by the roads, however large a reduction might be made in railway rates. It is stated also by the witnesses who have given evidence on this question, that nothing short of a very great reduction in rates would induce graziers to send their lean stock by railway; and as this description of traffic, even at present rates, does not appear to be very remunerative, it is evidently probable that a reduction of 50 per cent., as is asked for, might be attended with serious loss.

The coal traffic of Ireland is very limited in quantity. The bogs have hitherto supplied much of the interior with fuel, but peat seems to be gradually becoming dearer with the rise in the wages of labour, and coal will therefore naturally have a tendency to supersede it. It is probable that if its price could be materially reduced, an important stimulus would be given to its consumption. The charge, however, for transporting coal at Dublin from ships to the railway stations is stated to be 3*s*. 6*d*. per ton, a sum equal to 50 per cent. of the railway rate to the centre of Ireland, and unless the cost of this transport can be reduced, no lowering of railway rates would have a fair trial or could have much effect. It is not immaterial to remark in reference to this question that coal is not dearer in the interior of Ireland than in the south of England.

It has been stated that the development of mining industry is not encouraged by the railway companies; but it does not appear that any offers of valuable mineral traffic have

been made to them and declined. It must be borne in mind that mineral traffic at low rates is profitable only when conveyed in full train loads and for considerable distances.

As the average distance for which goods could be conveyed in Ireland cannot be estimated at more than 30 miles, the effect of a reduction of rates in stimulating industry and enterprise would not be such as to alter the conditions under which they now exist in Ireland. After making a reasonable allowance for terminal charges a reduction to one-half the present rate, which may be taken at the average of 1½*d.* per ton per mile, would only be 1*s.* 10½*d.* a ton for 30 miles, or less than 6*d.* on a quarter of grain, and about 1*d.* on a cwt. of flax.

Results of railway enterprise in Ireland.

79. A comparison of the results of railway enterprise in Ireland with that in Scotland forcibly illustrates these considerations. The population of Ireland at the last census was 5,798,967, that of Scotland 3,062,294. At the end of 1865 there were 2,200 miles of railway open in Scotland, the cost of which had averaged 22,821*l.* per mile. In Ireland there were 1,838 miles of railway open, the cost of which had averaged 13,965*l.* per mile. The gross receipt from traffic for the year in Scotland amounted to 1,812*l.* per mile of railway, and in Ireland to 945*l.* per mile of railway; and whilst the net receipt in Scotland yielded 4·4 per cent. on the whole money invested, in Ireland the net receipt yielded only 3·5 per cent. The rates authorized to be levied by the railway companies are as high in Scotland as in Ireland; it is owing to the different circumstances of the country and the condition of its industry that railways are more profitable in Scotland than in Ireland.

General conclusions and recommendations.

80. On these several grounds, having come to the determination that it is inexpedient that the railways should be purchased by the State, **we consider that there is not sufficient reason for excepting Ireland from this general conclusion; but as it has been the established policy to assist Railways and other public works in Ireland, we recommend that when Parliament thinks fit to make advances to Irish Railway Companies, the money should be lent for a fixed period of considerable length, so as to enable the Company to develop its resources before it is called on for repayment. We are, however, of opinion that advances should not be made to the Irish Railway Companies as a condition of reducing their rates and fares, but that as the Railway Companies have the best opportunities of judging whether rates can be reduced so as to be recuperative within a reasonable time, they should be left to carry out such experiments at their own risk.**

PART IV.

Present system of private Bill legislation.

81. Having, therefore, decided not to recommend the purchase of the railways by the Government, it becomes necessary to consider a further preliminary question, viz., the manner in which railway companies obtain their powers. For it has been contended that many evils alleged to exist in the railway system are mainly due to the manner in which the original concessions to companies are granted, or the arrangements affecting subsequent proceedings of the companies are regulated, by the intervention of Committees of the Houses of Parliament; and that unless this be entirely changed, and an executive Government Board be charged both with sanctioning new projects and regulating the powers of railway companies these evils cannot be remedied.

The railway companies also allege that the Private Bill legislation is uncertain, that their interests are constantly subjected to litigation in Parliament, and that the conflicting views of Parliamentary Committees interfere with the management of their property.

It will be desirable therefore, before entering into the complaints alleged against the results of the existing system of railway legislation, to consider whether any modifications of the system itself are desirable or practicable, in order to secure a more efficient control either over the construction of railways or their administration.

Nature of the tribunal.

82. In considering the system of Parliamentary procedure in respect of Private Bill legislation, it is necessary to bear in mind the nature of the tribunal to which the Bills of railway companies are submitted.

The individual members of committees who sit on Railway Bills are continually varying, and the views of public interests therefore taken by committees will also vary. They have presented to them the case of the promoters. Originally, with the object of protecting the interests of the locality, the members of Parliament representing the districts concerned were placed upon the committees; but this arrangement was discontinued in 1844, and now the only means by which the general interests of the public or of the locality are brought to the notice of the committees are by the reports of the Board of Trade, the supervision over Private Bill legislation by the Chairman of the Committee of Ways and Means in the House of Commons, and the Chairman of Committees in the House of Lords, or by the appearance of parties in opposition to the Bill. The expense of opposing Bills in Parliament and the conflicting interests of those they represent may prevent local authorities from resorting to this course, except for the protection of local interests.

Questions of general public interest are thus only guarded by the other means above stated, or are brought forward as it suits private parties interested in the Bill to use them in support of their own case.

Unopposed or altered bills.

83. When, however, Bills are unopposed the only protection to the public arises from the vigilance of the Chairman of Ways and Means in the House of Commons, or the Chairman of Committees in the House of Lords.

It often happens in the case of unopposed Bills that fresh clauses are introduced in committee in that House of Parliament in which they are first considered, and thus there is a liability that conditions may be granted which, if contained in the original Bill, might have been objected to by the Board of Trade as being at variance with the general course of legislation. Opposed bills also in passing through select committees are often subject to alterations which may materially affect public interests; and if the opponents are unaffected by such alterations they may pass without sufficient consideration.

With the object, therefore, of affording the Board of Trade an opportunity of raising objections if it thinks fit, as well as with the further object of securing a more careful consideration of unopposed Bills than is at present the practice, we would suggest that **all Bills, after having passed through the Committee of the House in which they have been first introduced, should be referred back specially to the Board of Trade for further report, and the Board of Trade should in such report specially consider every point in which public interests are involved.**

Want of uniformity in Parliamentary decisions.

84. In the earlier stages of Private Bill legislation there was considerable diversity of practice, but since the year 1846, the Houses of Parliament have laboured to obtain uniformity on material points.

The nature of the tribunal however is such that many important differences in principle have been affirmed by Parliament in the special Acts of railway companies.

For instance, whilst Parliamentary Committees have generally maintained the principle of competition between adjacent railway companies, by allowing one railway company to push lines into its neighbour's districts, the Act which amalgamates the West Midland with the Great Western Railway provides, by an agreement scheduled to the Act, that the Great Western, Midland, and London and North-western Railway Companies are to have a right of through booking between certain stations on each others lines, but that no one of the companies is to construct, or lease, or work any railway in the districts common to the companies or any two of them without the consent of the company or companies affected.

Similarly, whilst the Select Committee of the House of Commons of 1853 urged as a general principle that amalgamation between large companies should not be permitted, we have shown that the Committees on the Private Bills of that session and subsequent sessions sanctioned extensive amalgamations.

In dealing with financial matters Parliamentary Committees have occasionally sanctioned a departure from obligations which Parliament had in the first instance imposed.

In some cases Parliament has relieved railway companies from the full discharge of their liabilities; in other cases, where companies who have made improvident bargains came before Parliament for assistance, it has set aside those bargains.

Thus, in the case of the Caledonian Railway, it compelled preferential shareholders of lines which had been absorbed by it to accept a lower rate of preferential dividend than they had originally contracted for on advancing their money and transferring their lines to what afterwards had become a bankrupt company. In the case of the London, Chatham, and Dover Railway, Parliament allowed fresh preferential capital to be created over existing preference shares.

Particular views of Parliamentary Committees.

85. It is a necessary consequence of the constitution of these committees and of the manner in which the business is conducted, that they should look to the merits of the special case entirely through the medium of the facts brought to their notice. It is not to be expected that they would act on grounds of general expediency which might appear to inflict hardship on the parties actually before them.

Moreover, no Committee, in which are vested what are practically absolute powers, would consent to defer its opinion to any general dictum given by another tribunal. In considering the case before it, the Parliamentary Committee looks upon itself as, and practically becomes, an independent court of appeal from any such general rules previously laid down, and from the decisions of any previous committees, which may have sat in former sessions on the same case.

Effects of these on the railway system.

86. This system of considering each application for a railway upon its own merits, without reference to any preconceived scheme for the general accommodation of the country, may have led to a larger expenditure of capital than was necessary.

In some cases each company which had access to some particular town has been allowed to make a station, where a joint station would have been far more convenient and less costly. In other cases two lines have been allowed to run side by side, where one line to accommodate both companies would have sufficed.

But on the other hand, the freedom from defined principles of action in granting new lines has led to a much more rapid development of the railway system, and consequently of the trade of the country, than could otherwise have taken place, and to a greater regard being paid to the special wants of particular branches of industry and commercial communication.

Necessity of appeal to Parliament.

87. There are still districts not yet adequately supplied with railway communication, and the public are continually seeking to obtain some improvement in or addition to the accommodation which it possesses, either by promoting new lines in opposition to existing lines, or by concessions from existing companies. The commercial and other interests at stake are in many cases so great, and the railway interests so powerful, that neither party would consent to have questions of important conflicting schemes settled by any tribunal without a power of final appeal to Parliament.

Without entering further into the reasons which have been given for and against the existing system, we think it right to assume that the power which Parliament now exercises over railway Bills will be maintained.

Absolute uniformity not necessary.

88. Nor do we consider absolute uniformity in the provisions of the Acts either necessary or desirable. The cost of a railway varies from 4,000*l.* per mile to possibly 1,000,000*l.* per mile, according to the district in which it is placed. For instance, a densely populated district, occupied by a manufacturing or a mining population, has far different wants from an agricultural population; and the mountain districts of Scotland, or the sparsely inhabited portions of Ireland could be supplied with railway communication suited to their wants, by means of a very different mode of construction from that necessary for South Staffordshire or the Metropolis.

In some cases, parties interested in a locality or a port may agree in thinking that their local interests will be benefited or developed by lines tributary to the port, and specially adapted to the wants of the district. In such cases, when proprietors are disposed to give land, and when trustees of roads and all local interests concur, we see no reason why Parliament should withhold its sanction because the proposed line may not conform to some *à priori* conclusion as to what the tolls and the rates, and the character of a railway should be.

French opinions on the subject.

89. The French Commission which inquired into the French Railways in 1863 carefully compared their own system of *à priori* rules, with the systems in other countries, and came to the conclusion that the progress of railways in France had been prejudiced and retarded by an adherence to a preconceived system, and they considered that it should be relaxed. The following are the recommendations they proposed:—

"In consequence, M. le Ministre, the Commission are of opinion that the greatest possible latitude should be allowed to the Government in authorizing railways of mere local interest, and that also equal latitude be granted to the company in constructing and in working them.

"That the lines of this especial railway system, being for the most part exceptional or branch lines, may, and in fact ought, to differ essentially, both in their construction and in their mode of working, from those railways comprised under the systems already established.

"That henceforth the conditions of the concessions (influencing everything with reference to the lines) ought to be simplified in such a manner as to allow,—first, that the width of the gauge, the weight

of the rails, the rolling stock, the curves and inclines, should be capable of variation according to circumstances; secondly, to suppress the necessity of close fencings, and also to authorize the simplest form of station buildings.

"That it would also be desirable that the railways forming each group should be constructed with the same width of gauge, so that the same rolling stock would be applicable to all; but at the same time, that this exact uniformity should not be enforced as an absolute law.

"That with regard to the working of the lines, the Government legislation should be limited to those police regulations which are indispensable to the public safety.

"That the privileges of the Act of 21st May 1836 with regard to "highways and thoroughfares" should be extended to all railways of local interest, and more especially those clauses of the Act which define the preliminary investigations and the purchase of land."

General conclusions and recommendations.

90. It is, however, a question of some importance whether the functions of the Parliamentary Committees might not be more conveniently limited to those questions which directly affect the relations between the railway companies and the public, for which Parliamentary interference is necessary; and whether many of the details, especially financial, which now occupy the attention of committees might not be more properly left to be dealt with by general laws.

We have already shown that the powers conferred by the special Acts which authorize these undertakings may be divided into three parts.

In the first place they create an incorporated company, with power to raise capital and with all the corporate privileges attaching to such incorporation. In the next place they give the incorporated company the necessary powers to take land, and otherwise interfere with existing interests, to enable them to construct their lines; and thirdly, they regulate and define the right of the public to use the railway, and of the company to levy the tolls and charges.

The necessity for the first of these provisions arose from the circumstance that, in the earlier days of railways, joint stock enterprise was in its infancy.

Incorporation, with the extinction of individual liability, was regarded as a privilege, and was only granted by Parliament to enterprises or trades which it was considered could not be effectually carried on by individual capitalists or private partnership.

It follows, as a consequence of Parliament having granted to each company in its special Act its charter of incorporation, that when the company desires to alter the terms of that incorporation as between the several shareholders, or to enlarge its original capital, or to vary the conditions under which the capital is to be raised, a fresh application to Parliament becomes necessary.

Hence a very large number of the Bills submitted to Parliament are for the purpose of enabling the companies so incorporated to vary the conditions of what, in an ordinary joint stock company, would be comprised in its articles of association.

In thus dealing with the financial affairs of the companies, Parliament has been led on to legislate in great detail, and has occasionally been in the position of having to free railway companies from obligations which they had incautiously incurred, and to consider questions which might otherwise have been disposed of by the shareholders, or by the ordinary judicial tribunals.

This detailed interference with the capital of the companies does not appear, however, to have secured to Parliament a practical control over the finances of railway companies in cases where they have not been able, or have not desired, to keep within the limits originally assigned by Parliament: nor to have protected the public from any abuses which might have crept in even if the companies had been left under the operation of the Joint Stock Companies Act.

In fact, these Parliamentary restrictions tend to give the investing public the idea that they possess some peculiar advantage, and to lull them into a false security as to the value of the debentures and of the share capital. But now that Parliament has adopted the policy of placing any lawful enterprize, conducted by means of a joint stock capital, within the reach of all associations of persons more than six in number, and has conferred upon them the privilege of limited liability, it would appear to be a more judicious course **that Parliament should relieve itself from all interference with the incorporation and the financial affairs of railway companies, leaving such matters to be dealt with under the Joint Stock Companies Act, and should limit its own action to regulating the construction of the line and the relations between the public and joint stock companies so incorporated; requiring such guarantees as may be necessary for the purpose of securing the due performance of the conditions upon the faith of which the Parliamentary powers of the company have been granted.**

Some such modification as this seems to be the only one which could work satisfactorily under the present system of Private Bill legislation.

Amendments in Joint Stock Companies Act.

91. In suggesting that railway companies in future may be constituted under the Joint Stock Companies Act we by no means assume that the provisions of that Act require no modifications or amendments, for we think it would be desirable that, without undertaking to protect the public against their own indiscretion, greater facilities should be afforded for the detection and repression of some acts by which the public are misled or deceived in the formation and management of joint stock companies.

The concealment or imperfect representation of important facts, which no one is charged with the duty of faithfully disclosing to the shareholders or the public, will be found to underlie most of the delinquencies in this respect, and there can be little doubt that many objectionable transactions would not be embarked in if they were to be immediately followed by publicity and be subjected to the scrutiny of public opinion. When, for example, a company is established by the allotment of shares for cash payments, the shareholders and the public readily infer that no other kind of allotment is to be made unless it be publicly announced; and when no preliminary contracts or arrangements affecting their future rights are mentioned, they naturally assume that none exist, for they have no means of informing themselves of the truth.

System of audit.

92. It has, however, been thought by some that no legislation to repress the abuses which have occurred in the promotion and management of joint stock companies will be of any avail without a system of Government audit of their accounts; but before arriving at any conclusion on this point it is necessary to consider the present system of audit under the Companies Clauses Consolidation Act, by which railway companies are regulated.

It will be convenient in the first place to recapitulate the main objects which it has been the intention of Parliament to secure by law.

(1.) A clear and faithful record and account of all the financial transactions of the company.

(2.) A power for each shareholder to inspect within certain fixed and limited periods the company's accounts, and to take copies or extracts.

(3.) The preparation of a balance sheet.

(4.) The appointment of auditors from among the shareholders.

(5.) The preparation of a scheme for the declaration of a dividend to be paid out of the profits of the company.

The following is, however, the manner in which it has been endeavoured by the Act to secure these objects.

The company at its annual meetings is to appoint two auditors, one of whom is to retire annually, but to be re-eligible.

The directors are to deliver to the auditors half-yearly or other periodical accounts and balance sheets 14 days before the meeting at which they are to be produced to the shareholders.

It is the duty of the auditors to receive and examine the same; they are empowered to employ such accountants and other persons as they may think proper, at the expense of the company, to assist them, and they may either make a special report on the accounts, or simply confirm the same.

The accounts of the company are to be kept by the directors, and the books are to be balanced at the prescribed periods, and thereupon the exact balance sheet is to be made up, which shall exhibit a true statement of the capital stock, credits, and property of every description belonging to the company, the debts due to the company, and the debts due by the company, and a distinct view of the profit or loss which has arisen in the course of the half year. It is also provided that before apportioning profits the directors may set aside out of such profits a sum to meet contingencies, dividing only the balance among the shareholders. This formation of a reserve or depreciation fund is, however, not made imperative, neither is the amount fixed by law.

The application of the language of these provisions to the transactions and accounts of railway companies is by no means free from difficulty, but in practice we believe a very short summary of account is usually laid before the auditors, who make an examination of it within a very limited time. The daily transactions of railway companies are so numerous that the company is compelled to employ a staff of clerks and accountants proportionate to the magnitude of its business to examine and check every transaction as it occurs, under the superintendence of its chief officers; but the manner in which every transaction is debited or credited depends upon the orders issued at the time the transaction takes place. These accounts could, therefore, only be checked efficiently by a contem-

poraneous audit by an establishment employed in the same office, or by a complete transfer or transcript of the accounts, vouchers, correspondence, minute books, books, and registers to be examined elsewhere.

It is quite competent for the shareholders of any company to direct their auditors to investigate the accounts of the company to any extent they think necessary after they are rendered half yearly; but it does not seem to be in their power under the Act to direct any continuous daily audit of accounts, if this duty should be neglected or improperly performed by the directors, who have the entire control of the accounts.

We do not think it would be desirable to impose upon the Crown the duty of auditing the accounts of joint stock companies, and certifying to the shareholders the correctness of their own balance sheets; for in practice this would either become a mere form, calculated to mislead, or would require a very large staff of officers, and in either case would involve very serious responsibilities merely to relieve the shareholders of a duty which they can equally well perform for themselves by the election of competent auditors with adequate powers and sufficient remuneration.

We need only refer to the report of the auditors of the London and North-western Railway Company, printed in Appendix EF., for the purpose of showing how much may be done by the companies themselves for the purpose of ensuring a supervision and audit of their accounts and presenting a true view of the state of their affairs to their shareholders. But it is manifest that the provisions of the Companies Clauses Consolidation Act are insufficient to give the shareholders full power for this purpose, in case the directors are otherwise disposed; and we see no reason why the shareholders in these companies should not have as much power over their affairs as the shareholders in other joint stock companies. The restriction upon selecting auditors from among the shareholders should be repealed, and the auditors should be empowered to carry on a continuous audit, and to call for all books and documents necessary to elucidate not only the balance sheet, but the whole financial position of the company.

We therefore recommend that **the Companies Clauses Consolidation Act should, as respects the audit of accounts, and the power of the shareholders to inspect them, be assimilated to the provisions of the Joint Stock Companies Act.**

Advantage of frequent applications to Parliament by railway companies.

93. It is, however, of no slight importance to the public that railway companies should be compelled to apply to Parliament for its sanction to every alteration of, or addition to, their undertakings, and that any other railway company or person affected by the change should have the liberty of being heard in opposition.

The railway companies being thus continually before Parliamentary Committees, either to defend their interests against invasion or to obtain further concessions from Parliament, an opportunity is afforded to the public of bringing forward any grievances from which they may suffer, and to Parliament of imposing such fresh regulations as the public interests may require, as a condition of the new concession.

Thus Parliament becomes an arbitrator between the railway companies and the public, and the railway companies voluntarily accept its decisions to promote their own objects or interests. This operates as a powerful inducement to the companies to remove any grievances of which the traders in their different districts might complain.

Railway Construction Facilities Bill.

94. It has been suggested that the Railway Construction Facilities Bill has not produced the effect which was intended in consequence of the prohibition contained in it against any branch being authorized in face of the opposition of the railway company affected by it; but as the consent of every other owner of property is required to the proposed undertaking we do not think that the railway company can be placed on a worse footing and deprived of the right of presenting its case for the consideration of Parliament; and if it were so deprived, the prohibition would probably fail in its object, as the railway company would find it easy to induce some landed proprietor to permit its case to be brought forward under colour of his own opposition.

On these several grounds we believe that Private Bill legislation can only be dispensed with to the extent we have pointed out, and we do not think it would be possible, even if it were desirable, for absolute uniformity of decision to be obtained in those matters which we recommend should still remain subject to its jurisdiction.

Desirability of consolidation of Railway Acts, and of interim registration.

95. There is, however, one question affecting Private Bill legislation which remains to be considered. It is contended that serious inconvenience to the public results from this special legislation because the powers of the railway companies and the consequent rights of the public are now scattered through above 3,100 Acts of Parliament, extending over half a

century, many of which contain exceptional and varying provisions, so that it becomes exceedingly difficult to ascertain what is the law applicable to any particular case. As regards, however, the special clauses relating to local or personal rights, it is to be observed that as those interested in them have caused their insertion, they may be assumed to be perfectly informed on the subject; but as regards general clauses applicable to the public at large, the inconvenience is more serious, and deserves attention. In order to remedy this evil we recommend that **when railway companies apply to Parliament for power to amend their Acts, advantage should be taken of the application to require them to consolidate all the clauses of existing Acts which remain permanently applicable to their undertaking.**

In consolidating Railway Acts some danger, however, exists that clauses affecting private individuals might be suppressed or dropped out. With a view, therefore, **to protect public and private interests, and to guard against errors, the examination of the Consolidation Bills should be committed to the Board of Trade,** and that Department should be charged with the duty of reporting upon their accuracy.

This work would be one which must necessarily occupy considerable time if adequate care is to be bestowed upon the examination. In the meantime, the provisions of the Railway Companies Securities Act, requiring the railway companies to register at the office of the Registrar of Joint Stock Companies the titles of the Acts of Parliament under which they have contracted mortgage debts, might be extended, and **railway companies should be compelled to keep at the office of the Registrar of Joint Stock Companies a complete collection of all the Acts in force applicable to their undertaking, to be open to public inspection.**

PART V.

Question of improvements in legislation as to the working of railways.

96. Having disposed of these preliminary questions, we will now examine how far it is necessary and practicable to extend the provisions of the general Acts regulating railways, for the purpose of securing to the public the more complete enjoyment of the rights which Parliament intended to confer upon them in respect of railways constructed under its sanction.

The following are the instructions laid down to guide our inquiry, viz.:—

"To inquire into the charges now and heretofore made by the several railway companies of Great Britain and Ireland for the conveyance on their lines of passengers, parcels, goods, minerals, animals, agricultural products, and other merchandize, and into the equality or difference of such charges under similar circumstances, whether as between different companies or by the same company in different cases; and where such inequality or difference exists, to inquire whether there are special circumstances which render necessary such inequality or difference, and also to inquire into the actual costs of such conveyance, and to compare such costs and charges respectively with the costs and charges relatively to the accommodation given and service performed on the railways in any one or more foreign countries; and to report whether, with a due regard to the progressive extension of the railway system, it would be practicable, by means of any changes in the laws relating to railways or otherwise, to effect a more convenient interchange of traffic between the several systems of railways, and more economical arrangements for the working of railways, so as to make any considerable reduction in the said costs of conveyance, and in the charges to the public on account thereof; and more effectually to provide for securing the safe, expeditious, punctual, and cheap transit of passengers and merchandize upon the said railways, with as near an approach as may be to uniformity of charge and equality of treatment for all persons under similar circumstances."

To explain clearly the conclusions at which we have arrived upon the several questions we have been instructed to inquire into, it will be convenient to consider them in the following order:—

1. Inequality of rates and fares.
2. Equality of treatment under similar circumstances.
3. Actual fares and rates as compared with former charges and with corresponding charges on foreign railways.
   - *a.* Passenger fares.
   - *b.* Goods and mineral rates.
4. Conditions affecting economy and safety of working.
5. Interchange of traffic.

1.—Inequality of Rates and Fares.

Inequality of charges.

97. The most material complaint which we have received from the witnesses we have examined upon this subject is that the rates for conveyance of passengers and goods are unequal on different railways and on different parts of the same railway, and that in consequence of these unequal rates some districts receive advantages which place them in a better position for competition than others.

Rights of the companies and of the public.

98. The rights of the railway companies and of the public respectively in this matter are thus defined in the Railway Clauses Consolidation Act:—

"And whereas it is expedient that the company should be enabled to vary the tolls upon the railway, so as to accommodate them to the circumstances of the traffic, but that such power of varying should not be used for the purpose of prejudicing or favouring particular parties, or for the purpose of collusively and unfairly creating a monopoly either in the hands of the company or of particular parties; it shall be lawful, therefore, for the company, subject to the provisions and limitations herein and in the special Act contained, from time to time to alter or vary the tolls by the special Act authorized to be taken, either upon the whole or upon any particular portions of the railway, as they shall think fit."

All the railway companies have freely availed themselves of the powers conferred upon them by this Clause.

Causes of unequal rates; their advantages.

99. The carrying trade brings the railway companies into competition with carriers on roads, canals, and rivers, as well as with the whole coasting trade. The companies, therefore, without regard to the rates which they charged elsewhere, have found it necessary to reduce their rates below those charged for the existing means of conveyance, whatever its cost might be, in order to draw traffic on to their own lines. However much the owners of the existing modes of conveyance may have been prejudiced, the general public have derived an unqualified advantage from the great increase of facilities for the conveyance of merchandise, which we have no doubt has largely contributed to the development of the industry and resources of the country.

Inequality of charge in respect of distance, besides being a necessary consequence of this competition, is an essential element in the carrying trade, that is to say, the principle which governs a railway company in fixing the rate is that of creating a traffic by charging such a sum for conveyance as will induce the produce of one district to compete with that of another in a common market.

Hence, even if the railway company be assumed to have a complete monopoly of the railway communication of the district it occupies, it must in its own interest regulate its accommodation so as to produce as large an amount of remunerative traffic as possible.

The power of granting special rates thus permits a development of trade which would not otherwise exist, and it is abundantly evident that a large portion of the trade of the country at the present time has been created by, and is continued on the faith of special rates.

Difficulties of legislation.

100. The conditions under which such rates are granted are so numerous that no special law could be framed to regulate them. It has indeed been suggested that it should be left to a Government board or other tribunal to arbitrate in cases where the traders asked for reduced rates, and the railway companies refused them; but it must be recollected that the companies are entitled to derive a benefit from the rates assured to them by Parliament, and the course suggested would be tantamount to transferring this benefit from the companies themselves to individual traders, in order to add to the profits of their business, established with a full knowledge of the system of railway rates.

Power in the hands of the companies.

101. There is no doubt that this system confers great powers on the railway managers and directors in regard to the markets for those articles in whose cost the carriage forms an important element.

It is however the interest of every railway company to develop the trade of its district, and we learn from the North Staffordshire Railway Company that on the temporary stoppage of the supply of coal in 1864, that company, to keep up their traffic (dependent on the prosperity of the pottery trade), carried coal from the Derbyshire and Leicestershire coal-fields at a rate of freight barely in excess of working expenses. Had the railway company not done so the pottery trade would have come to a stand-still, and the railway company would have sustained great loss. Similarly the Great Western and London and North-western Railway Companies brought coal into South Staffordshire from Wales at very cheap rates. More recently, in the case of a temporary interruption of the iron manufacture, the North Staffordshire Company carried puddled bars at exceptionally low rates of freight.

Unequal rates sanctioned by law courts.

102. It is worthy of notice that under the Traffic Act the Court of Common Pleas has distinctly recognized the right of a company to charge unequal rates. In the case of Ransome *v.* Eastern Counties Railway, it held that a company may charge different rates for carriage where the expenses thereof are different (if this be not done to enable one particular person, A., to compete with another, B.), and as the expense of starting a train is the same for a large or small distance, this may fairly be taken into account, and justify an inequality in the rates of carriage between different places.

Difficulty of enforcing uniform rates.

103. It has further been alleged against the system which permits of unequal rates, that in cases of traffic of the same nature carried on from two districts to a common market, the rates have been so favourable to one district as to shut out the other.

Without entering into the question whether a uniform rate over the whole country would not operate effectually to shut out all the traffic now carried to distant markets, it is evident that there can be no mean course between allowing the railway companies to charge what rates they think expedient within a maximum limit, and requiring that a rate proportioned to distance, or at least an equal rate for equal distances, shall be adopted.

Many important districts have access to each other by navigable rivers and by the sea as well as by railways, and hence if a uniform rate were made compulsory it would prevent those districts which possess a water route as well as a railway, from getting the benefit of the low rate they now obtain from the competition between the railway and the sea or river, and thus raise the price of the article to the consumer; or else, it would act as a prohibition to the railway companies whose lines are in competition with the coasting trade from carrying certain classes of traffic, and in either case would check trade. Moreover, the competition which now exists between the produce of different places in a common market would be seriously prejudiced by uniformity of rate.

It must not be forgotten that the canal companies enjoy the right under their special Acts of regulating the tolls within a maximum, and the Act of 1845 (8 & 9 Vict. c. 42.) was passed to empower canal companies to become carriers on their own canals, with the object of enabling them to compete more effectually with railways.

If any change of system were introduced on the railways it would be found necessary to modify the existing rights of canal companies, so as to bring them into harmony with the regulations which might be established for railways.

Interest of the railway companies to encourage the prosperity of their districts.

104. It is clear, from these considerations, that the interest of the railway companies is intimately wrapped up in the prosperity of the districts which they serve. It is possible that railway companies may not always take enlightened views in managing their traffic; but even in this case the public obtains the fulfilment of the conditions upon which it has deemed it proper to concede the right of constructing the railway for the conveyance of passengers and goods within the prescribed limit as to tolls and charges.

Alterations of rates.

105. Parliament has, however, not only left the railway companies free to fix the rates, but has put no restraint upon the manner in which they may from time to time vary these rates. It has been represented that it is a source of great inconvenience to traders, and in some cases attended with very serious loss, that rates are changed without any previous notice. We do not think the suggestion that railway companies should be bound to give a very long notice to meet the convenience of persons who have entered into prolonged contracts, is well founded, as it is the obvious duty of such persons to guard in the terms of their engagements against a contingency which is known to exist. But on the other hand it is impossible to provide in the ordinary current transactions of business, for a sudden change in the cost of conveyance, which may be a material item in the market value of a commodity. We think therefore that railway companies should be compelled to give reasonable notice of any intention to raise their rates.

General recommendation.

106. For the several reasons we have stated, **we do not consider that it would be expedient, even if it were practicable, to adopt any legislation which would abolish the freedom railway companies enjoy, of charging what sum they deem expedient within their maximum rates when properly defined, limited as that freedom is by the conditions of the Traffic Act; but we are of opinion that railway companies should be required to give a reasonable notice of their intention to raise their rates of charge.**

2.—Equality of Treatment under similar Circumstances.

107. An important complaint has been made that the system of special rates opens the door to injustice between traders in the same district, if not to favouritism of individuals. Equality of treatment.

The Railways Clauses Consolidation Act, after stating that a company is at liberty to vary its rates within its Parliamentary maximum, enacts—

"Provided that all such tolls be at all times charged equally to all persons, and after the same rate, whether per ton per mile or otherwise, in respect of all passengers and of all goods or carriages of the same description, and conveyed or propelled by a like carriage or engine passing only over the same portion of the line of railway under the same circumstances; and no reduction or advance in any such tolls shall be made either directly or indirectly in favour of or against any particular company or person travelling upon or using the railway."

The Traffic Act provides that no company shall make or give any undue or unreasonable preference or advantage in favour of any particular person or company or particular description of traffic. The decisions of the Courts under the Traffic Act afford some clue to the rights of the public in this matter.

When an application was made to the Court of Session in Scotland (Hozier *v.* Caledonian Railway Company)—

"Where it appeared that A. resided at M., an intermediate station between two large towns, G. and E., and that the fare from M. to G. was 2*s.* 6*d.*, and from M. and E. was 9*s.* 6*d.*, but the through fare from G. to E. was only 2*s.*, an application by A. to the Court of Session to equalize the fares was refused; it being held that, as far as the statement of the petitioner went, nothing unreasonable was shown."

In the case of the Caterham Railway Company *v.* the London, Brighton, and South Coast Railway Company and South-eastern Railway Company, the Court of Common Pleas held that higher charges on one branch line than on another do not *per se* constitute an undue advantage.

On the other hand, in the case of Baxendale *v.* the Great Western Railway Company, the Lord Chief Justice Cockburn—

"held that if the Court became clearly satisfied that a company was seeking to promote its own advantage by establishing an inequality which was unreasonable under the circumstances, and operated unfairly and injuriously upon particular individuals, or that it was affording to one person or set of persons an advantage which it would not afford to another under similar circumstances, this Court would not hesitate to interfere to prevent such a result; although by so doing they might prevent the company from securing all the profit that it might otherwise derive from the use of its property. Thus, were a complaint made that a railway company, as between two intermediate stations, charged a higher rate than was due to the intermediate space in proportion to the charge made on the entire line of railway, this Court would, if it were made to appear that the disproportion was not justified by the circumstances of the traffic—in other words, was an undue prejudice or unreasonable disadvantage to those using the part of the railway in question—would interfere to set aside such arrangement. So, again, if an arrangement were made by a railway company whereby persons bringing a larger amount of traffic to the railway should have their goods carried on more favourable terms than those bringing a less quantity, although the Court might uphold such an arrangement as an ordinary incident of commercial economy, provided the same advantages were extended to all persons under the like circumstances, yet it would assuredly insist on the latter condition, and would interfere in the case of any special agreement by which the company had secured to a particular individual the benefit of such an agreement to the exclusion of others, or even where an attempt had been made, by keeping the agreement secret, to make it operate unduly to the prejudice of third parties."

It is therefore clear that the law requires that all traders in the same class of goods, between the same localities under the same conditions, should be charged the same rate.

It is, however, due to the railway companies to state that whatever may have been the transactions of the companies at the commencement of railway enterprize, it is now generally regarded by them as impolitic to grant any preference tending to favour individual traders, and some managers disapprove of the transmission of large quantities of goods on more favourable terms than smaller quantities. The witnesses examined before us concur in the expression of their belief that there is no disposition on the part of the railway companies to afford personal preference for the special profit of individual traders; but that the distinctions in rates made by railway companies are based upon considerations affecting the profit and interest of the railway companies themselves. This, however, is a question of such vital importance, that we think it should not be left to the good intentions of the railway companies, but that any course which is practicable should be taken to ensure these intentions being carried into effect.

108. The best means of obtaining this desirable object is to ensure to the public a sufficient knowledge of all railway rates, charges, and dealings. This publicity would afford to traders of each district, who might consider that their district was unfairly taxed, a means of bringing their grievance forward. Unequal rates are the essence of the present Publication of Rates.

railway system, and as their discontinuance cannot be recommended, the remedy against unfairness or oppression must be sought in publicity.

Upon this subject the Railways Clauses Consolidation Act provides that—

"A list of all the tolls authorized by the special Act to be taken, *and which shall be exacted by the company*, shall be published by the same being painted upon one toll-board or more, in distinct black letters on a white ground, or white letters on a black ground, or by the same being printed in legible characters on paper affixed to such board, and by such board being exhibited in some conspicuous place on the stations or places where such tolls shall be made payable."

From the context of the Act it would appear that Parliament intended all charges actually made to be exhibited; but in practice the railway companies have only exhibited the tolls they are authorized to demand from persons using the railway, and not the charges which they make as carriers.

The absence of publication of the rates may in some cases prevent the traders from being aware of the rates at which other persons and goods are being carried. One case of this sort brought before us may be mentioned here:—The Midland Company made an agreement with all the brewers at Burton that they should all be on the same footing; but by some arrangement unknown to the other brewers one firm obtained a considerable drawback. The other firms, however, subsequently obtained a similar reduction.

If every trader possessed a full knowledge of the rates charged to himself and to others engaged in the same business, he would be in a position, if he felt himself aggrieved, to resort to the proper tribunal under the Railway and Canal Traffic Act; or if the matter was of sufficient magnitude, or of a public character, the interference of the Board of Trade could be sought, or the parties interested could submit the case to Parliament when the railway company sought new powers from Parliament, as already adverted to.

We therefore recommend that **in order to enable all persons to be in a position to ascertain with ease whether they are treated on an equality with others, it should be compulsory on the railway companies under adequate penalties to exhibit at every station, when required, to the persons using the station, a true list of the whole of the fares and rates charged from that station, and to give full information as to special contracts, rebates, drawbacks, and other deductions or advantages. The Board of Trade or other Government department charged with the supervision of railways should further be empowered to require returns of all tolls and charges actually levied by railway companies, with full information as to rebates and deductions, or to appoint officers to examine the books of the companies.**

Distances between stations.

109. Another matter bearing on this subject also deserves consideration. In order that the public may satisfy themselves that the rates are equitably charged, it is necessary they should know accurately the distances between the several stations. The Railway Clauses Act stipulates that the distances shall be legibly marked along the line, and that no tolls shall be payable unless this is done. But this provision is not a convenient one to convey the information, and therefore **we are of opinion that railway companies should be required, under adequate penalties, to publish accurate lists of the distances between the stations on their lines.**

3.—Actual Fares and Rates as compared with former Charges, and with corresponding Charges on Foreign Railways.

Difficulties of comparing English and foreign railways.

110. For many reasons it is very difficult to institute a just comparison between the accommodation afforded on foreign lines of railway and English lines. In the first place the circumstances of the traffic vary materially. An examination of passenger traffic on railways shows that in districts inhabited by persons pursuing similar avocations the numbers who travel may be assumed to increase with the amount of population and to diminish in an accelerating ratio according to the distance of the populations apart; therefore, in districts of similar character, the number of trains required between two places would increase with the number of inhabitants and diminish with the distance. But the condition and character of a population materially affect the passenger traffic. For instance, a working man dependent on his daily work can only afford to travel for such periods of time as would not interfere with his daily earnings, but he can afford, and finds it advantagous frequently to repeat, short journeys at a cheap fare. The more easy classes on the other hand can afford to make a large single payment at more limited intervals, to enable them to visit and remain at watering places and to travel for pleasure.

In England and Scotland the greatest development of the railway system has been in connexion with the fields of mineral wealth; moreover almost every railway passes either to a manufacturing district, which is connected with a much larger population than the mere town to which the railway runs, or to a seaport, in which latter case the traffic is influenced by the trade beyond the seas. Hence it is almost impossible to select places at home and abroad which would so correspond in the character of their population and traffic as to show whether the wants of the population were equally accommodated.

Before, however, instituting any comparison between English and continental railways, it is necessary to notice some distinguishing peculiarities of the French and other continental railway systems. Each continental Government has adopted a special mode of dealing with its railways, which more or less affects the position of the company which permanently or temporarily owns the line.

Peculiarities of French system.

111. In France, besides the general interest which the Government naturally takes, as a Government, in developing the trade of the country, it has a direct interest in this means of communication, as owner of the fields of mineral wealth of the country.

When railways were first introduced into France in 1836, the Government undertook to assist their construction by giving sums in aid and by constructing earthworks and bridges.

The railways are conceded to the companies in leases for 99 years, at the expiration of which period they become the property of the State; and in order that the debenture and share capital may be extinguished at the time the transfer takes place, a sinking fund is set aside out of the receipts from traffic, and from this fund a portion of the debentures and shares are annually paid off or bought up.

The various lines in France at work at the end of 1866 comprised about 9,014 miles, and had cost 319, 200,000*l.*, of which about 57,800,000*l.* had been contributed by the State, either in capital, permanent works, or subventions payable in annuities; and something over 2,200,000*l.* had been contributed by the localities in which the railways are situate, leaving about 259,200,000*l.* provided by the companies.

In addition to the advantage of these subscriptions the Government has guaranteed nearly all, if not all, the bonds issued by the companies. Sometimes the guarantee does not quite cover the cost of interest and sinking fund.

In return for this assistance the French Government has required the free performance of the postal service and the conveyance of military and other employés at very low rates. It has fixed lower maximum rates than in this country, and has required the companies to submit to considerable control both over the rates and fares for all classes of traffic, and over the management. The French Government also levies a duty upon traffic, of ten per cent. upon the gross receipts from goods carried by fast trains, and from passengers.

The policy of the French Government has materially protected the companies in that it has not allowed more railways to be made than it considered would adequately accommodate the districts, and whilst in France there is only one lineal mile of railway open to 26 square miles of country, in the United Kingdom there is one lineal mile open to about 8 square miles, and in England one to about 6 square miles of country. The result of this to the public in France is that (whilst it tends to ensure a full traffic to every railway) as a rule those who desire to travel over or send goods by railways have to pay, besides the railway fare, an additional and heavier rate for the road carriage; whereas in England a very limited amount of road carriage will now bring passengers or goods on to the railways, in any part of the country except in the mountainous and unproductive districts.

The commission appointed by the French Government to inquire into the construction and working of railways made a careful examination of the railway system in France and other continental countries and in England, and they made an elaborate report in 1863. This commission carefully considered the prohibition from charging special rates, or rates not authorized by the Government, (although lower than the tariff named in the "cahier de charges,") which is one of the main features of the French system of traffic; and they make some remarkable admissions upon the necessity of special rates as a means of developing the resources of the country. They do not however recommend them, because at the time the commission sat special rates had only recently been prohibited in France, on the ground that they were contrary to the principles of equality.

This interesting report shows into what great details of management legislation must enter when once the Government steps in to regulate the action of private companies in their dealings with the public.

It is, however, clear that no just comparison can be made between the French and English railways in respect of charges.

Belgian system.

112. In Belgium some of the lines have been constructed by the State and are worked by the Government, but there are lines conducted by private companies whose concessions have been granted on much the same conditions as have been applied to French railways, *i.e.*, they will become the property of the State after the lapse of a certain number of years, and their share and loan capital will be absorbed by a system of amortization.

Dutch system.

113. In Holland some lines have been constructed by foreign capitalists, but the State has laid out and constructed the main communications at its own cost; it retains its property therein and a certain control over them. It lets or leases the working of the lines to private companies. The agricultural nature of the country and the extensive system of water communication has materially retarded the progress of railways.

Austrian system.

114. In Austria concessions are granted by the Emperor for a fixed term not exceeding 90 years from the opening of the railway, when the property in the line and its appurtenances is to be passed over to the State in good working order, the property in rolling stock remaining with the company. The tariff of actual charges must be approved every three years by the Minister of Commerce, and when the net profits exceed 15 per cent. the Government can make reductions in the tolls authorized by the concession. The length of railway open in Austria in 1863 was 3,694 miles, upon which 65,057,677*l.* had been expended, which yielded an average dividend of $7\frac{1}{3}$ per cent. It would, however, appear that out of the total expenditure the Government has guaranteed interest on 50,000,000*l.* to induce individuals to invest their money.

Prussian system.

115. In Prussia 950 miles of railway have been constructed by the State at a cost of 14,944,431*l.*, and are managed by the Government; these lines yielded $7\frac{2}{3}$ per cent. in 1863; 877 miles have been constructed by private companies, at a cost of 15,885,854*l.*, and are managed by the Government, and yielded an average dividend of $5\frac{1}{2}$ per cent. in 1863; and 1,950 miles have been constructed and are managed by private companies at a cost of 32,636,758*l.*, and yielded an average dividend of $8\frac{1}{2}$ per cent.

The Executive Government gives the concession, and after the capital is raised the expropriation of land follows. The owner of land may appeal if dissatisfied to the courts of law, but such appeal does not stop the progress of the works. Competing lines are not allowed for 30 years after the opening of a railway. The conveyance of mails is to be without cost to the public. A constant supervision over the proceedings of the railway companies is exercised by commissioners. An income tax, varying from one-twentieth to one-fifth of the dividend, according to its amount, is levied and applied to amortizing the share capital of the private railways.

American system.

116. In America, on the other hand, the railway system is entirely free from Government control. Every facility is afforded for the construction of railways, especially as regards the acquisition of property, and in every respect the enterprize is left as free as possible; subject only to a maximum charge for conveyance, and to liability to make compensation for injuries.

The progress of railway communication in America has been far in advance of that in this country, but no just comparison can be made between the English and the American railways. The mode in which land is occupied is essentially different, the condition of society is also very different; in America only one class of passengers is recognized, except in the case of emigrants. There the railways form to a great extent the only main roads of the country. For certain classes of traffic, such as grain, they are in competition with a magnificent system of water communication, and where such competition exists the rates are very low; where there is no competition the rates are high.

English system.

117. The continental system is a paternal system, in which the Government overlooks and controls all the acts of the companies. The American system is one of complete freedom. Neither system is exactly suited to our requirements, or our character. But the English system is like the American, in so far as it is based on principles of freedom, and has relied on competition for keeping the rates low. This system has largely assisted the rapid development of our mineral wealth, and has given us a greater proportion of railway communication than is possessed by continental states; it has formed the main inducement to economy in working the traffic, and we cannot recommend any reversal of that policy by assimilating our system to that of the continent.

(*a.*) *Passenger Fares.*

Advantages of railways for passenger traffic.

118. The advantages which the public have derived from railways in passenger traffic are speed and comfort, and reduction of the actual cost of conveyance; the estimate of which depends on the manner in which railways are compared with other means of conveyance.

The richer classes have benefited most largely in point of cost, because the railways enable them to dispense with posting. The middle classes have also largely benefited, if the second class carriage be compared with the inside of a stage coach, and the third class with the outside. The poorer classes have benefited most in regard to speed, because formerly they had no means of travelling except by waggon or on foot; consequently a person dependent on daily earnings was practically unable to pass from one part of the country to another.

The average expense of posting was 2*s.* a mile with a pair of horses, and coaching fares before the introduction of railways were stated by Mr. Chaplin, in his evidence before the Select Committee of the House of Commons on Railroads in 1838, to have been 4½*d.* per mile inside, and 2½*d.* per mile outside, to which the incidental fees and charges would have to be added.

Comparison of fares and accommodation in 1845 and 1866.

119. The subjoined table of railway fares between the places named, in November 1845 and in August 1866, show what changes have been made by some of the railway companies in their own rates of charge.

FARES on RAILWAYS on 15th November 1845 (extracted from Report of Officers of the Railway Department of the Board of Trade for the Year 1844–45) and in Autumn of 1866.

(The distances in parentheses are shorter distances consequent on the construction of new lines).

Name of Railway.	Miles.	Fares in November 1845.					Fares in Autumn of 1866.				
		First Class.		Second Class.		Third Class.	First Class.		Second Class.		Third Class.
		Express.	Ordinary.	Express.	Ordinary.		Express.	Ordinary.	Express.	Ordinary.	
		s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
Birmingham and Gloucester	53	—	14 0	—	10 6	4 5	—	10 0	—	7 6	4 7½
Midland, Rugby to Normanton	123 (106)	—	33 0	—	22 6	10 3	—	20 9	—	14 11	8 9½
York and North Midland, York to Normanton.	24	—	6 0	—	4 6	2 0	—	5 2	—	4 1	2 0½
Chester to Birkenhead	15	—	2 6	—	2 0	1 3	—	2 6	—	2 0	1 3
Grand Junction, Birmingham to Liverpool.	98 (96)	20 0	17 0	—	14 0	8 3	—	15 6	—	12 0	7 6
Great North of England, York to Darlington.	45	13 0	11 0	9 0	8 0	3 9	—	9 4	—	7 6	3 8*
Newcastle and Darlington	39	10 6	10 0	8 0	7 0	3 3	—	8 4	—	6 8	3 3½
Great Western, Paddington to Bristol.	118¼	30 0	27 0	21 0	18 6	9 11	—	20 10	—	15 8	9 10
Hull and Selby	31	—	5 0	—	4 0	2 6	—	5 6	—	4 6	2 6½
Lancaster and Preston	20	—	5 6	—	3 6	1 8	—	4 0	—	2 9	1 9
London and Birmingham	112¼	27 0	23 0	—	17 0	9 5	—	20 0	—	15 0	9 5
Do. do. slow train		—	20 0	—	14 0		—	—	—	—	—
Manchester and Birmingham	85	17 6	15 0	—	11 6	7 1	—	15 0	—	11 0	7 1
London to Brighton	50½	12 6	10 0	—	7 6	5 0	11 0	8 9	8 9	6 6	4 2
London and South-western, London and Portsmouth.	94 (74)	22 6	19 6	—	15 0	7 0	—	15 0	—	10 6	6 2
Do. do. slow train		—	17 0	—	12 9	—	—	—	—	—	—
Manchester and Leeds	51 (48½)	—	11 0	—	8 6	4 3	—	7 0	—	5 3	3 5
Newcastle and Carlisle	60	—	12 0	—	9 0	5 0	—	12 9	—	10 2	5 0†
North Union, Parkside Junction and Preston.	22	—	4 6	—	3 0	1 10	—	4 0	—	3 0	1 10
South-eastern, London and Dover.	88 (78)	18 0	15 0	—	10 0	6 0	19 0	17 6	13 0	12 0	6 6

* This is Government fare, the ordinary 3rd class is 4*s.* 8*d.*

† This is Government fare, the ordinary 3rd class is 6*s.* 4*d.*

It will be perceived that between London and Birmingham in 1845, the company charged first-class express 27*s.*, at an average speed of 37 miles an hour; and ordinary first-class 23*s.* and second-class 17*s.*, at an average speed of 28 miles an hour; and 20*s.* and 14*s.* by what were termed slow trains, proceeding at an average speed of 14 miles per hour.

The company now charge 20*s.* first-class, 15*s.* second-class, and 9*s.* 5*d.* third-class for all trains. The maximum speed of such trains is 37 miles per hour, and the minimum speed 20 miles per hour.

In 1845 there appears to have been one mail train and one express train daily. The number of trains at 37 miles an hour is now five each way daily by this line; but to this must be added the two trains each way daily at a similar speed on the Great Western Railway.

The Great Western Railway Company charged from Paddington to Bristol in 1845 by express train 30*s.* first-class and 21*s.* second-class; by ordinary trains 27*s.* first-class,

18*s.* 6*d.* second-class, and 9*s.* 11*d.* third-class, with an average speed for all trains of 26 miles an hour for ordinary trains, and 14 miles an hour for parliamentary trains.

The company now charge 20*s.* 10*d.* first-class, 15*s.* 8*d.* second-class, and 9*s.* 10*d.* third-class. The fastest train runs at an average speed of 42 miles an hour, and the slowest at 16 miles an hour; the average speed of all trains being about 28 miles per hour.

The fares between Birmingham and Gloucester were in 1845 14*s.* first-class, 10*s.* 6*d.* second-class, and 4*s.* 5*d.* third-class, with an average speed for trains conveying first and second-class passengers, of 20 miles an hour, and for trains with first, second, and third class passengers, of 17 miles an hour, with 14 trains per day.

The charges now made by the Midland Railway Company between the same places are 10*s.* for first-class passengers, 7*s.* 6*d.* for second-class passengers, and 4*s.* 7½*d.* for third-class passengers; the distance has been increased three miles by the station having been carried into the centre of Birmingham, and the speed of the trains remains about the same, with 18 trains per day.

On the South-eastern Railway from London to Dover the fares charged in 1845 were 18*s.* first-class express, 15*s.* first-class and 10*s.* second-class by ordinary trains, with an average speed of 23½ miles per hour, and 6*s.* with an average speed of 16 miles per hour third-class; whereas now the company charges 19*s.* first-class express, 17*s.* 6*d.* first-class and 12*s.* second-class by ordinary trains, and 6*s.* 6*d.* third-class, the maximum speed being 45 miles per hour, the minimum speed 24 miles per hour, and the average speed 32 miles per hour.

The Newcastle and Carlisle Railway Company charged in 1845 12*s.* for first-class, 9*s.* for second-class, and 5*s.* for third-class, with an average speed of 18½ miles per hour, with 10 trains per day. The North-eastern Railway Company now charge, between Newcastle and Carlisle, 12*s.* 9*d.* first-class, 10*s.* 2*d.* second-class, and 6*s.* 4*d.* third-class, with an average speed of about 20 miles per hour, and the number of trains is not increased.

These instances may be taken to afford a fair sample of the alterations in accommodation. The main improvement in the accommodation afforded by the railways to the first and second class passenger traffic of the country which has taken place in the last 20 years has been in the description of vehicles and the larger number of railways opened; however between places where competing lines have been established there has been a great extension of facilities, as has been already shown between London and Birmingham. But much improvement in the number or speed of trains has not taken place between places which had railway communication 20 years ago, and have not had the advantage of competing lines. The reduction of fares has mainly arisen from the issue of return tickets for extended periods of time proportionate to the distances, which are a great boon to the trading community. As regards the third class, the number of third-class trains has not materially increased, except in the vicinity of large towns, and no return tickets are as a rule issued to this class; but on the other hand an entirely new description of traffic has sprung up, viz., the excursion trains, which afford a very great amount of accommodation to the poorer classes.

Second and third class traffic.

120. The published statistics of passenger traffic appear to show that the second and third classes are the sources of passenger traffic which admit of the greatest development. On the London and North-western Railway a comparison of 14 years * showed that with an increase of mileage of 166 per cent. the number of miles run by the passenger trains had increased 152 per cent.; and that whilst the total increase of passenger receipts had only been 78 per cent., the receipts for first-class had increased 40 per cent., for second-class 74 per cent., but the third-class had increased 162 per cent, that is to say, it alone had kept pace with the increased mileage.

Comparison of accommodation on English and foreign lines.

121. In the evidence which we have received complaints are made that the passenger rates are higher in this country than abroad.

The very different conditions under which English and foreign railways are placed render it impossible to make any absolute comparison between them. The amount of accommodation afforded may however be to some extent tested by comparing the receipts per train mile, the number of trains, the average fares, and the speed of the trains.

Receipts per train mile.

122. *Receipts per train mile.*—The average gross receipts per train mile will give a rough idea of the general accommodation afforded; as, supposing the charges not to be

* Mr. Stewart, Quest. 14,796.

materially different, the higher these receipts are, the fewer will be the number of trains in proportion to the amount of traffic carried; and *vice versâ*.

These receipts we find as follow:—

	s.	*d.*
In Great Britain the Board of Trade returns for 1865 give	5	1·74
For 1864	5	3·22
For France we possess no statistical returns to enable us to calculate the average over the whole kingdom, but from the periodical reports of some of the principal companies, and from information specially furnished to us, we arrive at the following:—		
Lyons and Mediterranean (Appendix DB.)	10	2
Nord	7	4
Orleans	8	5
Ouest	7	11
Est	5	10
For Belgium the "compte rendu des operations" on the railways of the state for 1864, gives	6	3
For Prussia the "statistische Nachrichten" for 1864, give, on the whole of the railways of the country	5	9
For Austria a return of some few years old gives for the State railways in that country	5	4
Many other German returns which we have do not appear to make the train mileage an element in their data.		

It will thus be seen that in every case the foreign average receipts per train mile are larger than in Great Britain, in some cases very much larger.

123. But in order to compare the accommodation more directly, we have extracted from various foreign official time tables the data given in Appendices DM. and DN. These documents show in a perspicuous form the particulars of the railway service in several parts of the continent, and its comparison with the service of a corresponding nature in this country. The latter is also shown in a different form in Appendix EE. Number of trains.

Number of Trains.—As regards France, the statements show that in almost every instance, where any comparison can be drawn, the number of trains for first and second class passengers is much greater in this country than in France.

For example—

	First-class Trains, daily.	Second-class Trains, daily.
From Paris to three large naval arsenals there are	8	4
From London to three large naval arsenals there are	32	22
From Paris to six commercial sea-ports there are	32	21
From London to six commercial sea-ports there are	61	56
From Paris to seven suburban districts there are	141	141
From London to seven suburban districts there are	266	266
From Paris to three large provincial towns there are	23	16
From London to three large provincial towns there are	51	51
From Paris to 10 smaller provincial towns there are	66	40
From London to 10 smaller provincial towns there are	101	83

As regards third-class trains, however, the result is different, the French giving generally for long distances more accommodation than we do.

For example,—

	Third-class Trains daily.
From Paris to 6 commercial sea-ports there are	17
From London to 6 commercial sea-ports there are only	13
From Paris to 3 large provincial towns there are	13
From London to 3 large provincial towns there are only	9
From Paris to 10 smaller provincial towns there are	37
From London to 10 smaller provincial towns, only	26

In Belgium, Germany, and Italy, it will be seen by Appendix DN., the same general result is found as in France, viz., a less number of trains for first and second-class passengers than in England, but a greater number of third-class trains. In Prussia there is a fourth class, at very cheap fares.

Fares.

124. *Amount of Fares.*—The average passenger single fares in Great Britain are as follows, in pence per mile:—

	Express.		Ordinary.		
	First Class.	Second Class.	First Class.	Second Class.	Third Class.
On 12 of the principal railways of England, as as given in the Board of Trade Return for 1865—	*d.*	*d.*	*d.*	*d.*	*d.*
Great Eastern	2·87	2·00	2·35	1·87	0·97
Great Northern	None.		2·13	1·06	0·99
Great Western	2·38	1·74	2·03	1·50	0·94
Lancashire and Yorkshire	None.		1·46	1·28	0·74
London and North-western	2·50	1·96	1·95	1·44	0·95
London and South-western	2·69	1·95	2·31	1·70	0·98
London, Brighton, and South Coast	2·59	2·10	1·92	1·43	0·90
London, Chatham, and Dover	3·01	2·03	2·44	1·66	0·95
Manchester, Sheffield, and Lincolnshire	None.		2·43	1·74	0·97
Midland	None.		2·22	1·61	0·96
North-eastern	None.		2·10	1·50	0·85
South-eastern	2·34	1·70	1·96	1·39	0·83
Average of these	2·63	1·93	2·11	1·51	0·92

The following are some actual fares charged by various railway companies:—

	Express.		Ordinary.		
	First Class.	Second Class.	First Class.	Second Class.	Third Class.
	d.	*d.*	*d.*	*d.*	*d.*
London to Birmingham, London and North-western Railway.	None.		2·12	1·60	1·00
London to Birmingham, Great Western Railway	None.		1·86	1·32	0·88
London to Bristol, Great Western Railway	2·65	1·86	2·12	1·60	1·00
London to Plymouth, Great Western Railway	3·07	2·23	2·70	1·90	1·08
London to Southampton, South-western Railway	2·66	1·82	2·35	1·67	1·00
London to Brighton, London, Brighton, and South Coast Railway.	2·64	2·10	2·10	1·56	1·00
London to Edinburgh, Great Northern Railway	None.		2·10	1·53	0·99
London to Manchester, London and North-western Railway.	None.		2·10	1·52	1·00

Many other examples of actual English fares will be found in Appendices DM and EE.; and various particulars on this head are also given in the returns to Inquiry No. 5, furnished by the various railway companies, and published in the Appendix.

A few examples from these returns will illustrate the practice of some of the larger companies in regard to their passenger fares.

Average Single Fares per mile:—

	Express.		Ordinary.		
	First Class.	Second Class.	First Class.	Second Class.	Third Class.
	d.	*d.*	*d.*	*d.*	*d.*
Great Northern	No Express.		2·00	1·45	—
Lancashire and Yorkshire	Do.		1·95	1·48	0·84
Midland	Do.		2·22	1·61	—
North-eastern	Do.		2·10	1·50	0·85
South-eastern	2·51	1·85	2·05	1·46	0·87

HIGHEST SINGLE FARES per mile:—

—	Express.		Ordinary.		
	First Class.	Second Class.	First Class.	Second Class.	Third Class.
	d.	*d.*	*d.*	*d.*	*d.*
Great Northern	No Express.		6	4	—
Lancashire and Yorkshire	Do.		2·36	1·75	1·00
Midland	Do.		2·61	1·91	0·99
North-eastern	Do.		2·50	2·00	1·25
South-eastern	2·75	2·08	2·50	1·80	0·97

LOWEST SINGLE FARES per mile:—

—	Express.		Ordinary.		
	First Class.	Second Class.	First Class.	Second Class.	Third Class.
	d.	*d.*	*d.*	*d.*	*d.*
Great Northern	No Express.		1·31	0·93	—
Lancashire and Yorkshire	Do.		1·63	1·27	0·54
Midland	Do.		1·39	1·07	0·86
North-eastern	Do.		0·70	0·50	0·30
South-eastern	1·51	1·04	1·04	0·76	0·49

The passenger fares in France are stated in Appendix DM. It will be seen they are very uniformly, as follows:

—	Express.		Ordinary.		
	First Class.	Second Class.	First Class.	Second Class.	Third Class.
	d.	*d.*	*d.*	*d.*	*d.*
Usual fares in France	None.		1·73	1·30	0·95

The only exceptions to this uniform rate seem to be in the cases of some of the suburban districts, where the fares are lowered.

The passenger fares in Belgium, Germany, and Italy, are shown in Appendix DN, and may be stated as follows:—

—	Express.		Ordinary.			
	First Class.	Second Class.	First Class.	Second Class.	Third Class.	Fourth Class.
Belgium.	*d.*	*d.*	*d.*	*d.*	*d.*	*d.*
Usual Belgian fares as given in Appendix M.	1·55	1·16	1·23	0·93	0·62	None.
Brussels to Antwerp	1·37	—	1·17	0·80	0·55	Do.
Germany.						
Prussia	2·06 to 1·70	—	1·57	1·17	0·80	0·40
Austria	2·25 to 2·01	—	1·87	1·41	0·94	None.
Bavaria	1·60	—	1·33	0·89	0·60	Do.
Rhenish	None.		1·53	1·05	0·70	Do.
Italy.						
Highest	Do.		1·88	1·50	1·02	Do.
Lowest	Do.		1·47	1·19	0·85	Do.

As respects passenger fares, therefore, it will be seen that many of the continental fares, particularly first and second-class, are lower than the fares in this country. But there are several circumstances to be taken into account before giving too much weight to this consideration.

Return tickets.

125. In the first place, return tickets are issued more generally in this country than abroad, and usually on more liberal terms.

The general rule in England (*see* returns to Inquiry No. 5 in Appendix) is to give first and second-class return tickets at a reduction of about 25 per cent. Third-class return tickets are given in some few places, but only exceptionally.

In France, it appears (*see* Appendices CN. and DB.) that return tickets are issued for certain limited distances from large towns, to facilitate the traffic between them and their suburbs, and in some other cases where the railway route is circuitous, the reduction being 30 per cent. Return tickets are, however, not given for long distances.

In Belgium (*see* Question No. 3060) return tickets are only issued in an exceptional way.

In Germany the practice varies, return tickets being given in some places, but not as a general rule.

Excursion trains are more frequent in this country than on the continent. In some instances the fares by such trains in England do not average $\frac{1}{3}d.$ or $\frac{1}{4}d.$ per mile travelled.

Excess of luggage.

126. The regulations as regards luggage are more liberal in this country than on the continent.

In Great Britain the usual rule is to allow each passenger to carry free of charge—

First class -	- 112 to 120 lbs.
Second class -	- 100 lbs.
Third class -	- 56 to 60 lbs.,

excess being paid for at the rate of 10*d.* to 1*s.* 3*d.* per ton per mile.

In France (*see* Appendix CH.) each passenger, independent of class, is allowed 30 kilogrammes, or 66 lbs., and excess is charged for at the rate of about 8*d.* per ton per mile.

In Belgium no luggage is allowed free beyond such hand articles as can be placed under the seats without inconvenience to the passengers. All else is charged at the rate of about 9*d.* per ton per mile.

In Germany the usual rule appears to be, for all classes, about 50 lbs. free, and about 8*d.* to 1*s.* per ton per mile extra.

Mr. Eborall shows in his evidence the extent to which the French charge for excess luggage would tend to equalize the fares in the two countries, assuming every passenger to travel with the quantity allowed in England; and although this assumption is of course exaggerated, there can be no doubt that, in the long run, the less liberal arrangements abroad with luggage tend to make the difference in the cost of travelling less marked than it would at first sight appear.

Speed.

127. *Speed of Trains.*—The speeds of trains in Great Britain and on the continent are shown in a large number of examples in Appendices DM. and DN.

	Miles per Hour.
In England the express trains run generally, including stoppages, about -	40
From London to Newcastle the quickest trains run - - - -	40
„ „ Liverpool - - - - - - -	37
„ „ Bristol - - - - - - -	42
„ „ Southampton - - - - - -	34
„ „ Peterborough - - - - - -	47
„ „ Birmingham - - - - - -	38
„ „ Brighton - - - - - -	46
The average of all the English examples of the quickest trains in Appendix DM., omitting the suburban, gives - - - - -	36½
The ordinary trains in England run generally, including stoppages, about -	18 to 30
The average of all the English examples of the slowest trains in Appendix DM. gives - - - - - - - - -	19½
In France the express trains run, including stoppages - - -	25 to 35
The quickest in Appendix DM. is, from Paris to Rouen - - -	36
The average of the quickest examples, omitting suburban, is - - -	31
The ordinary trains run from - - - - - -	16 to 25
The average of all the slowest trains in Appendix DM. is - - -	18

	Miles per Hour.
In Belgium the quickest trains run from	29 to 35
„ the slowest	18 to 23
In Prussia the quickest	29
„ the slowest	17 to 21
In Austria the quickest	20 to 29
„ the slowest	14 to 21
In Bavaria and along the Rhine the quickest	24 to 32
„ „ the slowest	13 to 24
In Italy the quickest	24 to 30
„ the slowest	15 to 24

128. To complete, however, any comparison it would be necessary to compare the comfort afforded on English lines in the number of passengers in proportion to the number of carriages, as well as in the arrangements to prevent the passengers from being subject to change of carriages at junctions, with the rigid system prevailing on French and other continental lines, by which the passengers are made entirely subordinate to the convenience and economy of the railway companies. General results of the comparison.

In comparing the passenger traffic in England and in France, it would appear generally that first-class passengers in England availing themselves of through fast trains for long distances are carried at higher speeds, (at somewhat higher fares, regard being had to the charge for luggage made in France, and to the more limited issue of return tickets), but in France persons travelling by ordinary trains or third-class trains are carried at a lower rate than in England, and with more frequent trains.

Mr. Stewart gives the following detailed comparison between the French and English railway accommodation:—

"I have taken two of the French railways and two of the English railways as specimens, the North-western and the Manchester, Sheffield, and Lincolnshire, and I find that this would be the result:—Passengers travelling by the London and North-western from London to Leighton, and by the Manchester, Sheffield, and Lincolnshire railway from Manchester to Sheffield, or by the Paris and Mediterranean from Lyons to St. Rambert, or Lyons to Macon, are supplied with train accommodation and charge as follows:—From London to Leighton, which is a distance of 40½ miles, there were 10 first-class trains, allowing 112 lbs. of luggage, at 7*s.* 2*d.*; 10 second-class trains, allowing 100 lbs. of luggage, at 4*s.* 8*d.*; and one third-class train, allowing 56 lbs. of luggage, at 3*s.* 5½*d.* On the Manchester, Sheffield, and Lincolnshire line, from Manchester to Sheffield, which is a distance of 41¼ miles, there were seven first-class trains, allowing 112 lbs. of luggage, at a fare of 9*s.*; seven second-class trains, allowing 100 lbs. of luggage, at a fare of 6*s.* 3*d.*; two third-class trains, allowing 56 lbs. of luggage, at a fare of 4*s.* 6*d.*; and one Parliamentary train at a fare of 3*s.* 5½*d.* From Lyons to St. Rambert, which is a distance of 37½ miles, there are four first-class trains, allowing 112 lbs. of luggage, at a fare of 6*s.* 6½*d.*; four second-class trains, allowing 100 lbs. of luggage, at a fare of 4*s.* 11¼*d.*; and four third-class trains, allowing 60 lbs. of luggage, at a fare of 3*s.* 3*d.* I have added the charge for luggage, bringing them up to the English standard. They can travel, therefore, in France four times by third-class for 3*s.* 3*d.*, as against once by the North-western for 3*s.* 3½*d.*, and three times by the Manchester, Sheffield, and Lincolnshire for 4*s.* 6*d.*, and 3*s.* 5½*d.* as against 3*s.* 3½*d.*; so that, compared with the fares on the English lines, and adding the charge for extra luggage (52 lbs.), the first-class passenger in France pays 7½*d.* less for the 41¼ miles than on the London and North-western, and 2*s.* 5½*d.* less than on the Manchester, Sheffield, and Lincolnshire line. The second-class passenger in France, adding the charge for extra luggage (40 lbs.), pays 3¼*d.* more than on the London and North-western, but 1*s.* 3¼*d.* less than on the Manchester, Sheffield, and Lincolnshire. The third-class passenger in France, with the right of carrying 60 lbs. of luggage as against 56 lbs. on the English lines, may travel from Lyons to St. Rambert by four trains per day, and from Lyons to Macon by eight trains per day, for 3*s.* 3*d.*, or 2½*d.* less than the Parliamentary fare on the English lines, and 1*s.* 3*d.* less than the ordinary third-class on the Manchester, Sheffield, and Lincolnshire line.

"Then I have compared the number of trains between some of the points. In England of course there are duplicate lines of railway, but I have taken one route only, London to Glasgow, London to Aberdeen, Tring to Rugby, London to Leighton, Paris to Marseilles, Melun to Larache, Lyons to Macon, and Lyons to St. Rambert. There are four communications from London to Glasgow, which is a distance of 406½ miles. The third-class passengers are carried by a fast train at 9 p.m. There is no third-class train goes through. There are three fast trains advertised from London to Aberdeen, which is a distance of 542¼ miles. The third-class are conveyed by one of those. From Tring to Rugby, which is a distance of 51 miles, there are seven communications a day. From London to Leighton, which is a distance of 40½ miles, there are 11 communications per day. From Peterborough to Doncaster, which is a distance of 80 miles, there are eight communications, of which three are third class, four are fast, and one is ordinary. From Paris to Marseilles, which is a distance of 538 miles, there are six trains, namely, three fast, one ordinary, and two third-class per day. From Melun to Larache, a distance of 70 miles, there are eight trains per day. From Lyons to Macon, a distance of 45 miles, there are 12 trains per day, consisting of three fast, one ordinary, and eight third class.

From Lyons to St. Rambert, a distance of 37½ miles, there are eight trains per day, consisting of three fast, one ordinary, and four third class.

"These facts lead me to the conclusion that the French, as a rule, give more frequent means of intercommunication to the third class between the stations upon their railways than we do."

The low prices charged on the Belgian railways are somewhat remarkable. There it would appear as if the conditions more nearly resembled districts in England. Special rates prevail between certain places, and it is stated that a considerable increase of traffic has followed the reduction which has from time to time been made in the rates; notwithstanding which the profit on the capital cost of Government lines yields 6 per cent. interest. At the same time every one who has travelled in Belgium has seen how very defective the stations and platforms are in accommodation as compared with those on English lines.

Punctuality.

129. An important element in accommodation to passengers is the punctuality of the trains; unpunctuality is a great element both of inconvenience and of danger.

Most of the railway companies issue a notice in their time bills to the following effect:—

"The published time-bills of this company are only intended to fix the time at which passengers may be certain to obtain their tickets for any journey from the various stations, it being understood that the trains shall not start from them *before* the appointed time. Every attention will be paid to ensure punctuality, as far as it is practicable, but the directors give notice that the company do not undertake that the trains shall start or arrive at the time specified in the bills; nor will they be accountable for any loss, inconvenience, or injury which may arise from delays or detention. The granting of through tickets to places off the company's lines is an arrangement made for the greater convenience of the public, but the company will not hold themselves responsible for any delay, detention, or other loss or injury whatsoever arising off their lines, or from the acts or defaults of other parties, nor for the correctness of the times over other lines or companies, nor for the arrival of this company's own trains in time for the nominally corresponding trains of any other company. Passengers booking at intermediate stations can only do so conditionally upon there being room in the train."

The question of the punctuality of passenger trains has been frequently discussed by Parliament. The House of Commons Committee in 1858 on Railway Accidents, recommended that passengers should be enabled to recover from the companies summarily penalties for unpunctuality.

We have understood that on the Swiss railways the Government enforces a penalty upon every train which arrives late at the terminal station, proportioned to the degree of unpunctuality.

If, however, a railway company be bound under a penalty always to keep time, it must provide in its time bills for a certain amount of overtime to guard against exceptional cases; and it would thus materially reduce the speed which it now endeavours to give, so long as the passenger is content to bear the contingency of delay. If, however, great expedition were required of the companies the efforts of the officers of the companies to maintain punctuality in exceptional cases would enhance the risk of railway travelling; and it would require a protection analogous to that obtained on the French lines by the regulations as to booking, with or without luggage, and placing the passengers under control for a certain time before departure.

If the same speed as is now shown on time bills were to be guaranteed, the companies would be obliged to provide means for running a much greater speed on occasions. Hence guaranteed punctuality means either increased expense of working, which must be paid for by increased fares, or diminished average speed in the trains. It is for consideration, however, whether the number who would desire guaranteed punctuality with such conditions exceeds the number who would prefer the system to remain as it is. After a very careful consideration of this question, **we are unable to see any method of ensuring punctuality in passenger trains by means of legislative enactments, except that proposed by the Committee of the House of Commons in 1858, viz., that punctuality should be guaranteed, and that passengers injured by delay should be enabled to recover summarily a fixed sum; but we have already referred to the objections to this proposal.**

Notice of alteration of time.

130. It is the usual practice for railway companies to publish time tables at the beginning of each month, but not to give previous notice of any alterations. This often causes much inconvenience; and therefore **we are of opinion that railway companies should be bound, under adequate penalties, to give at least a week's notice of any alterations of time of their regular passenger trains.**

131. The Commission appointed by the French Government dwelt in its report at some length upon the advantages which result from increasing the comfort and reducing the cost of travelling. They inveighed against the feeling which prevailed in France, and which has prevailed quite as much with us, of making the lower classes uncomfortable in order to drive into a higher class those passengers who the managers of the railways considered should have travelled in that higher class. They urged that persons generally select the class in which they travel, with the object of meeting others of their own rank in society. The inconvenience to which second and third class passengers have been subjected has diminished the inducement to travel in persons who would naturally have travelled in those classes, whilst it is the interest of railway companies to encourage travelling, and to draw their traffic from the lower classes of the population, who are the most numerous. Desirability of encouraging travelling in the inferior classes.

The Commission further urged the want of expansion in the passenger traffic on French railways as an illustration of the absence of encouragement to this traffic, and showed that whilst in 10 years the receipts from passengers had only increased from 16,814 francs to 17,980 francs per kilometre, the receipts from goods had increased from 12,411 francs per kilometre to 30,060 francs. They considered that this was partly attributable to the fact that the average fare per passenger had remained stationary at about 0·9*d.* per mile, whilst the price for goods and minerals per ton per mile had been decreased from 1·2*d.* to 0·9*d.*, and they argued that the probable cause of the want of expansion of the passenger traffic was that the fares have been kept up too high.

They laid down as a rule that every passenger ought to be able to sit comfortably, and have a back to his seat against which he could lean his head to sleep; that in summer the passengers should be adequately protected against the rays of the sun, and that in winter, if some general and inexpensive system of warming could be adopted, which did not delay the trains, it should be applied to all carriages. They also recommended the universal adoption of waterclosets in trains.

It is, however, obvious that whilst the first-class long distance passenger traffic is probably better provided for in this country than anywhere else in the world, the working classes do not obtain that benefit from railway communication by the ordinary trains of the companies which a railway is so well calculated to afford.

In the last session of Parliament the late President of the Board of Trade introduced a Bill which provided, amongst other things, for compelling all metropolitan railway companies to run trains before seven o'clock in the morning and after six o'clock in the evening to and from stations to be prescribed by the Board of Trade at prices not exceeding one penny for each journey. Periodical tickets only (for not less than a week) to be issued for such trains, and the liability of the company for injury to passengers from accidents to be limited to 100*l.* for each passenger. The company was to be relieved from the necessity of running the trains if the number of passengers by the trains did not amount to 100.

In consequence of the pressure of public business the Bill was not passed.

We recommend that railway companies should be required to afford greater facilities for carrying the ordinary third-class traffic, by running at least two trains, with third-class carriages attached, each way daily; and that in such mixed trains whenever return tickets are issued for first and second class passengers, they should in like manner be issued for third-class passengers. We consider that workmen's trains, on the principle of those proposed in the Railway Clauses Bill of the Session of 1866, should be run in and out of every large manufacturing town.

132. By Act 7 & 8 Vict. c. 85. it is enacted that cheap trains are to be run on "passenger railways," of which we have already quoted the definition given in the Act. Definition of passenger railway.

But inasmuch as goods and mineral traffic is increasing at a much larger rate than passenger traffic, it is probable that the more important railways will soon be exempt from the conditions now applied to passenger railways, and therefore we are of opinion that **the definition of the term "passenger railway" in the Act for the regulation of railways should be altered, and the term defined to mean any railway on which passengers are conveyed.**

133. The price to be paid for military and police is fixed by the Act for the Regulation of Railways at 2*d.* per mile for officers and 1*d.* for privates; the authorities of the War Office have complained that where railway companies are actually charging lower fares Military and police.

for first and third class passengers they exact the statutory amount from the military. **We are of opinion that in no case should a railway company be entitled to charge more for the military and police than it charges for ordinary first and third class passengers.**

Postal service.

134. In connexion with the passenger traffic we have to consider the question of postal communication.

On the continental railways, as we have observed, the Government has conceded the lines to the companies on the condition that the mails are to be carried free. On the railways of this country Parliament has reserved to the Post Office the right of requiring the railway companies to carry the mails as the Postmaster General may direct, but has reserved to the railway companies the right to be paid for such service at a rate to be fixed by arbitration. The Postmaster General is also at liberty to send a Post Office guard with a weight of mails equal to the luggage of an ordinary passenger, at the fares charged for such ordinary passenger, any extra weight being paid for according to the ordinary rates of the company.

The Post Office authorities complain that the price they have to pay under many of the arbitrations for services rendered is in excess of what individuals pay for such services and that if guards are sent in charge of the mails as baggage the railway companies insist that the guard can only carry the baggage from one end of his journey to the other without intermediate receipt and delivery, and that, therefore, when they desire to use the trains by sending a guard with mail bags, without putting the trains under the statutory notice, the demands of the railway companies are exorbitant. They also state that they cannot require a company to run a train exclusively for their use, and that the law is defective as to the speed they are entitled to require, and as to the provision of apparatus for exchanging mail-bags without stopping.

The railway companies on the other hand complain that whilst by law the award should bind both parties for three years, the Post Office practically possesses the power of at once putting an end to it if they consider it too high, by requiring some alteration of service, which may be a mere nominal alteration, and thus the Post Office may go on asking for fresh arbitrations until they get an award to their liking. The Post Office authorities deny that there has been any abuse of this power. The railway companies further complain that by means of the book and parcel post, the Post Office has entered into competition with the railway companies for an important branch of their traffic.

The Post Office is anxious that a fixed tariff for the conveyance of mails should be introduced into Acts of Parliament. The experience which has been already acquired must by this time suffice to enable a fair and remunerative tariff to be affixed to every service required to be rendered by the ordinary trains of the company, and the only reason why some fixed scale does not appear to have been adopted by some general Act, is that the Post Office has never urged it upon the consideration of Parliament on a satisfactory basis for legislation.

It is quite clear, however, that at the present time legislative interference in this question has either gone too far or not gone far enough. If the Post Office had originally been left free to make its bargains with railway companies, it would probably have obtained greater facilities at lower rates than it now possesses, for the railway companies largely benefit by postal communication, and the feeling of the directors would obviously be to assist it; but the fact of the service being compulsory to some extent neutralizes such a feeling.

We recommend as the best course under existing circumstances **that a general Act of Parliament be passed to define all those points which have given rise to difficulties between the Postmaster General and the railway companies; but we do not deem it expedient to enter into the details of the arrangements to be embodied in the Act.** We will merely point out that these services may be classed under two heads, viz., first, services analogous to services rendered to the public; secondly, services in trains to be run at special hours to be fixed by the Postmaster General.

The first class, viz., **services by trains when railway companies fix the time of starting and stopping, may be grouped under the following heads, viz.—**

1. **Mails in charge of railway companies without Post Office guards.**
2. **Mails in charge of guards on Post Office responsibility.**
3. **Compartments or one or more carriages.**

For this class of services a tariff might be fixed by a general Act. And if the Postmaster General were to enter into communication with the railway companies, we see no reason to doubt that an equitable scale for these services could be agreed upon.

For the second class of services, viz., **where the Postmaster General fixes the time of starting or stopping, or requires an exclusive or limited train, the question of the proper remuneration for the service performed should still be left to arbitration.**

We have no evidence that the provisions of the Act which we have quoted in a former part of our report, allowing the Postmaster General to over-ride an award which is otherwise binding on a railway company, have ever been abused by him. We think such a power necessary for the public interests, and have not, therefore, suggested any alteration of the law in this respect.

Parcels.

135. Another branch of traffic carried on in passenger trains is the conveyance of parcels. The railway companies complain that the Post Office abstracts from them a large portion of this class of traffic, by means of the parcel post. The Post Office contend that the necessity for extending the parcel post has arisen from the inefficient way in which the railway companies have performed the parcel service; and the services, which the Post Office under its Acts of Parliament is entitled to perform, seem to be limited to printed and written matter and patterns.

We think that there is a plain and obvious distinction between the service rendered by the Post Office in the conveyance of letters and printed matter, and that rendered by railway companies in conveyance of parcels. The Postmaster General not only enjoys by law an exclusive monopoly of the conveyance of all letters, but is also entirely protected from all responsibility for any default in the service which the Post Office undertakes to render to the public, and correspondents are left to rely in the last resort on the protection of the severe penal laws against the servants of the Post Office.

We do not think it would be possible to apply this principle to the conveyance of parcels throughout the country.

There is this further consideration that the weight of letters received and delivered in each separate packet is exceedingly small, both in weight and bulk, as compared with the bulk and weight of railway parcels, which extend up to 112 lbs., and require therefore a different organization for receipt, delivery, and forwarding.

So long as a railway company is paid a reasonable rate for the transmission of mails they have no cause to complain of the extension of Post Office service. The expense lies in the collection and delivery, and it is quite competent to railway companies to organize a system of collection and delivery, and to compete with the Post Office by carrying parcels on the same terms. It is, moreover, to be remarked that railway companies are not bound to carry parcels, nor is there any tariff for parcels, fixing charges for collection and delivery, in Acts of Parliament. The public is therefore at their mercy. **We consider that a separate tariff should be laid down and published to govern the conveyance as distinguished from the collection and delivery of parcels, so as to enable the rates of charge to be kept down by the free action of individuals acting as carriers by railway.**

It is, however, apparent that the parcel service, so far as interchange is concerned, can never be efficiently performed for the public until railway companies co-operate through the clearing house, to improve their arrangements for parcel traffic. Looking at the extent to which the railway system has now reached **we consider that the time has arrived when railway companies should combine to devise some rapid and efficient system for the delivery of parcels.**

We do not feel called upon to suggest the precise manner in which this may be carried into effect; but the employment of a uniform system of adhesive labels for parcels, somewhat similar to that now in use on some of the northern lines for the conveyance of newspapers, is one of the most obvious methods for facilitating payment and accounting.

If the railway companies do not combine voluntarily it may be necessary at some future time for Parliament to interfere to make the obligation to carry parcels compulsory at a rate to be prescribed by law.

On the companies effecting such an arrangement we recommend that a general Act should be passed limiting their liability for each parcel to a certain amount, unless a greater value be declared and paid for, according to a settled scale, at the time of transmission, and that such further provisions should be made as may be found necessary to enable the companies to carry out their arrangements.

(*b.*) *Goods and Mineral Rates.*

Running powers.

136. We have already pointed out that Parliament appears to have consistently legislated for railway companies on the principle that on the one hand they are owners of roads, which the public are entitled to use, whilst on the other hand they are commercial companies engaged in the business of common carriers. And that in return for the privilege of compulsorily taking land, Parliament has required every company, in its capacity of the owner of a road, to specify in its Act authorizing the railway, a scale of tolls, on payment of which independent carriers and the public in general shall be entitled to use the road with engines and carriages; and that Parliament has also provided that the owners or occupiers of lands adjacent to the railway, or other persons may make branch lines with suitable access to the railway. We have also shown that the powers given to all persons to use the railway are, however, practically inoperative, because there is no provision in the Acts for securing the use of water, cranes, sidings, or platforms belonging to the company. Hence, the use of one railway by other persons or by a company owning another line can practically only take place (except for short distances) with the consent of the company, except in cases where these rights, and a power of arbitration to enforce them, have been secured by the special Act regulating the use of the line.

The power of making junctions is not only subject to certain inconvenient restrictions, but the rate of tolls for the use of the line is so much higher in proportion to that which is paid to the company when it undertakes the entire business of carrying over its lines, that no disposition has been evinced by the public in general to use railways as if they were common highways, at the prescribed rate of tolls. As a rule, the use of railways for the traffic of the public in general, by other than the owners, has been limited to companies having adjacent railways, the junctions of which are made a matter of special application to Parliament.

In dealing with applications of this nature Parliament has largely adopted the practice of allowing a new company which proposes to effect a junction with an established company to use the line of the established company for a certain distance, and this even in cases where there is a direct competition between the companies.

These "running powers," as they are termed, are generally given with a view to afford the new company access to some station without the necessity of constructing an additional line.

The terms on which the line is to be used are generally left to be fixed by arbitration, and the following is an example of a clause used in Acts of Parliament for this purpose, viz.:—

> It shall be lawful for the ———— Railway Company to run over and use with their own engines, carriages, and servants so much of the railway of the ———— Company as is ————, together with the stations, sidings, works, and conveniences connected therewith, upon such terms and conditions as may be agreed between the same company and the ———— Company, or in default of agreement may be settled and determined by an arbitrator to be appointed by the ———— on the application on either company.

It must be assumed from these provisions that Parliament has intended to enable the established company to obtain a fair compensation in each case for the capital it has expended.

Railways are authorized to carry goods.

137. Similarly Parliament has required railway companies in their capacity of carriers to name a maximum mileage rate at which they will undertake to convey passengers and goods, and to afford all reasonable facilities for receiving, forwarding, delivering, and interchanging traffic without undue or unreasonable preference in favour of any person or company or description of traffic.

In their aspect as carriers, the railway companies, instead of being dependent for their profits upon a simple system of tolls levied upon the persons who use the railways, have been permitted and encouraged by Parliament to make such charges within an authorized maximum rate as they consider best calculated to produce the largest profit.

But are not bound to carry them.

138. It is important, however, to observe that the railway company only obtains a permissive right to charge a maximum rate for the goods it elects to carry, and is not bound to carry every class of goods or minerals which may be offered to it by the public.

Thus railway companies who become carriers may decline to carry such classes of articles as they think fit; and as the railways are not ordinarily accessible to the use of private persons with their engines and carriages, the public fail to obtain the benefit of those provisions of the general Act (except so far as the companies may choose to afford them) empowering all persons to use the railways, which were intended to render the railways a general means of conveyance.

139. Considering how much of the whole traffic of the country must now go by railway, **we recommend that railway companies should be bound by law to provide means of conveyance for, and to convey, all articles tendered to them, subject to such restrictions as the circumstances of the railway may require, which should be defined by byelaws to be approved as provided by the Act for the Regulation of Railways.** Recommendation.

140. There is a class of goods for which, however, special provision has been made by the existing law, viz., "dangerous goods,"—such as gunpowder and other explosive or highly combustible articles. The following is the present law in this matter:— Dangerous goods.

"No person shall be entitled to carry, or to require the company to carry, upon the railway any aquafortis, oil of vitriol, gunpowder, lucifer matches, or any other goods which, in the judgment of the company, may be of a dangerous nature; and if any person send by the railway any such goods without distinctly marking their nature on the outside of the package containing the same, or otherwise giving notice in writing to the book-keeper or other servant of the company with whom the same are left, at the time of so sending, he shall forfeit to the company twenty pounds for every such offence; and it shall be lawful for the company to refuse to take any parcel that they may suspect to contain goods of a dangerous nature, or require the same to be opened to ascertain the fact."—8 Vict. c. 20. s. 105.

In the Act regulating the conveyance of military, gunpowder is excepted from the prescribed rate of conveyance for military stores, and left for special agreement between the companies and the Secretary of State for War. We have received a complaint on behalf of the War Office from Captain Gordon, the Principal Superintendent of Stores at Woolwich, that no company will undertake to deliver gunpowder except upon certain days which they have laid down themselves, and that in case of emergency this is most inconvenient.

We consider that a railway company should be bound to carry, if required, "dangerous goods" at a reasonable maximum rate for their conveyance, and subject to such regulations for safety as may be defined by their byelaws.

141. In considering the improvement of goods traffic, it is very difficult to institute any comparison with the past, because the introduction of the railway system has entirely altered all the conditions of that traffic, and has enabled industry and trade to spring up which, without railways, could have had no existence. Present and former rates for goods.

From the evidence which we have received, we will, however, cite some of the charges formerly made, and compare them with present rates.

Bristol to London. Rates per Ton.

Articles.	Rates charged by Carriers.			Rates charged by Railway.
	1820.	1830.	1840.	1866.
	s. *d.*	*s.* *d.*	*s.* *d.*	*s.* *d.*
Drapery - -	66 0	60 6	47 6	40 0
Hops - -	68 0	63 0	49 6	40 0
Oil - - -	60 6	47 0	42 0	20 0
Tobacco - -	66 0	66 0	47 6	26 8

Birmingham to London. Rates per Ton.

Articles.	Canal.		Railway.
	1836.	1842.	1866.
	s. *d.*	*s.* *d.*	*s.* *d.*
Undamageable iron -	25 0	- - -	15 0
Hardware - -	60 0	40 0	27 6
Sugar - - -	40 0	37 6	21 8
Tallow - -	35 0	30 0	21 8
Drapery - -	70 0	45 0	40 0
Glass - -	70 0	- - -	27 6

From Manchester to London bales and grain were carried by quick vans in 1833 at 20*l.* a ton; in 1834, by canal, at 4*l.* a ton; in 1840, by railway, before the railway companies were carriers, at 3*l.* 4*s.* 8*d.* a ton; and in 1866 at 1*l.* 15*s.* per ton. On the other

hand, grain carried between South Staffordshire and Liverpool in 1831 cost, by canal, 13*s.* 4*d.* per ton, and is charged in 1866 from 10*s.* to 12*s.* 6*d.*

General principles affecting goods rates.

142. The rates authorized by Act of Parliament afford no necessary indication of the charges actually made by railway companies in this country, because each company largely exercises its power of charging such a rate within its maximum as it thinks fit; and therefore any general average would even much less represent the real facts of the case than a general average for passenger fares.

The extension of railways and the duplicate routes afforded have induced railway managers to look in every direction for traffic, and have led to the development of many classes of traffic.

For instance, until the opening of the Great Northern railway the conveyance of coal to London by railway had no material importance. At the present time it amounts to nearly 3,000,000 tons a year.

The charge for this traffic depends upon its distance from the market. Thus the more distant coal is carried at a cheaper rate per mile than the less distant, to enable both to compete in the London market on equal terms with sea-borne coal; and a large portion of the traffic is carried at $\frac{3}{8}d.$ per ton per mile, inclusive of trucks, from the colliery siding to the coal depôt of the railway company in London.

The same rule as to rates of charge seems to be followed by the railway companies in all important descriptions of traffic, and an examination of the evidence shows that when a large amount of traffic is to be got, a low rate is charged. Thus in the charge for ale from Burton a low mileage rate is charged for distant markets, and a higher rate is charged for nearer markets; otherwise the price would not allow of its sale in distant markets.

In 1842 the receipts from passengers formed 74 per cent. and the receipts from goods 26 per cent. of the total receipts on railways; in 1862 the receipts from passengers formed 46 per cent. and the receipts from goods 54 per cent. of the total receipts.

It is thus clear that a greater development has taken place in goods traffic than in passenger traffic. The development of traffic has no doubt been greatly facilitated during the last 20 years by the union of small companies into larger systems by amalgamation, by which unity of management on trunk lines has been obtained. Thus formerly the lines from London to Liverpool belonged to three different companies. The carriages and waggons of one company were not allowed to pass on to the lines of the other companies, and, as we have already mentioned, the Board of Trade Report for 1843 shows the great delays, expense, and inconvenience experienced by the public and the railway companies from that arrangement.

The institution of the Railway Clearing House, by which the interchange of carriages, waggons, and the traffic they contain is regulated, and the receipts apportioned between the companies according to definite rules and agreements, would have mitigated these inconveniences; but the independent companies forming portions of a main trunk line could never have worked such a line with that identity of interest which is obtained by the union of the lines under one company.

Classification of goods.

143. We have already pointed out that in consequence of Parliament disposing of each special Act as a separate question, the enumeration of goods in the several Acts of Parliament is far from uniform, and that in consequence of the railway Acts having sprung from the old system of legislation for canals and roads, the classification of the goods to which the tolls apply is quite inadequate to the present state of trade and commerce.

The enumeration of the articles is defective; the number of articles mentioned is in no way sufficient to meet the present requirements of trade.

The classification of the enumerated articles is defective; those which are similar in character are not put in the same class in the special Acts of different companies.

When an article has to pass over several railways, on which the classification is not similar, inextricable confusion would result in the apportionment of the total rate of charge for it amongst the several companies, if a uniform classification of articles were not adopted on all connected lines.

The railway companies, therefore, found themselves under the necessity of adopting for their own purposes a classification distinct and separate from that in the Acts of Parliament, taking care, however, that the rate for each class should in no case exceed the parliamentary maximum allowed upon any article in that class.

This classification was drawn up by the Railway Clearing House, and is reprinted in Appendix CP. It includes between 1300 and 1400 articles, and divides them into seven classes, *i.e.*, a mineral class, a special class, and five ordinary classes.

When a railway company is desirous of making a special rate for some particular article included in one of the five classes, it makes an agreement with the other companies over whose line the article is to pass, and then notifies to the Clearing House that the article is placed in the special class so far as those railways are concerned, or moved to a different class from the Clearing House classification.

A revision of the classification takes place periodically, so as to bring it up to the requirements of the day.

We are of opinion that the Clearing House classification should be made the basis of the classification adopted in Acts of Parliament. The enumeration and classification should be stated at length in a general Act. It would then only be necessary in the special Acts of the railway companies to refer to the general Act, and to enact the maximum tolls or charges applicable to each class, instead of imperfectly enumerating articles in each class, as is now done.

If, however, the circumstances of any particular railway, or of the district in which such railway is situated, should render it expedient that the rate on any enumerated article should be different from that necessary for the other enumerated articles in the same class as prescribed in the general Act, it should be mentioned in the advertisement required by the standing orders before introducing the Bill. It would then rest with Parliament to decide whether it would allow a departure from the general Act.

Existing railway companies in whose Acts of Parliament the classification is essentially different from the Clearing House classification should apply for short Acts of Parliament to arrange their existing maximum tolls as nearly as possible to meet the new classification. It would still be competent for companies to vary their charges within the limits of the maximum prescribed by the special Acts.

Amendment of Carriers Act.

144. Several witnesses have complained that the enumeration of goods in the Carriers Act, viz., "gold or silver coin of this realm or of any foreign state, or any gold or silver "in a manufactured or unmanufactured state, or any precious stones, jewellery, watches, "clocks, or timepieces of any description, trinkets, bills, notes of the Governor and Com- "pany of the Banks of England, Scotland, and Ireland respectively, or of any other bank "in Great Britain or Ireland, orders, notes, or securities for payment of money, English "or foreign stamps, maps, writings, title-deeds, paintings, engravings, pictures, gold or "silver plate or plated articles, glass, china, silks in a manufactured or unmanufactured "state, and whether wrought up or not wrought up with other materials, furs, or lace," is unsuitable and not based on any recognized principles of traffic, and they suggest that it should be adapted to the present condition of industry and trade. We think there is great force in this suggestion, and are of opinion that **the enumeration of articles in the Carriers Act requires revision.**

Terminal charges.

145. In considering the goods rates it is necessary to bear in mind the terminal charge. We have already explained to what extent Parliament has recognized the right of railway companies to make some charge beyond the mere rate for moving the goods along their lines, but that it is not easy to define the intention of Parliament in allowing a reasonable sum for loading and unloading and terminal expenses. We have also shown that the attempts made to arrive at a solution of the question in 1861 and in 1865-6 were unsuccessful, and as there is great diversity in the wording of the clauses relating to terminals in the special Acts, it is extremely desirable that some general rule should be laid down by Parliament. We will now therefore point out the distinctions which exist in the nature of the services which a railway company is called upon to perform beyond the mere transit of goods along its lines.

Perhaps the best way of looking at terminals is to assume the simplest case of a trader who possesses a branch railway into his works, which communicates with the railway at one of its ordinary stations, and who, having obtained a waggon from the railway company and loaded it, places it at the junction of his branch line with the main line, and presents it for transmission by the railway company to his correspondent, who receives it from the company in like manner. Such a service would not be entitled to terminal expenses.

Again, if one company having access to the line of another company at its station, delivers trucks already laden to be conveyed over the other company's line, and then to be handed over to a third company, no terminal service is rendered by the company over whose lines the trucks are thus conveyed.

The convenient arrangement of the trucks into a train by the railway company itself after their reception at a station would appear to be a service incidental to the transport, and therefore not warranting a terminal charge.

If the services above described be a correct description of that which it was intended the companies should perform in return for their mileage rate of charge, it follows that services rendered by them in addition should be paid for. Thus, if in the case above described of a trader possessing a branch railway leading from his works to join the railway, the junction were situated at a distance from an ordinary station, and required an engine to be sent specially to bring the waggon, it is not easy to see upon what ground any objection could be made to paying for the extra expense caused, which would relieve the trader from the expense of conveying the goods to the ordinary station for presentation to the company. Or, if the company had to provide conveniences for the carts coming to the station to load or unload the trucks, and some service had to be performed or expense incurred by the companies in addition to the transit of the goods, we see no reason why the trader who requires this additional service should not pay an additional charge; or if for the convenience of the sender or receiver they have to be kept or warehoused at the station, a still further service is performed, which should in like manner be charged for in addition.

Again, when the goods are collected and delivered by the railway company a further charge may reasonably be made for carting.

The railway companies in their dealings with each other were soon compelled to recognize the justice of a terminal charge, which they have reduced to the following system at the Clearing House.

The railway company which accepts the traffic which is to pass over more than one line of railway specifies to the consignor the gross sum to be paid for it. From this gross sum a deduction at a fixed rate for terminal expenses at each end, of 4*s.* per ton for the country and 8*s.* 6*d.* for London, is credited to the companies who receive and deliver the traffic, and the remainder is apportioned between the several companies, as a rule according to the relative lengths of those portions of their lines over which the traffic passed; but any company is entitled to insist upon the transit rate for its own line being fixed at any rate it chooses within the limits authorized by its special Act. However clear these arrangements are as regards the companies themselves, they are not disclosed in the charges made by the companies to the public. A complaint is consequently made that where rates are not kept down by competition, railway companies are enabled to use the terminal charge as a means of levying on traders more than the maximum rates. This, it is alleged, the companies can do because they are entitled by their Acts of Parliament to charge not only a defined rate per mile for carrying the goods, but a further undefined *reasonable* sum for additional services.

This opportunity of abuse would be obviated if the terminal charges were easily ascertainable by being more accurately defined, and separated from the charge for mileage.

However just or convenient it may be for railway companies in dividing the charge made to the public for conveyance amongst themselves, to allow an average terminal charge on the multitude of the transactions they perform of 8*s.* 6*d.* in London and 4*s.* elsewhere, we think it would be neither just nor convenient that each railway company should be allowed to impose these charges in the separate transactions of every individual trader. Each trader should be entitled to have a rate fixed according to the service to be rendered to him, without reference to services which may be rendered to others of an entirely different nature. In prescribing an equitable scale of maximum rates it would not only be necessary to adapt it to the several conditions before noticed, but to take into consideration the various classes of goods and the expenses and risk incidental to the receipt and delivery of each class.

The terminal charged by railway companies amongst each other in the metropolis is a case in point. The change which is going on in metropolitan railway communications will probably bring goods by railway near to every man's door, and will obviously render it necessary for railway companies to reconsider the Clearing House terminal rate of 8*s.* 6*d.* amongst themselves. For these various reasons we are of opinion that it would be unadvisable to give parliamentary sanction to the Clearing House terminal rates.

Again, in many of the leading entrepôts of commerce, the real terminus of the railway is to be found in the docks or other arrangements of the port. This requires a very different terminal rate from that where no such conveniences exist. The scale, to be either just or practical, would involve a great variety of maximum charges, or it would afford no real protection to the varied transactions of individual traders.

The only alternative which suggests itself as worthy of consideration is that embraced in the Act, 27 & 28 Vict. c. 308., of the North Staffordshire Railway Company, which we have set out in the previous part of our report, by which the company voluntarily agreed to such terminal rates as might in cases of dispute be fixed by arbitration. We think there is great difficulty in compulsorily withdrawing all the railway companies, against their will, from the established legal tribunals of the country, and subjecting them to the decision of an arbitrator in this respect.

We therefore recommend that terminal charges should be defined to be charges for all services rendered by the railway company beyond conveyance from station to station, and that they should be based upon the expenses incurred in the receipt and delivery of the goods on and from the line. Also that railway companies should be required to notify publicly at each station the charge they make for all such terminal services, and that at the request of a freighter they should be required to separate these charges from the mileage rate in their account with him.

Waggons.

146. The development of the mineral traffic of the country has been extremely rapid. On some of the older railways the owners of collieries continue to run over the lines with their own engines and carriages for short distances. This is, however, a very exceptional arrangement; but it is a common case on many lines for traders to provide their own waggons, the railway companies finding the engine power and treating them as their own waggons, and in such cases a deduction from the rate of about $\frac{1}{8}d.$ per ton per mile is made.

The conditions under which waggons belonging to traders are allowed to be used on railways has been a matter of complaint. It is alleged that great detention of these waggons occurs on railways; and that whilst railway companies enforce with great strictness claims for demurrage when their own waggons are detained by traders, they allow no compensation to traders when long detentions have occurred of traders' waggons.

The railway companies on the other hand urge that traders frequently use these waggons as warehouses in which to store, upon the railway sidings, the articles they are sending; and that the delays occur more frequently upon the consignee's premises than upon the railway.

The traders also allege that their waggons are very little cared for, and often return in a very neglected condition; but the railway companies allege that the waggons are often of inferior quality and ill adapted to the service they have to perform. Difficulties are also alleged to occur in the case of a break-down, or when repairs are wanted. The traders complain that the railway companies in such cases put the waggons into a siding and leave them there without giving the traders notice of the injury; and the railway companies allege that the traders make difficulties about paying for repairs.

It is quite clear that the use of private waggons, each of which must be returned empty to its owner, causes much extra trouble and expense in arranging the trains and returning the empty waggons, and that if all the waggons belonged to the railway a considerable diminution in the number of waggons now necessarily in use on the railways could be effected; indeed it is alleged that one-third of the whole number might be saved; but on the other hand, individual traders might suffer from not being able to obtain all the waggons they might require to meet sudden emergencies, or a general briskness of trade.

It is shown that the profit obtained from a waggon fully loaded is very considerable. It is obvious, however, that the system of charging for waggons a rate per mile run, by no means meets the justice of the case, as the cost of a waggon is estimated by time and not by distance. Thus companies have been formed for the purpose of letting out waggons and carriages at a yearly rate, and the railway companies make a daily charge for the demurrage to be paid on waggons detained off their lines.

It is obvious that a mileage rate is for long distances as much too high as for short distances it is much too low, the time for loading and unloading a waggon bearing no proportion to the distance run.

These considerations have encouraged the practice of large private traders in many cases preferring to own the waggons necessary for their wants, rather than trust to be supplied by the railway company.

We consider it desirable that railway companies should avail themselves of every opportunity for obtaining possession of the railway plant used on their lines. It appears deserving of consideration whether the system of charging a mileage rate for waggons should not be modified, and a system of charging for the waggon by time instead of by distance be adopted in Acts of Parliament.

With reference to the complaints made by traders of the detention of the owners' waggons on the lines (so long as the system should continue) it has been suggested that the owners of private waggons should be admitted to the Clearing House and be subject to the rules of that establishment, by which they would be entitled to obtain demurrage from the companies for the detention of their waggons. Such an arrangement would alter the character of the Clearing House and interfere so seriously with its constitution that we cannot recommend the adoption of this course, but we think that **each railway company should be responsible to the freighters that all private waggons received from them should be treated when on its own line as the waggons of another company entrusted to its charge, and without undue preference; and when forwarded on to the lines of other companies that the freighters' waggons should be treated as its own waggons in regard to such other companies; and the freighters should then be bound equally with the railway companies by the regulations and proceedings of the Clearing House.**

English goods rates.

147. Having thus endeavoured to explain the various questions which affect the goods traffic of the country and influence the rates at which it is carried, we will proceed to consider the actual charges made, and compare them with those made on foreign lines.

But in comparing the mileage rate at which goods are conveyed between different places it is necessary to estimate the terminal charge, otherwise the rate per mile of short distance traffic appears not only high, but singularly unequal in cases apparently similar. Many of the complaints against railway companies appear to have arisen from not sufficiently appreciating those considerations.

The following table will give an example of the maximum rates authorized by the Acts of the several companies named* :—

General Description of Articles.	London and South-western.	Great Eastern.	Great Western.	Great Northern.	London and North-western.	Midland.
	d.	*d.* *d.*	*d.* *d.*	*d.* *d.*	*d.* *d.*	*d.* *d.*
Dung, lime, bricks, coal, pig iron, iron ore.	2	$1\frac{1}{8}$ to $1\frac{1}{2}$	$0\frac{7}{8}$ to 2	$0\frac{3}{4}$ to $1\frac{3}{4}$	$0\frac{7}{8}$ to $1\frac{1}{2}$	1 to 2
Sugar, corn, earthenware, timber, iron castings, sheet and wrought iron, damageable iron.	3	2 to $2\frac{1}{2}$	2 to 3	$1\frac{3}{4}$ to $2\frac{1}{2}$	$1\frac{1}{2}$ to $2\frac{1}{2}$	2 to $2\frac{1}{2}$
Cotton and other wools, drugs, manufactured goods.	3	2 to $2\frac{1}{2}$	$2\frac{1}{2}$ to 4	$2\frac{1}{2}$ to 3	$2\frac{1}{2}$ to 3	3 to 4
Fish, feathers, household furniture, clothing, silk.	5	4*d.*	3 to 4	3 to $3\frac{1}{2}$	3 to $3\frac{1}{2}$	3 to 4

It will be found that in practice the charges are very much lower than these, especially in the case of coal and mineral traffic.

The table in Appendix EG. gives a great number of examples, extracted from the evidence we have received, of actual charges made for the railway carriage of goods of different kinds between various places. It will show the great differences which exist in the charges made, as well as the effect of eliminating the terminal charge adopted by the Clearing House, on which we have already remarked.

* The rates quoted are those given in the principal Acts of the companies; the minor Acts for branches and subordinate lines frequently authorize rates differing materially from them.

The following few instances, selected from the table, will illustrate these differences.

Commodity.	From and to	Gross Charge per Ton per Mile.	Rate per Ton per Mile after deducting Terminal Charges.
		d.	*d.*
Timber and deals	Liverpool to Saddleworth	3·41	2·59
" "	Newport to Wolverhampton	0·52	0·33
Chemicals	Liverpool to Bradford	2·57	1·20
"	Newcastle-on-Tyne to Hull	0·73	—
Sugar	Nottingham to London	3·81	2·62
"	Glasgow to Manchester	0·89	0·46
Grain	Liverpool to Bolton	3·57	2·29
"	Newcastle-on-Tyne to Lincoln	0·54	0·35
Bar iron	Wolverhampton to Birmingham	3·85	1·09
"	Wolverhampton to Swansea	0·65	0·37
Pig iron	Wolverhampton to Birmingham	2·61	1·23
"	Wolverhampton to Swansea	0·65	0·44
Hardware	Sheffield to Wolverhampton	3·45	2·34
"	London to Aberdeen	0·87	0·60
Nails	Wolverhampton to London	2·44	1·22
"	Liverpool to Newport, Mon.	0·89	0·67
Earthenware	Potteries to London	2·40	1·40
"	Newcastle-on-Tyne to London	1·02	0·47
Encaustic tiles	Stoke to Congleton	7·50	2·00
"	Stoke to Hull	1·64	0·99
Machinery	Blackburn to Rochdale	8·33	6·33
"	Liverpool to Hull	1·94	1·40
Lead (sheet and pipe)	Derby to Manton	4·71	4·00
" "	Birmingham to Manton	2·26	1·87
Silk	Derby to Coventry	8·94	6·89
"	Derby to Glasgow	4·36	4·01
Ale	Burton to Tallington	4·29	2 91
"	Burton to Aberdeen	0·85	0·64

The differences in the rates warrant the conclusion that the charges are low when competition exists in the means of conveyance, or when the article has to compete with a similar article brought from another place to the same market.

148. *Rates on French Railways.*—The regulations for the carriage of goods on the French railways will be seen from Appendix CH. French goods rates.

Articles of light merchandize, in the transit of which speed is of importance, are conveyed by trains at the speed of passenger trains (grande vitesse), at certain rates which are given in division A. of that Appendix, but the more important goods traffic is by trains at slow speed (petite vitesse), division B.

For these the goods are divided into five classes, and as the classification is useful to compare with our own, we have reprinted it in Appendix EC.

The charges for these classes are as follows:—

	Per ton per mile.
	d.
1st class	2·47
2nd "	2·16
3rd "	1·55
4th " according to distance, as follows:—	
For 200 kilometers	1·24
For 200 to 300 "	1·08
Above 300 "	0·93
5th class, also according to distance, as follows:—	
For 100 kilometers	1·24
For 100 to 300 "	0·77
Above 300 "	0·62

These rates are independent of the terminal charge, an extra charge being made for loading and unloading and for general station dues as follows, per ton:—

	s.	*d.*
On small consignments	1	2·4
On full truck loads	0	9·6

When certain goods in full truck loads are loaded and unloaded by their owners, they are subject to a terminal charge of only 3·84*d.* per ton.

When goods are carted to or from the stations in Paris, there is an extra charge of 3 to 6 francs per ton, depending on distance and on the nature of the goods.

There are a great many special and exceptional tariffs adopted by the various French railway companies, all of which are fully published; but as a general rule special arrangements for reduced rates do not appear to be allowed without the authority of the Government.

Appendix ED. shows some of the rates charged on French railways compared with rates for similar distances in England; it is formed from the book of rates on French railways for the year 1865.

This table shows that there are very considerable differences between the French and English rates for the same goods carried over corresponding distances; in some cases the former being the higher, in others the latter. Taking, however, the average of the whole, we find the following results:—

——	English Rate per Ton per Mile, Station to Station.	French Rate per Ton per Mile, Station to Station.
	d.	*d.*
For the goods comprised in Class 1 of the French classification (being the more valuable class).	3·37	2·60
For Class 2	1·66	2·29
For Class 3	1·31	1·67
For Class 4	1·07	1·28
For Class 5, one article only	1·06	0·96

So that for the great bulk of goods traffic the English rates are considerably lower than the French.

Belgian goods rates.

149. *Rates on Belgian Railways.*—On the Belgian Government railways there are four classes—

	d.		*d.*
First class	1·70	Third class	0·89
Second class	1·16	Fourth class	0·62

This is in addition to a uniform charge of 1*s.* 1*d.* per ton in all classes; also for loading and unloading 10*d.* per ton; and if collected and delivered about 2*s.* 6*d.* per ton. Coals which are in the fourth class are, it is stated by M. Fassiaux, carried specially for transit and export at ·32*d.* per ton per mile, and occasionally at $\frac{1}{4}d.$ per ton per mile, including waggons.

German goods rates.

150. *Rates on German Railways.*—On the German railways there appear to be many varieties of classification and rates, some at quick speeds (Eilgut) and some at slow speeds; but it will be sufficient to take the general results given in the report of M. Dubosq to the French Government in 1863, according to which there are three classes of goods—

——	First Class.	Second Class.	Third Class.
	d.	*d.*	*d.*
Baden	2·2	1·7	1·4
Bavaria	3·4	2·0	1·1
Austria	3·6	2·6	1·7
Prussia	2·3	1·7	1·2

On these lines special agreements are allowed to be made, provided all persons sending similar quantities for equal distances are treated alike; and under these coal is carried in Westphalia and Silesia at ·46*d.* per ton per mile, including supply of waggons, and in Austria at 1·1*d.* per ton per mile. No raising of rates is permitted until after six weeks' notice.

In Germany the loading and unloading are included in the rate per mile for the first and second classes, and the third class of goods is generally loaded and unloaded by the consignor and consignee.

Expedition.

151. But one of the most important elements of the service rendered by a carrier is the period of time within which the service is performed. No comparison between English and foreign railways would be complete without also comparing the periods within which goods are delivered at their destination.

The delivery of goods in this country generally takes place the day following that on which they are despatched, and frequently goods received by the railway company in the evening are delivered early next morning. On the other hand, we have complaints that goods to be conveyed from 30 to 40 miles have been delayed four or five days in delivery. The companies are bound to deliver goods without unreasonable delay, and the ordinary courts of law are the medium employed for recovering damages for losses by delay.

In France the company is allowed one day to receive the goods, one day to send them, and one day for the delivery (making in all three days), and for distances exceeding 100 miles extra time is allowed. It would appear from the report of the French Commission that the delivery in England is very much more expeditious than in France for the ordinary goods traffic. For the more expeditious or "grande vitesse" delivery, different arrangements are provided and a higher scale charged.

On the German railways the period allowed for the delivery of goods varies from two days to four and five days in cases of distances beyond 180 miles, and the companies are bound to pay a penalty varying with the extent of delay beyond the periods named.

Parliament appears originally to have acted prudently in refraining from attempting to regulate the precise time for the conveyance of goods. What would have been accepted as a reasonable time at the introduction of railways would not necessarily be so now that the system has become further developed.

And **although theoretically the rights of the public in the use of railways cannot be completely assured unless the traffic which is conveyed at defined rates is to be delivered within a definite time, yet we are disposed to consider that on the whole the public will be better served by adhering to the present rule that the delivery is to take place within a reasonable time, leaving the question of what is reasonable to be decided by a court of law. We see the less objection to this as the County Court affords facilities and is largely resorted to for this purpose at the present time.**

General comparison as regards goods traffic.

152. It will thus be seen that the tariff fixed for foreign railways is less than the maximum rates on English railways; on the other hand, where competition exists, the English charges are far below the maximum; but whatever may be the price charged for conveyance, some of the conditions under which the traffic is carried abroad are less advantageous than in this country.

Revision of maximum rates.

153. At the same time we cannot but feel that it is the duty of Parliament that **when a railway company comes forward for additional powers, Parliament should take that opportunity of revising the maximum rates of conveyance as it may appear reasonable.**

It is necessary that Parliament should be assisted in the discharge of this duty by the officers of the Crown; and as we have pointed out that the Board of Trade should have power to inform itself fully on the subject of tolls and rates, we therefore recommend that **it should be the duty of the Board of Trade, in their Reports on Railway Bills, to compare the proposed tolls, fares, and charges with those authorized and levied on lines connected with the proposed lines.**

5.—Certain Conditions affecting Economy of Working.

Economy of working.

154. In order to determine whether more economical arrangements can be made for the working of railways, so as to make any considerable reduction in the costs of conveyance and in the charges to the public on account thereof, it is necessary to advert to the chief sources of expenditure of railway companies, as well as to the amount of work which they obtain out of their rolling stock.

The following shows the proportion which the different items of expenditure in the working of railways bore to each other in 1842 and 1865 on an average of all the railways of the United Kingdom.

	Per-centage Proportion.	
	1842.	1865.
Maintenance of way	17·8	18·31
Locomotive charges	30·	27·48
Repairs of carriages	31·3	8·83
Traffic charges		28·64
Rates and taxes	5·9	3·93
Government duty	10·	2·63
Compensation for injury to passengers	5·	1·94
Ditto goods		0·68
Legal and parliamentary expenses		1·44
Miscellaneous expenditure		6·12
	100·0	100·00

From this it appears that the relative proportion between the main items of working expenses has not materially altered in the last twenty years.

The mere locomotive and traffic charges amount at the present time to 64·95 per cent. of the whole, and the maintenance of way to 18·31 per cent. additional, making a total of 83·26 per cent., and these heads of expenditure must always form the main items of charge under any system of working.

It will thus be seen that any saving which could have a material influence on the cost of conveying traffic, must be looked for in these, the chief items of expenditure.

Unfortunately the several railway companies do not keep their accounts on the same principle, and on close analysis it is found that the headings in one company's accounts do not always include the same items which compose the headings in another company's accounts.

For instance, one material element in calculating the cost per train mile, viz., the mileage run by the trains, is reckoned by one company at the amount run by the trains, as shown on the time table, and all locomotive expenses are thrown upon that.

Another company adds an amount calculated upon a rule of its own for shunting engines and pilot engines, and another company adds some mileage to the train mileage to cover the shunting work done at stations by the engines of the trains.

The maintenance of way averaged 236*l.* per mile of railway on all the railways of the United Kingdom for the year 1865, but it will be found to follow very much the amount of traffic.

Thus, on the London and Blackwall Railway, where the receipts per mile of railway open amounted to 21,000*l.* per mile, the maintenance of way was nearly 1,000*l.* per mile, whilst on the Fleetwood, Preston, and West Riding Junction Railway, where the receipts per mile amounted to about 870*l.* per mile, the maintenance of way cost under 60*l.* per mile. Both of these lines have been in operation for some years.

In considering the item for locomotive expenses it will be interesting to show the variations it has undergone.

The reports of the Board of Trade show the following cost per train mile for 1840:—

	d.
Cost of coke per mile	8·356
Ditto oil	0·360
Ditto wages of Enginemen and Firemen	1·510
Ditto wages of Labourers and Cleaners, &c.	1·910
Ditto Superintendent, Clerks, Office Charges, Firemen	2·040
Ditto repairs	3·549
Ditto sundries	0·936
Total	18·661

Soon after that time an essential improvement took place in the construction of engines by the introduction of the system of working steam expansively, and in 1845 the following appears to have been the cost on the Great Western Railway:—

	Passenger.	Goods.
	d.	*d.*
Cost of repairs per mile	3·03	2·34
„ coke	3·13	5·26
„ enginemen and firemen's wages	1·34	1·16
„ general charges	1·64	1·94
Total	9·14	10·70

At the present time on the Great Western Railway the cost is as follows:—

	d.
Fuel	1·71
Wages of Enginemen and Firemen	1·49
Wages of Cleaners and Cokemen, &c.	·43
Oil, tallow, and sundry stores	·28
Wages and materials for repair and renewal of engines and tenders	3·24
Water, including pumping engines	·18
Salaries of Superintendents	·16
Gas, rates, buildings, and fire charges	·13
Total	7·62
or more accurately, as deduced from the cost and mileage	7·65

This average may be resolved into 6·75*d.* per train mile for passengers, and 8·5*d.* per train mile for goods.

The repairs to engines and carriages, including the rent of waggons which the company hire, amounts to 3·57*d.* per train mile; hence the average cost of a train for all these charges is 11·22*d.* per mile run.

The following table shows the cost of trains on the Great Northern Railway:—

	Engines.	Carriages and Waggons.	Total.
	d.	*d.*	*d.*
The cost of working passenger trains averaging 7 carriages -	5·90	1·47	7·37
" " " 8¼ -	7·63	1·74	9·37
" " " 10½ -	8·54	2·21	10·75
" goods " 25 -	8·99	2·60	11·59
" passenger and goods " 16½ -	8·50	2·26	10·76

The other items of expenditure which form part of the expense of the trains on the Great Western Railway are shown in detail in the following list extracted from Sir Daniel Gooch's evidence:—

	Per Train Mile.
	d.
Maintenance of way - - - - - -	6·35
Locomotive - - - - - - -	7·65
Carriage and waggon repairs - - - - -	3·37
Rent for waggons - - - - - -	·19
Traffic charges - - - - - -	6·91
General charges - - - - - -	2·74
Compensation - - - - - - -	·45
Furniture, &c. - - - - - -	·13
Working joint lines and stations - - - -	·99
Fire insurance - - - - - -	·07
General office expenses - - - - -	·62
Government duty - - - - - -	1·12
Miscellaneous expenses - - - - -	·04
Rates and taxes - - - - - -	1·10
Bad debts - - - - - - -	·06
Stamps for debentures - - - - -	·02
	s. *d.*
	2 7·81

On the Great Northern Railway they are furnished by Mr. Sturrock as follows:—

	Cost derived from an Average of 10 years.		For 1865.
	d.		*d.*
Engines - - - - - - -	8·50	per train mile -	9·577
Carriages - - - - - 1·74	2·26	" " 2·32	2·748
Waggons - - - - - 2·60		" " 3·00	
	10·76		12·325
Maintenance of way - - - - -	5·13	" "	5·880
Coaching, and merchandize, traffic, compensation, duty, &c.	12·09	" "	12·480
Total working expenses - - - -	27·98	" "	30·685

The whole cost of working a train on the Great Western Railway for 1865 amounts to 2*s.* 7·81*d.* per train mile; on the Great Northern Railway to 2*s.* 6·685*d.*; on the South-eastern Railway the expense is 2*s.* 10·72*d.*; and on the Northern of France 2*s.* 7·34*d.*

The examination which we have given to this question leads us to the conclusion that it is not probable that any diminution of the cost of the principal items of charge can be anticipated, but that the only saving which could possibly arise would be in details of expenditure.

The evidence we have received, however, would rather tend to show that an increase may be expected in the items of wages and materials.

Probability of increasing receipts.

155. We have next to consider how far there is a probability that the net traffic receipts can be improved by increasing the receipts per train mile.

We have been unable to obtain accurate information as to the average number of passengers in ordinary trains, but the average receipts per train mile would appear from the Board of Trade returns to be something above 5*s*.

The evidence shows the following as the train receipts on certain railways:—

Sir Daniel Gooch gives the receipts on the Great Western Railway, from 1849 to 1866,

	Passengers.	Goods.
	s. *d.*	*s.* *d.*
In 1849 they were - - -	8 10·07	14 0·82
In 1866 they were - - -	5 2·02	5 6·64

Mr. Allport (16,939) gives the average earnings of passenger trains per mile on the Midland Railway at 3*s*. 11*d*. per mile; and of goods and mineral trains (16,955), at 4*s*. 6*d*., 4*s*. 7*d*., or 5*s*. 0*d*. per mile.

Mr. Bidder (4333) states that he considers the normal earnings per train mile to be about 5*s*. 0*d*.

The following are the average receipts per train mile, from all sources of traffic, on 12 of the most important English railways, as deduced from the Board of Trade returns for the year 1865:—

	s. *d.*		*s.* *d.*
Great Eastern - - -	5 4·07	Midland - - - -	4 9·68
Great Northern - - -	4 10·25	North-eastern - - -	4 3·12
Great Western - - -	5 5·05	South-eastern - - -	5 10·36
Lancashire and Yorkshire - -	5 9·39		
London and North-western - -	6 0·80	Average of England - - -	5 3·23
London and South-western - -	5 2·14	„ Scotland - - -	4 6·48
London, Brighton and South Coast -	5 1·71	„ Ireland - - -	4 7·80
London, Chatham and Dover -	4 10·65		
Manchester, Sheffield, and Lincolnshire	5 6·83	Average of the United Kingdom -	5 1·74

Mr. Stewart, late secretary of the London and North-western Railway Company, showed that a large cost is incurred by running more carriages in a passenger train than are required for the actual number of passengers. He illustrated this by the fact, that on two days selected as a fair average, whilst 4,482 passengers were booked from Euston Square, the trains to accommodate them contained 13,512 seats. He explained that the large excess of seats arose from the desire to send through carriages on to so many branch lines. To show the extent to which this affects the accommodation, 15 up trains were selected, and in them it appeared that to provide for through carriages for 179 persons, carriages containing 1,274 seats were put on. Mr. Stewart also stated that the average weight of goods put in a goods truck capable of containing five tons does not exceed $1\frac{3}{4}$ tons. This chiefly arises from the desire to send goods to their destination without change of trucks, because of the cost of transferring goods from one truck to another at junctions, and the liability from such transfer of the goods going to wrong stations.

Mr. Bidder explained that great economy may yet be obtained in the transport of minerals over long distances by means of railways laid out under conditions admitting of very long trains being run. This was further illustrated by Mr. Sturrock, who stated that a large gain results from conveying the coal traffic in full train loads with engines capable of drawing heavy loads constructed on the principle of placing a cylinder on the tender, so as to utilize its weight for traction. The cost of traction is increased, but the receipts increase in a greater ratio. Thus,

With the ordinary engine:—
Receipts—210 tons at $\frac{3}{8}$*d*. per ton per mile =6*s*. $6\frac{1}{2}$*d*. per double mile.
Expenses—210 tons at 20*d*. per double mile run, or 25 per cent. of receipts.

With the new engine:—
Receipts—320 tons at $\frac{3}{8}$*d*. per ton per mile =10*s*. per double mile.
Expenses—320 tons at 23*d*. per double mile run, or 19 per cent. of receipts.

These suggestions and others of a similar character, on which we deem it inexpedient to express any opinion, afford evidence of the constant efforts made by railway companies to economize the cost of working.

Excursion trains are always well filled, and on that account should be remunerative; but the evidence shows that their profitable character is to some extent questionable. There is a great deal of empty running, to collect the carriages and take them to the places whence the trains are to start; to take them back, and sometimes bring them again to take back the excursion passengers. Moreover it is alleged that they seriously interfere with the ordinary profits of the line. Trains for the conveyance of minerals, however, when the waggons are arranged to run to and fro, are not subject to the particular sources of expense to which excursion trains are liable.

It has already been shown that no general reduction in the cost of working can be expected.

Hence the only way in which an increased receipt in proportion to the cost of running the trains can be anticipated, is in carrying a larger number of passengers in proportion to the number of passenger carriages in the trains, and running the goods trucks full instead of partially full; or, in other words, obtaining a greater amount of work out of the engines and carriages than at present. But this means that the passenger trains would be less frequent and more crowded; that the passengers going on to branch lines would have to change carriages more frequently; and that goods would have to be detained until full truck loads were made up, which would result in a slower delivery of goods.

Duplicate trains on competing lines.

156. In connexion with this question it is to be observed that there are many duplicate trains run by competing lines at the present time which, by agreement between the companies, might be avoided. Thus the Great Western and the London and North-western Railway companies run trains to Birmingham which start nearly at the same time. The South-eastern and the London, Chatham, and Dover Railway companies run trains between London and Dover which start together and arrive at the same time. So do the North-western and the Great Northern, between London and Manchester. In many of these cases one train would suffice to carry all the passengers.

It must, however, be borne in mind that in each of these cases, and probably in every case of competing lines, the second line between the places supplies accommodation to an intermediate district which would be unprovided with accommodation without it; and that if the through traffic is to be accommodated by means of fewer trains it would be necessary that the return tickets of one line should be available by the other line; that is to say, that the receipts must be divided. There is no doubt that this is the tendency of the railway management at the present time. It is quite certain that competition has produced economy of railway management, and that it has led to the rapid improvements in engines and permanent way which have taken place; and however desirable greater economy in the administration of railways may be, the present system depends so entirely upon the feelings and wishes of society, and on the desire of the railway companies to comply with those wishes, that we do not think that any advantage would result from the interference of authority in this matter.

But one means by which any undue extravagance of railway companies or defects in the administration may be made apparent to the shareholders and the public, and thus stimulate economy, would be by a judicious comparison of the receipts and expenditure on one line with the receipts and expenditure upon other lines. Such a comparison can only be obtained by the several railway companies rendering their accounts to the Board of Trade on a uniform plan.

Recommendation.

157. We do not, therefore, consider that any direct legislative enactments would cause greater economy in the working of railways; but we are of opinion that with the object of affording a more accurate view of the operations of the railway companies, and of making any undue extravagance apparent, and thus stimulating economy, it is desirable that the several railway companies should render their accounts to the Board of Trade, showing receipts from traffic, and the detailed cost of working the line, upon a uniform plan; and that after consultation with the railway companies the Board of Trade should not only prescribe the form of such returns and accounts, but lay down the basis on which they are to be computed.

158. There are, however, two questions connected with the cost of working railways which the railway companies have brought forward as grievances and as reasons why they cannot reduce their charges.

Safety.

I. Some of the railway managers have urged as a reason against developing passenger traffic, and especially third-class traffic, by means of lower fares, the fact that the larger the number conveyed the greater are the numbers liable to be injured in case of accident; and that the very heavy compensation which they are called on to pay renders it preferable to carry a limited number at a high rate, rather than a larger number at a low rate. The numerous excursion trains which are run testify that this argument is not always of practical effect.

In the case, however, of the London, Chatham, and Dover railway company, where the Legislature has required the company to run very cheap trains for workmen in the

morning and evening in and out of the metropolis, the liability of the company in respect of passengers by these trains has been limited.

In considering the possibility of obtaining from railway companies further benefits for the lower classes of traffic, it is material to take into account the relative positions of the public and the railway companies in the matter of safety.

In dealing with questions of the safety of the travelling public, Parliament has acted with no less consistency than in its general dealings with the power of levying rates. It has proceeded upon the principle of not attempting to direct the active operations of railway companies, or to give to the Government, either directly or indirectly, any control over the safe or efficient working of the railways.

We have already explained, but may here recapitulate, that railway companies are free to construct and to work their lines in any manner they choose, provided only that the construction is such at the opening as in the opinion of an inspecting officer of the Board of Trade will enable the then anticipated traffic to be worked without danger to the public. When the line has been opened for traffic, Government only possesses a power of making regulations at junctions between lines of two companies, and where the lines interfere with landowner's interests, as for instance at level crossings. But the control over the manner of working the line is left by Parliament entirely in the hands of the railway company. The company in undertaking the duty of carriers become liable under the common law to compensate persons injured, and under Lord Campbell's Act to compensate near relations of persons killed by the negligence either of themselves or their servants.

If an accident occurs attended with fatal consequences a coroner's jury inquires into it in England and Ireland, and if any accident occurs in Scotland the Procurator Fiscal inquires into it, and the directors or officers of the company are held responsible and would be liable to criminal prosecution and punishment in the event of culpable mismanagement being proved.

It has been urged before Parliamentary Committees that a Government department should periodically inspect the condition of the railways, and have power to require special modes of working or special appliances for safety to be adopted.

An examination of the summary of accidents to passengers which occurred on railways during the year 1865 shows that 36 persons were killed and 1039 injured during the year. Of these 13 were killed and 5 injured, owing to their own misconduct or want of caution, and 23 were killed and 1034 injured from accidents to trains or causes beyond the control of the passengers. An examination of the reports of the inspecting officers of the Board of Trade shows that all accidents to trains are due to one or other of the following causes, viz.: to defects, or at any rate, absence of precaution, in the construction of the permanent way, in the signals, or in the rolling stock; or else to want of adequate regulations, non-enforcement of regulations by the company, or to neglect of regulations by the subordinates of the company.

If to the Government were committed the duty of seeing that the permanent way of the railways was properly maintained, it would be necessary that a large staff of officers should be employed to inspect all the lines with the utmost care and minuteness at very frequent intervals; in short, such inspectors would practically have to perform duties now performed by the companies' engineers, foremen, and plate-layers; such an inspection would require a large establishment unless it were to be a mere superficial and occasional inspection; and just in proportion as the work was efficiently done by Government would the railway companies be relieved from the trouble, expense, and responsibility which they now incur.

Again, witnesses have urged that the Government should receive the power of directing what signals should be adopted on railways, and that they should enforce uniformity of signals on all lines, and further that to the Board of Trade should be committed the duty of deciding upon the long mooted questions as to the form of communication between the guards, engine driver, and passengers.

But it is impossible to form any reliable opinion upon questions as to the relative merits of appliances for safety on railways without a long course of trial on a railway, and a full knowledge of all the circumstances attending their use. A Government department can only acquire such knowledge through the evidence of the railway managers, and thus practically the responsibility of adoption or non-adoption must finally rest upon the managers.

Any attempt to regulate such matters by authority would necessarily tend to check all efforts on the part of railway companies themselves to improve these details of working. We may illustrate these remarks by considering the proposal made last session to enforce

by law a means of communication between the passengers, guard, and driver of a railway train.

Such a law would seem to involve these questions,—

1. What is to be the medium of communication?
2. What is to be the responsibility of the passenger using it?
3. What is to be the effect of the communication?
4. What is to be the duty of the guard on receiving it?
5. What is to be the responsibility of the company?

There are various means of communication which could be adopted, but all are more or less liable to derangement, and the officers of the companies allege that they are not satisfied that an adequate medium has been discovered.

The passengers' liability was defined in the Bill of last session as follows:—

"Any person or persons, being passengers in a railway carriage provided with such means of communication with the guards and drivers of locomotive engines as aforesaid who shall wantonly or mischievously use or set in motion the means of communication with the said guards so to be provided as aforesaid, shall for each offence be liable, on summary conviction as aforesaid, to a penalty not exceeding *five* pounds, and in default of such penalty being paid, to *seven* days imprisonment."

This definition leaves the passenger a latitude which would render it difficult to convict him of abusing his right to use the medium of communication.

The Bill was silent upon the important point as to what was to be the effect of the communication, *i.e.*, whether the signal from the passenger was to be an imperative order to stop the train, or whether the signal was only to call the attention of the guard to the fact that something was wrong. But upon lines worked on the system generally in use on railways, viz., by interposing a limit of time between trains following each other, greater danger might arise from the stoppage of a train between stations regardless of the position of other trains, than from the passenger not possessing the power to stop the train; and in the case of an accident so occurring a question might arise as to how far the company would be liable for the consequences of an act of a passenger interfering with the business of the company under the authority of an Act of Parliament. But it could scarcely be contended that the passenger was to be held responsible. It would thus follow that probably Parliament would have to supplement the interference on this matter by a further interference as to the regulations to be observed between trains following each other, and that each degree of interference in detail would have to be followed by further detailed regulations.

A majority of the accidents are found to be due to combined causes, and much more to a lax enforcement of good regulations, or to a neglect in using appliances for safety which are in existence, than to the absence of regulations or appliances for safety. When accidents occur from an absence of regulations or a want of the necessary appliances for safety, it frequently appears that such absence is due to the circumstances of the traffic having been altered, and to elements of danger having been gradually developed without anything having occurred to bring the altered circumstances to the notice of the manager. Government interference would not necessarily meet this case. It is, moreover, the tendency of Government inspection to seek to multiply accessories to safety; these accessories are more or less valuable, according to the condition of the traffic on a line, and the manner in which it is worked. So long, therefore, as those who control the traffic are free to accept or to reject the Government recommendations, it is very desirable that they should be made. But the more such appliances are multiplied the greater are the chances of danger from their neglect or their failure to act, though the chances of danger are diminished or increased according to the class and character of the men who use them. The selection of the men must always rest with the manager, and he should therefore remain responsible for the selection of the appliances for safety which he places in their hands.

Mr. Cardwell's Committee in 1853 examined very closely into the question. The committee arrived at the conclusion that any interference with the details of management was undesirable, but recommended that there should be placed upon those in whom the management of railways is vested, a greater degree of responsibility than the law then admitted, and proposed that each railway company should have an engineer, a locomotive superintendent, and a traffic manager, who should each be responsible for the proper working of his department. The Committee also proposed to call in the interposition of the Board of Trade to watch over the public safety. They had been appointed at a time when accidents recurred so frequently, and were attended with consequences so serious, that if no change had taken place in that respect severe legislation would have been required. But the marked diminution in the number of

accidents which subsequently occurred induced Parliament to postpone any legislation at that time.

The figures already quoted in this Report show the great improvement which has taken place in the safety of travelling, insomuch that in the year 1865, out of 252,000,000 travellers, 23 only met with death by causes beyond their own control. We believe that no other mode of locomotion ever used by man can show a more satisfactory result, and we are therefore not prepared to suggest any alteration of the present law in this respect.

Parliament has relied for the safe working of railways upon the efficiency of the common law and of Lord Campbell's Act, which give persons injured and near relatives of persons killed a right to compensation. We consider that this course has been more conducive to the protection of the public than if the Board of Trade had been empowered to interfere in the detailed arrangements for working the traffic.

We recommend that to the power which the Board of Trade at present possesses of appointing officers to inspect railways and rolling stock, should be added a power for the inspecting officer to require the attendance of the officers and servants of the company as witnesses, and the production of books and documents bearing on inquiries directed by the Board of Trade, and that the reports of the inspecting officers on accidents should be made public.

Compensation for accidents.

159. The railway companies, however, allege, as an injustice towards them, that the amount of compensation which they are called on to pay in cases of accident depends upon circumstances affecting the condition in life of the travellers, and is not proportionate to the degree of blame which attaches to the company; and that whilst they are compelled by Act of Parliament to carry all persons who offer themselves under similar circumstances at equal fares, they have no power to protect themselves against the chances of heavy compensation to which the dissimilar circumstances of the travellers expose them.

It is also alleged that the present law gives rise to litigation, which adds great expense to the amounts paid by railway companies, and not unfrequently swallows up all the compensation which the railway companies pay to the sufferers.

The inducement to litigation would be diminished if the amount recoverable as compention were limited, and the grievances of which the railway companies complain would be diminished if the compensation recoverable were confined within a maximum amount, which should be fixed with reference to the class of fare which the passenger had paid. It is urged that as part of such arrangement, any person desirous of obtaining larger compensation in case of accident, might have the option of insuring.

On the other hand it must not be forgotten that a limited compensation means that in some cases the sufferer would not receive an equal amount to that which he would receive under the present law, whilst even now it does not always happen that the money payment really compensates the sufferer, for it is not probable that persons would willingly become crippled for life for a money compensation.

The whole amount of compensation, including the heavy fines occasionally paid, when spread over the whole number of travellers, amounts to a very small sum per passenger per mile: indeed, the Board of Trade returns show that the total compensation for personal injury in 1865 was less than 1 per cent. on the gross receipts; but the liability to pay a serious amount of compensation in individual cases is a strong inducement to the railway directors to cause the employés to work the line carefully. On the other hand, it should not be forgotten that there is an important distinction between damages for injury inflicted by a mere wrong-doer, and for contingencies resulting from the failure to perform a contract which the person injured voluntarily enters into, knowing that it is attended with a certain risk. We think that in accordance with the principle applicable to the remuneration to carriers the indemnity should bear some proportion to the charges for services rendered.

We, therefore, recommend that, on the one hand, railway companies should be absolutely responsible for all injuries arising in the conveyance of passengers, except those due to their own negligence; and that, on the other hand, the liability of the railway companies be limited within a maximum amount of compensation for each class of fares, but that any passenger should be entitled

to require from the company any additional amount of insurance he may desire on paying for it according to a fixed tariff.

To prevent the frauds which appear to have arisen upon the railway companies under the present law, **we further recommend that claims for compensation should not be admitted unless made within a certain period, and that the railway companies should have the right of medical examination of the claimant.**

Wilful injury and trespass.

160. In connexion with this subject there are two questions which have been brought to our notice as to injuries to trains from anything thrown by persons standing on bridges or on embankments. It is alleged that the Criminal Consolidation Acts, 24 & 25 Vict. c. 97. and 100., made the law much more stringent than it was before they were passed, by making such cases a felony, and thus depriving the magistrate of the power of dealing summarily with them; and that the result is that in many instances, when children are detected, they are not proceeded against. **We recommend that minor cases of attempts to injure trains by persons standing on bridges or embankments should be deemed a misdemeanor, and disposed of summarily by justices of the peace as they were before the alteration of the law effected by the Criminal Consolidation Act.**

The second is that the law as to persons trespassing on railways ought to be much more stringent. By the present law, a person trespassing must have been warned off before he can be taken into custody, as in the case of trespassing on other property. We are not, however, disposed to recommend that any alteration should be made in this respect unless it be general.

Local rating of railway property.

161. II. The other point brought forward by railway companies as creating a heavy burden upon them, and thus acting as a prohibition to reduce their charges is, that the railways, whilst they are not in many cases a source of increase to the rates, are taxed for local purposes to a higher amount than any other kind of property; that the existing mode of ascertaining the assessable value leads practically to the assessment of profits of trade, and stock in trade, and is vexatious, difficult, and uncertain in operation, and creates inequalities which do not usually attach to the assessment of any other kind of property.

The general principle upon which railways should be rated is a clear one, viz., to take the net annual value of the land as improved in the hands of the railway company by the construction of the line, stations, and other works, without reference to their profits as carriers; that is, to take the rent which would be paid by a tenant to whom the line might be leased. When it is attempted to apply this principle in practice, though it appears to be simple, great difficulties arise. One of the difficulties is, that most sorts of rateable property lie exclusively within the parish which makes the rate; for example, houses or farms, or a manufactory or a coal mine, which are the ordinary objects of rating, usually lie within the parish in which the rate is made, and the assessing authority has only to consider what the probable net annual value of such occupation may be; and even if the occupation be of property in several parishes it is not difficult to value the property in each parish separately. But with regard to a railway which passes through a long succession of parishes, the person making the assessment cannot ascertain what amount of traffic passes over the section of the railway within the parish; he must consider what would be the probable letting value of the entire line, and he must then take such proportion of that entire value as falls within the particular parish. There is also a further complication arising from buildings, or stations, being unequally distributed in the parishes in which the railway is situated; thus in some cases there is a station in the parish and in others there is not, which adds to the difficulty of making a fair assessment upon the railway. The authority in each parish or union makes the assessment without reference to the assessment in other parishes or unions. When the railway passes through numerous parishes or unions in succession, each parish or union is entitled to make its own assessment without any reference whatever to the aggregate that would be produced by adding together the rates of the different parishes or unions.

If the rates were made fairly, by adding up the assessments in all the different parishes or unions through which the line passes, the total annual value of the railway for purposes of assessment ought to be obtained; but the authorities do not, for the most part, proceed from any total. They merely form a conjecture as to the probable amount of value which belongs to that part of the railway which is in their parish. This has, no doubt, led to anomalous results.

With respect to the complaint that the assessment is made on profits on trade, the Courts of law have laid down the principle, not that a railway company is to be rated upon its profits in trade, but that in ascertaining the probable letting value of the railway it is necessary to take into consideration the profits it is earning; because if there were two lines of railway precisely similar in all respects, except that one had a large traffic and the other a small traffic, the railway earning the larger traffic would let for a much higher rent than the other.

There would be great objections to making the railways an exception to the general principles upon which parochial assessments are now made; nor does it appear that in the aggregate railway companies are in reality more highly taxed for local purposes by this system of rating than other descriptions of property.

A return of local taxations presented to Parliament in 1865 shows that the annual charge raised by rates upon the occupation of landed property in England is as follows:—

	£
Church rate	241,960
Sewers rate	44,009
City of London sewers rate	17,242
Drainage and embankment	147,145
Lighting	42,194
Improvement Commissioners	332,983
Metropolitan management	1,001,385
Local Boards	352,016
Poor rates, including police	9,812,956
City of London consolidated rates, *i.e.*, police and ward rates	135,471
Borough rates	311,593
	12,438,954

There is no return of the valuation of landed property for local rates for the same period, but the returns for income tax in England under Schedule A. for 1864, show that the income derived from landed property, as described by the Report of the Commissioners for Inland Revenue for 1865, amounts to 113,445,596*l.* From these returns it may therefore be estimated that the local charges in England are about 11 per cent. upon the income derived from landed property, exclusive of the profits of the farmers or other occupants using landed property for industrial purposes. But it is to be observed that under the Act 21 & 22 Vict. c. 98. railways are to be assessed for rates levied under the Public Health Act, and for the local government of towns, in the proportion of one-fourth part only of the net annual value thereof.

On the other hand, the net incomes of the railway companies in England for 1864, after paying all outgoings except rates and taxes and Government duty, was 15,953,895*l.*; the local rates were 527,123*l.*, or $3\frac{1}{3}$ per cent. Thus only a portion of their earnings has been regarded as derived from the occupation of the railway and stations, and the rest has been left untaxed as the profits of their business.

We would suggest that in order to meet inequalities in the local taxation of railways, some means should be devised by which some public authority, such as the Poor Law Board, should make an assessment for rating the whole railway, and then divide the amount according to an equitable principle between the several unions or parishes.

6.—Interchange of Traffic.

Amalgamations.

162. The number of miles of railway open in Great Britain in 1843 was about 2,100, and these were owned by 70 companies. The average length of railway owned by each company was therefore 30 miles.

In 1865 there were in Great Britain 11,451 miles of railway, under the control of 78 companies, by ownership, leasing, or working arrangements.

The average length of line in the management of one company is now about 150 miles.

The longest line open in 1843 controlled by one company was 118 miles in length. At the present time the London and North-western Railway company controls 1,274 miles of railway; the Great Western, 1,256 miles; the Midland, 700 miles; the North-eastern, 1,205 miles.

The length of line under one control in 1843 was scarcely such as to obtain the most economical management; but the principal object of the companies in amalgamating since that period has been to obtain control of the districts from which they draw traffic,

in order to prevent that traffic being carried by other lines. Amalgamation has thus been rather a matter of offensive and defensive policy than a question of economy in working the lines.

Necessity for free interchange of traffic.

163. The competition for traffic may occasionally make it the interest of one company so to run its trains as to disappoint the trains of another company, or prevent the carriages running over both lines; and to refuse such an interchange of goods traffic as would admit of the goods being sent by the shortest route.

In proportion as the railway communication of the country becomes more complete, and the districts of the several railway companies better defined, does the necessity for a free interchange of traffic between the several systems of railways increase. The Select Committee of the House of Commons of 1853 recommended Parliament to discourage amalgamation, to encourage working and traffic arrangements between railway companies for limited periods, to concede running powers only in cases where the public object of free transit from one system to another cannot practically be ensured by other means, and to make it the duty of railway companies to receive and forward traffic without delay and without partiality.

Traffic Act of 1854.

164. We have already noticed at length the provisions of the Traffic Act of 1854, which was the first result of this Committee's labours, of the Act of 1859, passed to provide for the settlement by arbitration of questions in which companies were mutually interested, and of the Act of 1864, to enable companies to obtain further powers for making working and traffic arrangements by complying with the conditions of a general Act of Parliament, instead of requiring a special Act in each case.

With reference to the restrictions provided in these Acts, it is not very clear that any great advantage arises to the public from the present restriction upon the agreements between companies, by the necessity for a certificate from the Board of Trade; nor do we see how two companies can be prevented from entering into such agreements with each other as would be practically binding upon them even if the Board of Trade refused its certificate; but such an agreement would be secret, and might be detrimental to the public interests.

Recommendation.

165. **We are of opinion that a sound principle to act on in the matter of working and traffic agreements between railway companies is to allow any companies to enter into them without reference to any tribunal, upon the sole condition that the particulars should be made public in the locality, and that they should be terminable by either party at the expiration of limited periods. If any such agreement contained anything contrary to the rights of the public, the Court of Common Pleas should have a power of setting it aside at the instance of the Board of Trade.**

Running powers.

166. The case of running powers is different from that of other agreements, because running powers, in their ordinary acceptation, mean that the incoming company is not only to pass over the line, but to use the stations and sidings of the other company, upon payment of a reasonable compensation, and in opposition to the wish of the other company. But it would be manifestly unjust to require a company already established which had only siding and station accommodation sufficient for its own trade, to give up part of it to another company, and no compensation would suffice in such a case.

Whilst, therefore, the use of the lines should be free according to the original intention of Parliament, and a power of making junctions enlarged, **we consider that questions of running powers, that is of empowering one company to use the line of another company without its consent, must be left to the decision of Parliament.**

Permanent amalgamations.

167. Agreements for the amalgamation of railways stand also on a somewhat different footing from that of the ordinary working agreements. It is, no doubt, desirable to afford facilities for the amalgamation of short lines with larger ones, so as to avoid too great a cost and diversity of management; but each shareholder has guaranteed to him his share in the particular project, as defined by law, of which his co-shareholders or directors have no power to deprive him. We have already stated the grounds upon which **we consider that as a question of public policy a permanent amalgamation of the undertakings of railway companies should not take place without affording to Parliament the opportunity which it now possesses of determining the conditions under which such amalgamation should be permitted.**

Amalgamation in Ireland.

168. The condition of Ireland, however, differs materially from that of England in respect of the number of miles of railway open, and the number of companies and length of line owned, leased, or worked by each, as is shown by the following table deduced from the last return in 1865:—

—	No. of Companies.	Miles open.	Average Length of Lines.	Maximum Length of Lines.
England - -	68	9251	136	1274
Ireland - -	17	1838	108	437

It has been complained by some of the witnesses from Ireland that the great number of companies, and the smallness of the lines owned by them, occasion unnecessary expense in the administration of the railways and great inconvenience in the interchange of traffic. On the other hand it has been suggested that many of the lines have been constructed with the express object of promoting the interests of particular ports or towns, and that this object can only be attained by an independent management connected with these local interests. As no distinction has been made in Parliament between England and Ireland in dealing with amalgamations, we can only ascribe the continuance of a state of things asserted to be inconvenient to the prevalence of that feeling, or to a less creditable cause which has been suggested by some of the witnesses from Ireland, viz., the desire of directors to preserve independent administrations for their own advantage.

If all special interests were duly protected in an amalgamation we are of opinion, for the reasons before adverted to, that great benefit would result from the amalgamation of the shorter lines with larger adjacent undertakings.

The principal provision of a measure to effect this object should be that the shareholders at a special extraordinary general meeting should be at liberty to come to a binding resolution upon the subject, and to authorize the directors, or any special committee appointed by them for the purpose, to settle the terms of amalgamation, to be approved by a subsequent meeting of shareholders. With the sanction of the Lord Lieutenant in Council, who should be empowered to hear opposing parties, the arrangement should have the force of law.

We, therefore, recommend that as a special arrangement for Ireland, Parliament should, for a period to be limited, waive its right to consider each amalgamation as a special case, and that a measure should be passed to facilitate amalgamation by obviating, in the way we have pointed out, the difficulties which, it is said, have hitherto obstructed the progress of amalgamation in Ireland.

Tendency to interchange.

169. We have it in evidence that since 1853 there has been a growing tendency among some of the larger railway companies freely to interchange traffic. The Midland railway company gives the same rate for coal to London whether it passes by their line to Hitchin, or by the Great Northern or Great Eastern *viâ* Newark, or by the London and North-western *viâ* Rugby. Under a traffic agreement between the Great Western, the Midland, and the London and North-western railway companies, these companies practically book through to certain stations on each others lines, and collect traffic in each others districts.

Want of correspondence of trains.

170. There are, however, still cases where the public complain of want of adequate accommodation. For instance, as to the meeting of passenger trains on branch lines, or cross routes, with those of the main lines adjacent.

Thus in the case of through express trains running on two principal lines from London to Scotland, such as the London and North-western and the Great Northern, it is very difficult to arrange the trains on the cross lines which connect them to meet the trains on both lines. In cases of complaint it is necessary that the extent of the grievance should be ascertained, because it would not be desirable or right that for the sake of one or two individuals the traffic arrangements of a company should be interfered with.

In the case of Barret *v.* Great Northern and Midland railway companies, in the Court of Common Pleas, the Court laid down that—

"In such an application it is not necessary to show an individual grievance, but it is quite clear that a case must be made out of public inconvenience. . . . Where there are two competing lines, say from A. to B., and one of them having a continuation from B. to C., the company having the continuation might so arrange the departures from B. as seriously to interfere with the other, and perhaps shorter line, and operate to the prejudice and inconvenience of the public, and force the traffic to B. over a greater extent of line, at the sacrifice of cost or time, or both. Such a case would be under the

Act, and the Court would be justified in interfering in it;" and "it would be unreasonable to compel two companies to make arrangements with respect to their passenger traffic, unless it were made out to our satisfaction that the public convenience require it.

It appears therefore that the existing law is sufficient to meet this grievance; but in order that the public right may be duly vindicated **we are of opinion that in cases where a sufficient public grievance can be shown to exist from the want of correspondence of passenger trains, the Board of Trade should take the necessary steps to bring the case before the proper tribunal under the provisions of the Traffic Act.**

171. In Appendix AD. is a complaint against a railway company for not booking goods through on to all stations on its own line. **We consider that it should be imperative on every railway company to book goods to every station on the lines owned or worked by the company.** Through booking.

It has, moreover, been suggested that every company should be entitled to give a through rate for traffic arising on its own line and going on to other lines, and that the traffic should be at once sent on without delay; but that in case of difference as to the amount or apportionment of the rate the case should be settled by arbitration, the company which gave the rate being bound to pay to the other companies concerned the share awarded to them.

With regard to passenger traffic, it would be necessary to keep tickets at each station for the several places, which in many cases might rarely be used, and this would involve great difficulty and trouble in the accounts. We think it would be practically impossible to lay down any rule to define the extent to which such tickets should be issued. Indeed the trouble to which an individual passenger may be put, in taking a new ticket, would in most cases be far less than the trouble and difficulties the railway companies would experience in largely extending the issue of through tickets.

In goods traffic the object of through booking is to save the delay and trouble which arise from invoicing the goods afresh at the junction station. This may involve a divided responsibility for the safe delivery of the goods at their destination, a separate payment of freight, and, as has been stated by some witnesses, a day's delay.

It must, however, be borne in mind that through booking means practically that the receiving company becomes the agent of, and takes a responsibility for, the companies over whose lines the traffic is to pass. It is a responsibility which is practically taken for each other by companies belonging to the Clearing House; and if our recommendation be adopted, that companies should be compelled to take all classes of traffic offered to them, we think that the responsibility is not of so onerous a nature as to exempt them from receiving traffic to be booked through over other lines.

For this purpose **we consider that any company should be entitled to make a through rate over any other company's line, paying to such other company the amount which that company charges the public for the same goods carried from the point of junction at which the goods are delivered on its line to the point of their destination. The receiving company should be responsible for the safe delivery of the goods, and in case of loss should be entitled to claim an adjustment with other companies in accordance with the Clearing House regulations.** Any other system would practically deprive a railway company of the rights it is entitled to exercise with respect to its maximum rates.

Inconvenience has arisen in through booking for transit partly by sea and partly by land. The railway company, under its ordinary receipt for the goods, has been held responsible for the loss of the goods when it has been caused through the ordinary casualties of transport by sea. To guard against this it is, therefore, necessary in all such cases that a special receipt should be given, protecting the carrier as regards the transit by sea against the ordinary sea risks as expressed in bills of lading. It is suggested that this interposes considerable restriction in conducting through traffic between England and Ireland, or other places, when a sea voyage intervenes. As it is desirable to afford every facility for this important branch of railway traffic a general provision might be framed, by which it should be declared that **in cases where through booking includes transport by sea as well as by land the risk, as regards the sea transit, should be subject to the exceptions ordinarily specified in a bill of lading.**

172. One question affecting the interchange of traffic of great national importance remains to be considered. We have already mentioned that Parliament in 1846, having had the The broad gauge.

subject under its full consideration, determined that the broad gauge should be maintained in certain districts. There were then above 700 miles of broad gauge line laid down, and Parliament has since that period sanctioned nearly 750 miles more, the whole length now existing being about 1,456 miles, as is shown in detail in Appendix CZ. The necessities of the traffic of the country have compelled the railway companies owning broad gauge lines to lay down additional narrow gauge lines along 387 miles of their system, and 1,069 miles of exclusively broad gauge line remain, presenting numerous points which form the frontiers of the broad and narrow gauge systems, and at which great difficulty and expense are caused in the interchange of traffic. The break of gauge interposes a positive bar to some classes of traffic; and would present a most serious impediment to the movement of troops and war materiel between the east and west of England in the event of the invasion of the country. Independently of the opinions expressed in the Report of the Gauge Commissioners, which recommended that the broad gauge should be abolished, any question as to the respective merits of the two gauges has been set at rest by the fact of the large extension of the narrow gauge.

It appears from the evidence of the Chairman and Secretary of the Great Western railway that the alteration of gauge would involve not only an alteration of the permanent way, but of a part of the rolling stock, for although the carriages and waggons might to some extent be adapted, the boilers adapted to broad gauge engines are too wide. It is estimated that the cost of the alteration would amount to about 2,000,000*l.* The condition of the Great Western railway company financially does not appear to be such as to induce an expectation that it would be able to grapple with this evil out of its own resources.

We are of opinion that the continued existence of the double gauge is a national evil. We think it worthy of consideration whether it may not be desirable to require the broad guage to be put an end to; and, as the evil has arisen to some extent from the proceedings of Parliament, whether a loan of public money should not be granted for that purpose, on the principle we have suggested for advances to Irish railway companies.

The injury which may result from a Government laying down dogmatic rules for regulating railway enterprises is forcibly illustrated by the fact that, whilst two gauges were encouraged in England, a third, agreeing with neither, was made compulsory in Ireland. By this arrangement the railways in Ireland have been deprived of all the advantages they might have derived from the use of engines and rolling stock from English lines. The carrying power of a railway, as well as the cost of its construction, increases in some proportion to the width of its line, and consequent magnitude of its trucks and engines; and the cost of the Irish railways has by this enlarged gauge been rendered compulsorily more expensive than that of important English railways, although the traffic must necessarily be much less.

PART VI.

Functions of the Board of Trade.

173. The main object of the several recommendations we have made is to afford to the public facilities for exercising the rights which are already recognized by the existing law, rather than to create new rights.

In this we have followed out the course which Parliament has taken on former occasions when it has considered it necessary to legislate upon railways.

In the earlier part of this report we have adverted to certain powers which have been conferred on the Board of Trade under the Act for the regulation of railways, to enforce compliance on the part of railway companies with the special Acts by which they are regulated.

We have also shown that Mr. Cardwell's Committee of 1853 dealt principally with the question of impediments interposed in the way of freedom of traffic, and that the recommendations of that Committee for the solution of this difficult question are embodied in the Act of 1854, called the "Railway and Canal Traffic Act." This Act appears to us to be sufficient for its purpose. It seems to have contemplated the interposition of the executive Government to bring violations of its provisions before the Court of Common Pleas. And inasmuch as many considerations show that this is a public duty not likely to be efficiently discharged by merely private energy, we have

recommended that in cases which appear to require it, it should be made the duty of the Board of Trade to institute public prosecutions to enforce the Act.

In considering this question it is however important to notice the distinction between a suit which may be carried on in a court of justice for the purpose of establishing a general right on behalf of the public in regard to a railway company, and a suit by an individual for a matter which entirely concerns himself or his own interests.

In the latter case we think there is no reason why an individual should not be left to the ordinary courts of justice and the remedies which they afford for the protection of private rights or the redress of injuries.

With regard to the former, viz., a suit for the establishment of a general right, it appears that the Board of Trade has never exercised the power which it clearly possesses under the Acts above mentioned, although the witnesses who have appeared before us have stated cases in which the railway companies have omitted to perform their obligations towards the public. **In order more effectually, therefore, to carry out the recommendations we have made, as well as to secure a proper regard to the interests of the public by railway companies, we think that it would be expedient in all cases where the public interest is affected, that any person should be at liberty to memorialize the Board of Trade; and that the Board, after satisfying itself, by a preliminary examination into the matter, that the complaint is well founded, should take the necessary measures to enforce the public rights by submitting the complaint for the investigation and decision of the proper court of justice.**

PART VII.

174. We will briefly recapitulate the conclusions at which we have arrived on the subjects noticed in the preceding part of our report.*

Purchase of Railways by the State.

(1.) We are of opinion that it is inexpedient at present to subvert the policy which has hitherto been adopted of leaving the construction and management of railways to the free enterprize of the people, under such conditions as Parliament may think fit to impose for the general welfare of the public. Par. 74.

We consider that there is not sufficient reason for excepting Ireland from this general conclusion; but as it has been the established policy to assist railways and other public works in Ireland, we recommend that when Parliament thinks fit to make advances to Irish railway companies, the money should be lent for a fixed period of considerable length, so as to enable the company to develop its resources before it is called on for repayment. We are, however, of opinion that advances should not be made to the Irish railway companies as a condition of reducing their rates and fares; but that as the railway companies have the best opportunities of judging whether rates can be reduced so as to be recuperative within a reasonable time, they should be left to carry out such experiments at their own risk. Par. 80.

Improvement in Private Bill Legislation.

175. (2.) We recommend that Parliament should relieve itself from all interference with the incorporation and the financial affairs of railway companies, leaving such matters to be dealt with under the Joint Stock Companies Act, and should limit its own action to regulating the construction of the line and the relations between the public and joint stock companies so incorporated; requiring such guarantees as may be necessary for the purpose of securing the due performance of the conditions, upon the faith of which the parliamentary powers of the company have been granted. Par. 90.

176. (3.) We recommend that the Companies Clauses Consolidation Act should, as respects the audit of accounts and the power of the shareholders to inspect them, be assimilated to the provisions of the Joint Stock Companies Act. Par. 92.

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* The references in the margin show the paragraphs in the body of the Report where the several recommendations are explained.

Par. 83. 177. (4.) All Bills, after having passed through the Committee of the House in which they have been first introduced, should be referred back specially to the Board of Trade for further report, and the Board of Trade should in such report specially consider every point in which public interests are involved.

Par. 153. 178. (5.) When a railway company comes forward for additional powers, Parliament should take that opportunity of revising the maximum rates of conveyance, as it may appear reasonable. And it should be the duty of the Board of Trade, in their reports on railway Bills, to compare the proposed tolls, fares, and charges with those authorized and levied on lines connected with the proposed lines.

Par. 95. 179. (6.) When railway companies apply to Parliament for power to amend their Acts, advantage should be taken of the application to require them to consolidate all the clauses of existing Acts which remain permanently applicable to their undertaking; to protect public and private interests, and to guard against errors, the examination of the consolidation bills should be committed to the Board of Trade. In the meantime railway companies should be compelled to keep, at the office of the Registrar of Joint Stock Companies, a complete collection of all the Acts in force, applicable to their undertaking, to be open to public inspection.

Rates and Charges.

Par. 106. 180. (7.) We do not consider that it would be expedient, even if it were practicable, to adopt any legislation which would abolish the freedom railway companies enjoy of charging what sum they deem expedient within their maximum rates when properly defined, limited as that freedom is by the conditions of the Traffic Act; but we are of opinion that railway companies should be required to give a reasonable notice of their intention to raise their rates of charge.

Par. 108. 181. (8.) In order to enable all persons to be in a position to ascertain with ease whether they are treated on an equality with others, it should be compulsory on the railway companies, under adequate penalties, to exhibit at every station, when required, to the persons using the station, a true list of the whole of the fares and rates charged from that station, and to give full information as to special contracts, rebates, drawbacks, and other deductions or advantages. The Board of Trade or other Government department charged with the supervision of railways should further be empowered to require returns of all tolls and charges actually levied by railway companies, with full information as to rebates and deductions, or to appoint officers to examine the books of the companies.

Par. 109. 182. (9.) We are of opinion that railway companies should be required, under adequate penalties, to publish accurate lists of the distances between the stations on their lines.

Passenger Traffic.

Par. 129. 183. (10.) We are unable to see any method of ensuring punctuality in passenger trains by means of legislative enactments, except that proposed by the Committee of the House of Commons in 1858, viz., that punctuality should be guaranteed, and that passengers injured by delay should be enabled to recover summarily a fixed sum; but we have already referred to the objections to this proposal.

Par. 130. We are of opinion that railway companies should be bound, under adequate penalties, to give at least a week's notice of any alterations of time of their regular passenger trains.

Par. 131. 184. (11.) We recommend that railway companies should be required to afford greater facilities for carrying the ordinary third-class traffic, by running at least two trains with third-class carriages attached each way daily; and that in such mixed trains whenever return tickets are issued for first and second class passengers, they should in like manner be issued for third-class passengers. We consider that workmen's trains on the principle of those proposed in the Railway Clauses Bill of the session of 1866 should be run in and out of every large manufacturing town.

Par. 133. 185. (12.) The Act for the regulation of railways prescribes that the military and police shall be conveyed at 2*d.* per mile for officers and 1*d.* per mile for soldiers; but in some cases the fares for ordinary passengers are below these rates. We are therefore of opinion that

in no case should a railway company be entitled to charge more for the military and police than it charges for ordinary first and third class passengers.

186. (13.) The definition of the term "passenger railway" in the Act for the regulation of railways should be altered, and the term defined to mean any railway on which passengers are conveyed. Par. 132.

Conveyance of Mails.

187. (14.) We recommend that a general Act of Parliament be passed to define all those points which have given rise to difficulties between the Postmaster-General and the railway companies; but we do not deem it expedient to enter into the details of the arrangements to be embodied in the Act. The following services in trains, where railway companies fix the time of starting and stopping, are analogous to those rendered to the public, and a tariff for such services should be prescribed by a general Act, viz., 1. Mails in charge of railway companies without Post Office guards; 2. Mails in charge of Post Office guards; 3. Compartments, or one or more carriages. Par. 134.

In cases where the Postmaster-General fixes the time of starting or stopping, or requires an exclusive or limited train, the question of the proper remuneration for the service performed should still be left to arbitration.

Parcel Traffic.

188. (15.) We recommend that a separate tariff should be laid down and published to govern the conveyance, as distinguished from the collection and delivery, of parcels, so as to enable the rates of charge to be kept down by the free action of individuals acting as carriers by railway. Par. 135.

But we consider that the time has arrived when railway companies should combine to devise some rapid and efficient system for the delivery of parcels; and on the companies effecting such an arrangement, we recommend that a general Act should be passed limiting their liability for each parcel to a certain amount, unless a greater value be declared and paid for according to a settled scale at the time of transmission; and that such further provisions should be made as may be found necessary to enable the companies to carry out their arrangements.

Conveyance of Merchandise and Minerals.

189. (16.) We recommend that railway companies should be bound by law to provide means of conveyance for, and to convey all articles tendered to them, subject to such restrictions as the circumstances of the railway may require, which should be defined by byelaws to be approved as provided by the Act for the Regulation of Railways. Par. 139.

190. (17.) We consider that a railway company should be bound to carry, if required, "dangerous goods" at a reasonable maximum rate for their conveyance; and subject to such regulations for safety as may be defined by their byelaws. Par. 140.

191. (18.) We consider that although, theoretically, the rights of the public in the use of railways cannot be completely assured unless the traffic which is conveyed at defined rates is to be delivered within a definite time, on the whole the public will be better served by adhering to the present rule, that the delivery is to take place within a reasonable time, leaving the question of what is reasonable to be decided by a court of law. We see the less objection to this as the County Court affords facilities and is largely resorted to for this purpose at the present time. Par. 151.

192. (19.) We are of opinion that the Clearing House classification should be made the basis of the classification adopted in Acts of Parliament. The enumeration and classification should be stated at length in a general Act. It would then only be necessary in the special Acts of the railway companies to refer to the general Act, and to enact the maximum tolls or charges applicable to each class, instead of imperfectly enumerating articles in each class as is now done. Par. 143.

If, however, the circumstances of any particular railway, or of the district in which such railway is situated, should render it expedient that the rate on any enumerated article should be different from that necessary for the other enumerated articles in the same class as prescribed in the general Act, it should be mentioned in the advertisement

required by the standing orders before introducing the Bill. It would then rest with Parliament to decide whether it would allow a departure from the general Act.

Existing railway companies in whose Acts of Parliament the classification is essentially different from the Clearing House classification should apply for short Acts of Parliament to arrange their existing maximum tolls as nearly as possible to meet the new classification. It would still be competent for companies to vary their charges within the limits of the maximum prescribed by the special Acts.

Par. 144. The enumeration of articles in the Carriers' Act requires revision.

Par. 145. 193. (20.) We recommend that terminal charges should be defined to be charges for all services rendered by the railway company beyond conveyance from station to station, and that they should be based upon the expenses incurred in the receipt and delivery of the goods on and from the line. Also that railway companies should be required to notify publicly at each station the charge they make for all such terminal services, and that, at the request of a freighter, they should be required to separate these charges from the mileage rate in their account with him.

Par. 146. 194. (21.) We consider it desirable that railway companies should avail themselves of every opportunity for obtaining possession of the railway plant used on their lines. It appears deserving of consideration whether the system of charging a mileage rate for waggons should not be modified, and a system of charging for the waggon by time instead of by distance be adopted in Acts of Parliament.

Par. 146. 195. (22.) Each railway company should be responsible to the freighters that all private waggons received from them should be treated, when on its own line, as the waggons of another company entrusted to its charge, and without undue preference; and when forwarded on to the lines of other companies, that the freighters' waggons should be treated as its own waggons in regard to such other companies; and the freighters should then be bound equally with the railway companies by the regulations and proceedings of the Clearing House.

Certain Conditions affecting Economy and Safety of Working.

Par. 157. 196. (23.) We do not consider that any direct legislative enactments would cause greater economy in the working of railways; but we are of opinion that with the object of affording a more accurate view of the operations of the railway companies, and of making any undue extravagance apparent, and thus stimulating economy, it is desirable that the several railway companies should render their accounts to the Board of Trade, showing receipts from traffic and the detailed cost of working the line, upon a uniform plan; and that, after consultation with the railway companies, the Board of Trade should not only prescribe the form of such returns and accounts, but lay down the basis on which they are to be computed.

Par. 158. 197. (24.) Parliament has relied for the safe working of railways upon the efficiency of the common law and of Lord Campbell's Act, which give persons injured and near relatives of persons killed a right to compensation. We consider that this course has been more conducive to the protection of the public than if the Board of Trade had been empowered to interfere in the detailed arrangements for working the traffic.

Par. 159. We recommend that, on the one hand, railway companies should be absolutely responsible for all injuries arising in the conveyance of passengers, except those due to their own negligence; and that, on the other hand, the liability of the railway companies be limited within a maximum amount of compensation for each class of fares; but that any passenger should be entitled to require, from the Company, any additional amount of insurance he may desire on paying for it according to a fixed tariff. We further recommend that claims for compensation should not be admitted unless made within a certain period, and that the railway companies should have the right of medical examination of the claimant.

Par. 158. We recommend that to the power which the Board of Trade at present possesses of appointing officers to inspect railways and rolling stock, should be added a power for the inspecting officer to require the attendance of the officers and servants of the company as witnesses, and the production of books and documents bearing on inquiries directed by the Board of Trade; and that the reports of the inspecting officers on accidents should be made public.

We recommend that minor cases of attempts to injure trains by persons standing on bridges or embankments should be deemed a misdemeanor, and disposed of summarily by justices of the peace, as they were before the alteration of the law effected by the Criminal Consolidation Act. Par. 160.

198. (25.) We would suggest that in order to meet inequalities in the local taxation of railways, some means should be devised by which some public authority, such as the Poor Law Board, should make an assessment for rating the whole railway, and then divide the amount according to an equitable principle between the several unions or parishes. Par. 161.

Interchange of Traffic.

199. (26.) We are of opinion that a sound principle to act on, in the matter of working and traffic agreements between railway companies, is to allow any companies to enter into them without reference to any tribunal, upon the sole condition that the particulars should be made public in the locality, and that they should be terminable by either party at the expiration of limited periods. If any such agreement contained anything contrary to the rights of the public, the Court of Common Pleas should have a power of setting it aside at the instance of the Board of Trade. Par. 165.

200. (27.) We consider that questions of running powers, that is, of empowering one company to use the line of another company without its consent, must be left to the decision of Parliament. Par. 166.

201. (28.) With respect to amalgamation between companies, we consider that as a question of public policy a permanent amalgamation of the undertakings of railway companies should not take place without affording to Parliament the opportunity which it now possesses of determining the conditions under which such amalgamation should be permitted. Par. 167.

We are of opinion that benefit would result to Ireland from the amalgamation of many of the lines, and we recommend that, as a special arrangement for Ireland, Parliament should, for a period to be limited, waive its right to consider each amalgamation as a special case, and that a measure should be passed to facilitate amalgamation, by obviating, in the way we have pointed out, the difficulties which, it is said, have hitherto obstructed the progress of amalgamation in Ireland. Par. 168.

202. (29.) We are of opinion that in cases where a sufficient public grievance can be shown to exist from the want of correspondence of passenger trains, the Board of Trade should take the necessary steps to bring the case before the proper tribunal, under the provisions of the Traffic Act. Par. 170.

203. (30.) We consider that it should be imperative on every railway company to book goods to every station on the lines owned or worked by the company. Par. 171.

We consider that any company should be entitled to make a through rate over any other company's line, paying to such other company the amount which that company charges the public for the same goods carried from the point of junction at which the goods are delivered on its line to the point of their destination. The receiving company should be responsible for the safe delivery of the goods, and in case of loss should be entitled to claim an adjustment with other companies in accordance with the Clearing House regulations.

In cases where through booking includes transport by sea as well as by land, the risk as regards the sea transit should be subject to the exceptions ordinarily specified in a bill of lading.

204. (31.) We are of opinion that the continued existence of the double gauge is a national evil. We think it worthy of consideration whether it may not be desirable to require the broad gauge to be put an end to; and, as the evil has arisen to some extent from the proceedings of Parliament, whether a loan of public money should not be granted for that purpose, on the principle we have suggested for advances to Irish railway companies. Par. 172.

Enforcement of Obligations of Railway Companies by Board of Trade.

205. (32.) In order more effectually to carry out the recommendations we have made, as well as to secure a proper regard to the interests of the public by railway companies, we Par. 173.

think that it would be expedient, in all cases where the public interest is affected, that any person should be at liberty to memorialize the Board of Trade, and that the Board, after satisfying itself by a preliminary examination into the matter that the complaint is well founded, should take the necessary measures to enforce the public rights, by submitting the complaint for the investigation and decision of the proper court of justice.

All which we humbly submit to Your Majesty's gracious consideration.

DEVONSHIRE.
BELMORE.
E. F. LEVESON GOWER.
ROBERT LOWE.
THOMAS B. HORSFALL.
ROBERT DALGLISH.
GEO. CARR GLYN.
ACTON S. AYRTON.
DOUGLAS GALTON.
EDW^{D}. HAMILTON.
J. R. M^{C}CLEAN.

WILLIAM POLE,
Secretary.

7th May 1867.

Report from the Right Hon. W. Monsell, M.P.

May it please Your Majesty,

I venture humbly to dissent from the Report adopted by a majority of the Commissioners so far as it refers to Irish railways.

Although dissatisfaction with the English and Scotch railway system appears to be rapidly growing, no demand for an alteration of its essential features has as yet been made by any large number of Your Majesty's subjects in Great Britain.

The suggestion that "Ireland should be treated in an exceptional manner, and that the "Crown should purchase the Irish railways for the purpose of making them more "beneficial to the people of Ireland than they are likely to become in the hands of "their present owners," was urged by almost every witness from Ireland.

The Commission were informed by Mr. Fox, an eminent Dublin stockbroker, that the Irish railways could be purchased for about nineteen millions of money. It may be necessary to add something to Mr. Fox's estimate, but obviously the purchase of the Irish railways by the State would not involve those financial difficulties to which the report refers in discussing the expediency of the purchase of the railways of the United Kingdom.

It must be remembered also that the recommendations of the Irish Railway Commissioners of 1837–8 were generally approved of in Ireland. So strong was the feeling in favour of a system of central management and governmental control that many of the great landed proprietors were prepared to give their land without compensation if that system were adopted. The measures to carry it out, submitted to Parliament by the late Lord Carlisle, were defeated. The English system was introduced into Ireland, and the evidence given before our Commission contains the history of its failure.

In 1865 there were 1,838 miles of working railway in Ireland, worked by 35 companies.

There seems to be no tendency to amalgamation. Of these railways, two are bankrupt, two at a standstill, six have paid no dividend on some class of their preference stock for the last three years, ten have paid no dividend on their ordinary shares, seven have paid a per-centage of dividend less than the funds, two of this number having paid less than one per cent., six have paid more than the funds but less than commercial interest, and the shares of each of them are below par. Only one—and that a metropolitan railway six miles in length—has been perfectly successful as a commercial transaction; this railway was constructed before the Irish Railway Commissioners made their report. There are only 64¾ miles of Irish railways not subject to the provisions of the Act of 1844.

The practical results of this system, so unsuccessful financially, have been given in detail by the witnesses we have examined.

All seem to agree that the fundamental evil of the Irish system is want of unity of management. All complain of a disinclination to amalgamate on the part of the directors and of the rivalries and jealousies that exist between the various companies. Mr. Meldon, a large landowner in Galway and solicitor to two companies, thus described the management of the Irish railways:—"There are," he said, "56 lines of railways authorized by "Act of Parliament, most of them working. Their average length is about 48 miles "long. Although the Great Southern and Western is 387 miles long and the Midland "Great Western 242 miles long, yet very many of them do not extend 10 miles. Most "of these 56 lines have a separate board of directors, separate engineers, solicitors, and "secretaries, thus there are 430 directors, 56 solicitors, 56 secretaries, and upwards of "70 engineers who absorb a large portion of the receipts of the lines.* It strikes me most "forcibly that a board sitting in Dublin, consisting of three intelligent business-like men, "would be able to do the entire business which the 430 directors do, and do it very "much better. A vast saving of expense would be the result, and harmonic action "would ensure a thorough connexion, when established, which is much required, and "the traffic would be fairly developed." Captain Huish, who was for 18 years manager of the London and North-western Railway, attributes to this divided management four q. 6735.

* Bradshaw's Railway Manual for 1866 gives, for 66 railways, 494 directors, 53 solicitors, 56 secretaries, and 61 engineers, but in several cases the names of the officers are omitted.

facts which he says must strike every one that travels on Irish railways, that the rates are very high, the speed very low, the trains very few, and the remuneration of the proprietors very small.

q. 5530-5562. The late Mr. Dargan estimated the saving that would be effected by the consolidation of all the railways under one management, at one-fifth of the present working expenditure of 750,000*l.* per annum. Mr. Forbes, who was for 10 years traffic manager of the q. 1838. Midland Great Western, thought that about 120,000*l.* per annum might be saved q. 1708-9. by consolidated management. He said, "I would contrast the working of the Irish "lines with that of the London and North-western Railway, which is worked by a single "board of directors, one set of officers, and one establishment. That railway earns an "income of 5,300,000*l.*; it works 1,200 miles, as against 1,700 miles in Ireland and an "income of 1,520,000*l.* The consequence of such a number of separate and inde-"pendent boards of management is that any attempt to develop the traffic in Ireland "up to this time has been a failure." Mr. Forbes, like Mr. Meldon and Mr. Dargan, would place all the railways under one board of management.

Several witnesses have shown in detail the loss inflicted on the country by the general want of co-operation of the companies in their working arrangements and in many cases p. 112, q. 2326. by their mutual hostility. Mr. Tinsly, Mayor of Limerick, stated that in the journey from that city to Dublin there was sometimes a delay of two hours at the junction with the Great Southern and Western Railway, and although the distance between the two p. 120, q. 2656. cities is only 130 miles the fastest train took 5½ hours. Mr. Ryan, a Limerick merchant, showed the inconvenience and delay resulting from the number of small local companies. He stated there were six independent companies in connexion with Limerick, each carrying out its own arrangements without any reference to the arrangements of the other companies, and went into great detail as to the injurious effect of this divided management.

q. 4965. Mr. Fearnley, Secretary to the Newry and Armagh Company, stated that by a continuation of the Ulster and Dublin and Belfast Junction Companies a system has been pursued of diverting traffic from their line, that through rates over the greater portion of it are refused, and that passengers are either obliged to wait for hours at the junction or submit to be carried a long way round.

q. 5057, &c. Mr. Cawkwell, the General Manager of the London and North-western Company, gave evidence of the great difficulty of effecting booking through arrangements with the companies in consequence of adverse interests, and the influence of certain Steam Packets Companies. "They appear to have some control over the Great Southern and "Western Board, either by competition or some other means, by making a joint purse "in which the steam packets as well as the railways were interested. We were compelled "in order to get an arrangement made to sacrifice a portion of our railway's distance. q. 5069. "I am decidedly of opinion," says Mr. Cawkwell, "that the railway traffic of Ireland "has never yet been half developed."

q. 5011. Mr. Delahunty, the managing director of the Waterford and Kilkenny and the Kilkenny Junction Railways, said, "There is a great difficulty in approaching the interior of Ireland "from the want of railway communication, and there is even great difficulty in approaching q. 5016. "Dublin, from the indisposition of the Southern and Western Railways to work in harmony "with the Waterford and Kilkenny, so as to give trains that will conduce to the public "convenience. Although the distance from Waterford to Dublin is only 112 miles, third-"class passengers require two days for the journey." Mr. Delahunty further stated that the whole traffic of the midland districts of Ireland was forced out of direct communication q. 5032. viâ Waterford with the South of England and South Wales. "Direct communication," he said, "at the present moment is stopped altogether. It is so managed that the traffic "must come round by Dublin, which is both tedious and expensive."

q. 5282. Mr. Allport, the manager of the Midland Railway Company, thought "that great "inconvenience arose from the fact of the country being split up into such small "divisions, and that amalgamation would be exceedingly advantageous to the Irish "system."

q. 6535. Mr. Macfarlane, a magistrate of the County Dublin, said the arrangements of the companies in the north of Ireland were very bad. He said, "He reached Omagh (about "130 miles from Dublin) about half-past 3 in the day, and unless he should stop a night "on the way to Dublin he would not reach there before half-past 5 on the following "evening." This witness further stated, that there are actually carriages taking the mails q. 6541. at night, but they carry no passengers; "that it being important for him to go to "Dublin one night, he got on the engine as there was no other mode." "There is "much less accommodation," said Mr. Macfarlane, "between the north of Ireland now "than formerly, when there were coaches both in the daytime and in the night; now q. 6543. "they have only conveyances in the day. The earliest train from the country does not "reach Dublin till about half-past 5 p.m."

This general sketch of the evidence will show in sufficient detail the evils that Ireland suffers from its great number of small independent lines, and the saving that would be effected by their amalgamation under one management.

I will now refer to the evidence in reference to the high charges for passengers and goods.

It appears from the evidence of Mr. Mulvaney, a gentleman who was formerly Commissioner of Public Works in Ireland, and who for many years has been extensively engaged in business in Prussia, that the fares in that country are very moderate. "In "Germany," he said, "you see the labourers travelling by railway, the women coming "in with their large baskets of vegetables and fruit a distance of 10 or 15 miles into "a market town at the cost of three-eighths of a penny per mile; and they make "their marketing before 12 o'clock in the day and go away in crowds." q. 1225.

"The third-class passengers in Ireland are charged the same fare as the rich part of "the people are charged in Germany, who travel in upholstered second-class carriages, "and the anomaly to any one who frequently visits both countries is so striking as to "remove every shadow of doubt as to the impropriety of the rates which exist in "Ireland, and the want of accommodation, especially for the poorer classes."

Mr. Forbes, who was for 10 years manager of the Midland Great Western, said, "In "my opinion the fares and rates in Ireland are prohibitory of any development of the "traffic, and have been so ever since I have known the country. I have had occa- "sion frequently to compare the rates charged in Ireland with those charged on other "railways, and particularly in England, and in the majority of cases the Irish rates are "as high, and in some cases higher, than in England. Practically since the opening of "the railway system in Ireland nothing has been done in the way of experiment. If the "rates were lowered there would be a very large increase in the traffic of the country." q. 1458. q. 1459.

Mr. Forbes recommended that a reduction of 50 per cent. should be made in the charges, and stated that although there would be a loss of dividend for two or three years, it would be ultimately made up, but his directors would not consent. Mr. Forbes referred to the rate charged for coal; on some lines it was as much as $1\frac{1}{2}d.$ per mile, whilst in England it is only $\frac{1}{2}d.$ per mile, and in some cases $\frac{3}{8}d.$ per mile. He endeavoured, he said, to induce his directors to reduce the rates 50 per cent., but they "were frightened" at the suggestion. Mr. Forbes gave it as his opinion that the traffic in coal would have increased tenfold by such a reduction. Mr. Forbes laid great stress on the injury the company sustained in reference to the transport of cattle and agricultural produce. In regard to cattle, he said it was a matter of fact that they carried none of the store stock at all; the fat stock came, of course, because they could not walk by the road; and in regard to agricultural produce he said, "About six weeks ago potatoes were being sold in the "County Galway, within 10 miles of a railway station, at $3d.$ per stone, whilst in Dublin "the price was $7d.$" And Mr. Forbes went on to show how the trade in grain, potatoes, turnips, bacon, poultry, eggs, and other produce would be developed by a low rate of charge. q. 1460. q. 1578. q. 1465. q. 1468. q. 1527. q. 1531. q. 1563. q. 1636.

Mr. Ryan, merchant, of Limerick, said that on account of their high charges the railways in Limerick were not doing the work of the country; "carriers were still numerous "on all the roads where railways are, and we see all the traffic of our own county going "by road by a route running parallel with railways; that the cattle are driven long "distances, having been bought in the west of Limerick and Clare, and going up through "Dublin on to Meath, where they are fattened; this brings them into very bad condition, "and there are no buyers who would not be willing to give a moderate price for their "carriage. As to our passenger trains, most of them are very empty indeed, and if fares "were considerably reduced there would be a very large increase of third-class passengers; "the small farmers and men going to market with their butter, corn, and other farm "produce would use the railways instead of driving their cars along the road." q. 2655. q. 2685. q. 2690. q. 2691.

This witness complained very much of differential and excessive rates charged to the Limerick merchants. q. 2769.

Mr. Cooper, who deals largely in cattle, said, that according to his calculations only one-seventh ($\frac{1}{7}$) of cattle and horses, the same proportion of sheep that travel were conveyed by railway, he thought the charges should be reduced to one-half. Mr. Cooper illustrated the comparative cost of carrying cattle by railway and by the common road, in this way; he said, "I bought 20 cattle in Killarney, and I wished to bring them to a "station between Charleville and Limerick, I inquired the rate, and it came to $4s.$ per "head, I drove them on the road for $1s.$, when I would rather have paid $2s.$ and sent "them by train." This state of affairs was complained of by a number of witnesses. q. 3651–2. q. 3663. q. 3706.

It was mentioned by a witness that Sir Percy Nugent, a director of the Midland q. 7042.

Great Western Railway, stated to him, "that he always drives his cattle along the road, "instead of sending them by railway, and that he bought 65 head of cattle at "Loughrea fair, and sent them home 60 or 70 miles by road instead of rail."

q. 2090–2093. On the Bandon line no cattle are now carried, they are all walked from Bandon to Cork. In the neighbourhood of Dublin, which is of course the great centre of the cattle traffic, being close to the English market, nearly all the cattle are walked to market. The Honourable Mr. Massy, who grazes a large number of cattle, said, "that "he buys a great many cattle in Tipperary and distant fairs, and that he finds that he q. 2129. "can always drive them by road for half that it would cost him to send them by rail."

q. 6737. Mr. Meldon, a Dublin solicitor and large landowner in Galway, showed the effect the high rates have on the transmission of agricultural produce. He said, "I farm about "1,500 acres of my own land in Galway, and I am unable to send any of its produce to "the Dublin markets, owing to the high rates. From Galway I could send a very "large quantity, say from 3,000 to 4,000 tons of farm produce in the year, if we had "moderate rates. I grow potatoes on a very large scale, turnips, mangolds, and carrots. "I grow them as a matter of necessity in preparing the land for laying down, but I "cannot send one of them to the Dublin market. With a moderate rate I could send "the whole to Dublin, and the other farmers in the west of Ireland would soon follow "the example, and take manure back by the return trucks."

q. 6740. Mr. Meldon further said, "The railway companies fix a rate at 14*s.* 6*d.* to my station, "but they make no difference between manure worth 3*s.* 6*d.* per ton in Dublin, and "guano which is worth 12*l.* per ton. The charges are equal for both." I have said, "You bring your trucks up full, but instead of bringing them back empty, do bring "them down filled with manure, and charge a low and moderate rate. I would give "them 5*s.* or 6*s.* a ton, but this is not done. Then in regard to cattle; at Ballinasloe is "held, perhaps, the largest fair in Europe, at the last fair held there I do not suppose "that one-twentieth part of the cattle was brought by rail, the charges are so high."

By referring to the evidence it will be seen that proofs of the evil effects of the present system on Irish cattle traffic might be multiplied indefinitely.

q. 6819. Mr. Perry, a grain merchant, of Dublin, said that he had carefully considered the Irish railway system, its rates and charges. "The rates of freight," he said, "are "unequal, and, in his opinion, much higher than the trade can afford to pay." He referred to Westphalia to show the great success of low freights. He thought "the freightage on "corn should be reduced 'from a half to a third,' the present rate for grain is 1½*d.* per "ton per mile, it ought to be reduced to 1*d.*; since the canal competition ceased (by q. 6831. "arrangement with the railway company), the rates have been advanced nearly 25 per q. 6838. "cent. He thought that after a lapse of two or three years the increase of traffic would q. 6844. "make up for any loss occasioned by reduced rates. At the present time he knew many "mills which were idle, because the rates of freight rendered them not able to work "profitably." Mr. Perry complained very much of the injury he suffered through q. 6859. differential rates. He gave a great number of cases, but the notice of a few will be sufficient; from Dublin to Belfast, the distance 113 miles, the rate per ton is 10*s.*, but to Banbridge, the distance being only 87 miles, the rate is 15*s.* From Dublin to Fermoy, 162 miles, 12*s.* 6*d.*, but to Lisnaskea, which is only 105 miles, the charge is 19*s.* 8*d.* Hence, Mr. Perry concluded that "as the lesser rates are remunerative to the companies, "otherwise they would not carry at them, the higher are exorbitant."

q. 6865. Mr. Parker, a Dublin merchant, said that owing to the unsatisfactory situation of the companies, the directors were unable to venture on any bold experiments, and that a q. 6878. great reduction of fares would bring the masses to travel, a trifling reduction in the railway fares would do nothing, a large reduction would be a political advantage, a social advantage, and a commercial advantage. The reduction of fares for passengers would, he thought, increase to an enormous extent the traffic. In regard to goods, he complained very much of the working of the through rate system, "by which a buyer in Dublin can "have his goods sent cheaper from Liverpool to Cork, or from Liverpool to Limerick, "or to Athlone, or any of the inland towns more than 100 miles distant, than from q. 6890. "Dublin, and the through rates tell to the disadvantage of Dublin, both with regard to "the goods and the passenger traffic." "A Belfast merchant leaves for London on his "business, the distance being rather further, and he obtains a return ticket for 2*l.* 10*s.*, "whilst the Dublin merchant is obliged to pay 5*l.* 3*s.*" "A reduced rate for coal would "have a most important effect in the increase of consumption, as the manufacture "of turf is much more costly than it was when the poor man only got 6*d.* per day for "his labour."

q. 6902. Mr. Bewley gave evidence at considerable length "on the discrepancies between the "through rates *viâ* Dublin and the rates from Dublin." "I hold in my hand," said

Mr. Bewley, "handbills which have been forwarded to me from Castlebar in the West " of Ireland of the carriage of sugar from Liverpool to Castlebar viâ Dublin at the rate " of 20*s.* per ton, but the Dublin merchant is charged for his sugar carried over the " same line 27*s.* 6*d.*" Thus the English merchant sends it in the first instance virtually free to Dublin, and having got it there sends it to Castlebar for 7*s.* 6*d.* per ton less than the Dublin merchant can send it for! Another illustration Mr. Bewley gave: "My firm," he said, "sold to a merchant in Limerick a short time since a large parcel of tea, the " merchant on paying for it deducted 6*d.* per cask, stating that the freight by railway " from Dublin to Limerick was 6*d.* more than from Liverpool viâ Dublin, although " passing over the same line." Mr. Bewley dwelt strongly on the importance in a political, social, and commercial point of view of a general reduction being made in the fares charged for passengers. He believed "that if a very large reduction took place, " within a few years the increase of the traffic would be so great as to bring up the income " to an amount greater than the present. He proposed the third-class passengers should " be charged one-fifth of a penny per mile, second-class four-tenths, and first-class seven- " tenths per mile." q. 6293. q. 6255.

Mr. Bagot, a Dublin merchant, complained very much of the great inequality of charges, and that the through rates are most injurious to their trade in Dublin, "Our direct " import trade or foreign trade," he said, "is sapped and undermined." We are frequently obliged to send our goods to ports in England, and have them stored there and reshipped in order that they may be delivered to the western parts of Ireland cheaper "than we can " have them delivered from Dublin! Our travellers would visit three, four, or five times " more towns in Ireland than they do if the railway charges were moderate. Formerly," he says, "goods were delivered in Bagnalstown from Dublin without classification for 7*s.*, " but latterly, in consequence of an arbitrary classification, they range from 8*s.* 6*d.* to " 18*s.* 6*d.*, as the company refuse to supply classification lists, there are no means of " checking the bills, so that parties are completely at the mercy of railway servants. If " goods happen to be denominated by different names they are charged different prices. " We have greatly to complain of the inequality of rates for carrying small parcels. Some " railways will not take any package under 56 lbs. weight without denominating it a parcel, " so if we get an order for a parcel that weighs, for instance, 40 lbs., we put stones or bricks " at the bottom of the parcel to make up the weight. We would like that there should be " a proper tariff for parcels, commencing, say, at 7 lbs. and going on to 14 lbs. and 28 lbs., " to be charged according to the distance carried; there are one or two railways running " from Dublin to the South and West, and they have a different system and a different plan " altogether. We are not obliged to use so many stones in the case of the Great " Southern and Western as in the Midland Great Western. I should be glad if " the system adopted in the case of the penny postage was carried out, so that they " would carry for a short distance or a long distance, or that it might be divided " into 50 or 100 miles, but we have never been able to accomplish this. We can get no " redress and they will sometimes hardly listen to us." "I have found that the companies " give a preference to particular parties, and I think that is one of the reasons why they " will not publish a tariff of prices. Any person that can make an interest with " them can often have goods carried at a certain rate. What we desire is to have a " published tariff of charges. I look upon it (railway reform) as a most popular move- " ment, and that it would be of immense benefit, even with regard to the feeling of the " people of Ireland towards this country and towards the Government. The article " of fish is a very important one, and we want to be able to carry fish from the seaports " to all parts of the country." q. 6994. q. 6999. q. 7000. q. 7001. q. 7012. q. 7026.

Mr. Pim, the present member for Dublin, recommended that the fares should be reduced to $\frac{1}{4}d.$, $\frac{1}{2}d.$, and $\frac{3}{4}d.$ per mile for the several classes. He calculated the loss would be 330,000*l.* per annum; it would take probably five years before the amount " would be made up. The great complaint we have to make is the disadvantage which " the Dublin traders are under from the arrangements as regards through rates, by which " goods in several cases are carried from Liverpool viâ Dublin to an inland town at lower " rates than are charged from Dublin to the same towns. Sugars, teas, and Manchester " goods are carried from Liverpool to Limerick at lower rates than they are taken from " Dublin to Limerick. At present the labouring classes do not travel by railway as it " is cheaper for them to walk, the charge for carrying horses is also very high, it is " found much cheaper to drive them along the road than send them by rail." q. 7071. q. 7091. q. 7092. q. 7098. q. 7099.

Mr. Macauley, manager of a bank at Coleraine, said, "There was much dissatisfaction " there on account of the way the railways are managed; goods from Portrush to " Coleraine, only 7 miles distant, are charged the same rate as to Derry, 35 miles, and p. 309, q. 7300.

" in consequence all heavy goods are carted to Coleraine, as the merchants will not use " the railways. Coals are brought from Londonderry at 2*s.* per ton, and they charge " the same from Portrush. At Castlerock, which is a sea-bathing place near Coleraine, " and is 28 miles from Londonderry, they give first-class passengers return tickets for " 2*s.* 6*d.*, second-class 1*s.* 6*d.*, and third-class 1*s.* If passengers have to go from " Coleraine to Londonderry they are charged about three times that amount. They " give a great many facilities to the Londonderry people which the Coleraine people " have not."

As to the rates charged for minerals and their effect on the interests of the country:—

q. 1932. Professor Sullivan gave important evidence. He said:—" Low rates would greatly " stimulate the tendency to manufacturing industry in Ireland, which exists at present

q. 1933. " more than at any other time within the last 20 or 30 years. We have a great number " of mines in Ireland, not very rich, scattered through the country, many giving produce " of only a low value, as, for example, sulphur ore, iron ores, and tin ores. The present " rates which are charged on these products are exemplified in the case of the Wicklow " Copper Mining Company. Sulphur ore has been the chief product, and from 80,000 to " 130,000 tons have been annually exported. Iron ore is also found; there is great abun- " dance, and extensively worked. The distance from the Vale of Avoca to Kingstown is " 39½ miles, and the charge for sulphur ore to that point is 4*s.* 3*d.* per ton, being more " than 25 per cent. on the total value of the product, which is 16*s.* per ton free on board.

q. 1935. " The charge on iron ore is exactly 50 per cent. on its value. Independent of the more " valuable ore, small ore, the broken pieces of which they cannot send at all, as the present " charge would amount to 72 per cent. on its actual value. The company had, I am " informed, contracts for this year which would have enabled them to sell 80,000 tons " altogether of ores from that single mine, but they could not fulfil them owing to the

q. 1959. " difficulties with the railway companies. This is not the only loss which the Vale of " Avoca as a mining centre suffers, because we lose the advantage of return freights in " the coal trade.

" There is another district the traffic of which comes on different lines; it is in the centre " of Ireland, in the County Tipperary, where the influence of the cost of carriage is still " more important upon the produce, namely, the district of the zinc mines near Nenagh, " some of the ore is very rich, but a large portion is mingled with ochre, which has to be " removed by an expensive process of washing, and the consequence is it cannot, on account

q. 1951. " of the expense, be removed at all. I have been down in the mines myself, and I know " what the extent of production is, and if there were facility of transit given, say at half the " present rates, the quantity of ore which would be sent would be at least three times

q. 1962. " what it is at present. They cannot send the poorer ores at all because there would be " no margin for profit; they only send the richer. The carriage of the cheap ores has " never really been developed, as the ordinary rates is charged for them as for general

q. 1999. " goods and merchandise.

Mr. Mallet, President of the Royal Irish Society of Engineers, said it was all important

q. 2147. to get coal at a far cheaper rate. " He believed by proper arrangement at three of the Irish " ports, one in the north, one in Dublin, and one at the south for the taking of coal from " steam colliers direct, and giving the steam colliers a back freight in mineral produce, and " with proper arrangements for low freights along the lines of railway, that coal can be sup- " plied over three-fifths of Ireland, and to 2,000,000 of its inhabitants, at a reduction of

q. 2148. " from 3*s.* to 4*s.* per ton on the present price, making it from 10*s.* to 12*s.* per ton. I do not " think it would in any case exceed 14*s.* At depôts established along the lines of railway " proper arrangements could be made by which the coal could slide at once into carts free " from breakage or needless labour in handling, and be taken direct to the consumer.

q. 2154. " I am satisfied that coal can be delivered at a profit upon the Irish railways at a farthing " per ton per mile, provided you get back freight for the train, and a halfpenny per ton

q. 2160. " per mile of the Irish ores, the gradients are particularly good, the country being very flat.

q. 2190. " At this moment on many of the lines of England coals are carried at a halfpenny per " ton per mile, and pay a profit of between 200 and 300 per cent. Drainage and roofing " tiles and coarse pottery and earthenware that would suit the wants of the agricultural " labourers, would be made with advantage. There exists in Ireland numbers of beds of " limestone, of the nature of Portland cement, which might become a manufacture in " Ireland. From the Antrim chalk might be made a cement equal to English Portland " cement, and far superior in point of colour, for it could be made perfectly white. There " are some of the very finest porcelain clays existing in Ireland, from which earthenware " might be made, and to carry on these manufactures it is indispensable to have coal at a " lower price than they have it now.

"Sulphur stone or sulphur ore was exported from Ireland some years ago. It was q. 2191.
"attempted to export sulphur ore from Tipperary, but it had to be given up on the
"ground of the expense of transport. The material was undoubtedly valuable, and there
"was no end to the market that could be obtained for it, but it was not valuable enough to
"pay the inland freight and sea carriage afterwards. If they could get it transmitted at
"the rate of a farthing per ton per mile, it would become a valuable commodity. At this
"moment vast quantities of sulphur stone comes from Guernsey to Newcastle. If it can be
"brought from that district, there is *à fortiori* no reason why it should not pay to bring it
"from Ireland. There is a great deal of ironstone in the Co. Leitrim and elsewhere in q. 2192.
"Ireland. At a place called Arigna in Leitrim there are several beds of ore, which could
"be sent at a profit into England and even Scotland, if they could reach the coast at a very
"moderate rate. In the neighbourhood of Donegal, on the north-west coast of Ireland, is q. 2202.
"to be found sand of remarkable purity for making glass, it is so pure that glass made
"from it there, Dorsetshire sand, or any sand that they are in the habit of using in Eng-
"land, that sand is absolutely isolated from use; if that sand could be brought to Newry,
"or Belfast, or Dublin, and transported across to Lancashire, it would be considered a
"precious commodity in the plate-glass works of St. Helens and elsewhere. Carlow quarries
"might be better developed than they are at this moment. The streets of Dublin are q. 2206.
"being paved with sets obtained from Wales, whereas they might have obtained them in
"Co. Carlow.

"The Killaloe slates are not bad. There are some slates in the Co. Wicklow which q. 2213.
"are very good; but the finest slates in Ireland will be found in Kerry."

Mr. Mallet thought that there ought to be uniform rates established through Ireland q. 2281.
for special classes of merchandise and passengers.

Mr. Bidder, Civil Engineer, thought it most desirable that a low scale should be q. 4379.
established for the carriage of coal; and he thought that if the lines were purchased and
leased out by Government, that $\frac{3}{8}d.$ should be paid per ton per mile.

Mr. Forbes thought that coal could be carried at $\frac{1}{2}d.$ per ton per mile all over q. 1476–1483.
Ireland; he thought coal (if carried at a low rate) would entirely supersede peat.
When he joined the Midland Great Western the charge was $1\frac{1}{4}d.$ per ton per mile; but
he asked the directors to reduce the charge to $\frac{1}{2}d.$ per ton, and got them eventually to q. 1489.
reduce it to $\frac{3}{4}d.$ per mile; but any reduction short of $\frac{1}{2}d.$ per ton would not be sufficient.
On the Midland Great Western line they could take 35 waggons containing 5 tons q. 1518.
each.

Mr. Brady, secretary to the Special Commissioners on Irish Fisheries, said, "That the q. 3190.
"railways had not given those facilities of transit that would induce the fishermen to
"follow their occupation with diligence. The rates of carriage on fish, particularly on
"small parcels tend very much to depress it. Fishermen, unless they get the way of q. 3195.
"sending small parcels of fish, each man sending his parcel to his factor in Dublin, must
"sell it to some hawker or others, who send it away, and the consequence is, that the
"hawker is the man who gets the profit, and the fisherman gets very little for his trouble.
"I think that if the railways afforded greater facilities you would give greater encourage- q. 3200.
"ment to the coast population to fish, for they will take any ordinary employment
"rather than follow that very precarious one of fishing, unless they have good markets
"and facilities. Each fisherman ought to have facilities afforded him, then he would q. 3223.
"get his money direct the next day to himself."

The chairman of the Great Southern and Western Railway, Mr. Haughton, said that
"he would be a very bold man who would make the experiment of reducing fares, and
"that such a proposition had not even been taken into serious consideration by his board
"at any time, that the only change of fares since the opening of his railway was an
"advance of 10 per cent. about nine years ago on first and second-class fares." He thinks
that Ireland is in a poor condition, and does not expect any great increase in passenger
traffic. He added "that many Irish lines are irretrievably ruined, that he does not see
"how they are even to be kept in repair, and that there is only one line in the south of
"Ireland running into his own which has not at the present moment the whole of its
"original capital gone." He believed that the practice of issuing return tickets leads to
great frauds, and he therefore objected to it.

Mr. Murland, the vice-chairman of the Great Southern and Western Company,
chairman of the Dublin and Drogheda line, did not take quite so gloomy a view of the
prospects of traffic increasing in Ireland. He thought that if rates were reduced the
traffic in cattle and in third-class passengers would increase, but that there would be a
temporary loss to the railway companies. While he is opposed to a large reduction of

charges, he thinks that a judicious reduction might be made, both as to goods and passengers, and after a time the loss would be made up by an increase of traffic. He considers that the rate for third-class passengers ought ultimately to get as low as ½*d.* per mile, but would in the first instance reduce it to ¾*d.* per mile. He, as well as Mr. Haughton, believe amalgamation to be desirable, and in his opinion the whole of the Irish railways might be managed with advantage by a single company.

A strong opinion in favour of the purchase of the Irish railways by the Government and their amalgamation has been expressed by Mr. Malcomson, the chairman of the Limerick and Waterford Railways, he said, "the Irish railway represent an expenditure "of 26,395,100*l.*, which, as valued by Mr. Dargan, are now worth 22,000,000*l.* Their "management is so subdivided that there are 66 railway boards, comprising over 400 "directors, while there are several English railways with nearly double the capital of "the whole of Ireland managed by a single board, one of these, the London and "North-western, has a capital of over forty millions, and its working expenses are only "43 per cent. of the receipts, while those of the Irish railways last year averaged 47 per "cent. of the receipts. The amalgamation of the Irish railways would therefore lead "to a great reduction in the working expenses, some of those well informed on the "subject estimate it at 10 per cent. of the receipts, or 170,000*l.* per annum.

"The total receipts in 1865 were 1,737,061*l.* The amount absorbed by working "expenses was 809,914*l.* (which may be considerably reduced), and the net receipts "after payment of working expenses, 927,000*l.*

"If a Government stock was created for 22,000,000*l.* (the amount of Mr. Dargan's "estimate) at 3½ per cent., it would enable the Government to purchase the whole of "the Irish railways, and the annual interest on it, 770,000*l.*, would be less by 157,000*l.* "than the net receipts of 1865. If the saving in working expenses by the amalgamation were only seven per cent., the balance at the disposal of Government would "be about 300,000*l.* per annum, and it might be applied to the two objects, first an "extension of railways into those districts not yet accommodated, and second, the "reduction of rates and fares.

"Single lines of railroad may be constructed in most localities* for 7,000*l.* per mile; "if 100,000*l.* per annum, one-third of the sum which I think would be placed at the "disposal of Government, were devoted to this object, it would enable it to add 400 "miles to the existing railways, even supposing the net receipts from these branches "were *nil.*

"There would remain 200,000*l.* per annum towards the reduction of rates and fares, "and as it is proved that any reduction is followed by an increase of travelling, I think "a diminution of 20 per cent. might be made in Irish railway charges without placing "a deficit at the wrong side of the account."

q. 4015. Mr. Ennis, who at the time he gave his evidence was chairman of the Midland Great Western Railway Company, was of opinion that the traffic of Ireland was a limited quantity, and do as you might in the way of reduction you would not be able to arrive at anything like a compensating receipt in money. It should, however, be here observed that Mr. Ennis subsequently explained that he meant "with reference to any large money q. 4066. "increase, although the traffic might increase, and therefore in that sense it may be said to "be a limited quantity," and in illustration of this position Mr. Ennis said, "We carried "last year 70,000 harvest labourers back and forward to England at ½*d.* per mile, and we "thought we had gone as far in the way of reduction as it was possible to go." Mr. Ennis "did not think it desirable to go below ½*d.* per mile, but if a board of management "were prepared to make a great sacrifice, it is possible that they will arrive at a more "satisfactory result than is now obtained, but the shareholders will not consent to go "without their dividends during that time for a problematic advantage."

Mr. Ennis gave proof of the necessity of lower fares by the statement which he made from his own personal knowledge of the great number that preferred walking to pay ½*d.* per mile. He said, "I have often seen men walking past my gates in clusters of 20 or 30, "and hire one of the cars of the country for eight or ten Irish miles. Ten men being "carried on the car they used to ride in, they would pay 3*s.* or 4*s.* for it."

q. 4052. In regard to cattle traffic, he did not think that any reduction in rates would increase the traffic. If there would be any addition he did not think it would outweigh the disadvantage that would result from a great reduction in rates.

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* 400 miles at 7,000*l.* per mile=2,800,000*l.* 100,000*l.* per annum at 3½ per cent. represents a capital of 2,860,000*l.*

It is to be noted that there is no difference of opinion among the directors as to the great advantages which both the companies themselves and the public would gain by amalgamation. Mr. Ennis said, "He should like to see a general amalgamation of all "the companies tried. It stands to reason, if you diminish the expenditure for "management, railway staff, and these things, you gain something." Mr. Haughton thought the public suffered great disadvantage from the smaller lines not being amalgamated with the larger ones; and he thought it only a question of time, that there must be an amalgamation of all the railways in the south of Ireland. q. 4100–4101. q. 4591–4588.

Although however the directors thought amalgamation was desirable, they did not throw out any suggestions, still less propose any plan by which it could be carried out.

Great efforts have been made for several years past to negotiate an amalgamation of the principal northern lines, but without success.

The Earl of Lucan, chairman of the Great Northern and Western Railway, had great faith in the ultimate result of a large reduction in fares. He was firmly of opinion that on their own railway, if they could afford to have a smaller dividend for the next four or five years by lowering the fares considerably, not less than 50 per cent., we should pay a larger dividend than at present. All heavy goods should be sent at ½*d.* per ton per mile, but all directors and managers of companies, however they may differ as to what the eventual increase may be, agree as to the fact a great reduction in fares will cause an immediate heavy loss. q. 2942.

Various suggestions have been made to us as to the best means of working a consolidated system.

Lord Clancarty is a director of the Midland Great Western, and was so convinced that cheap fares would not diminish railway profits that he offered to guarantee the company he is connected with against loss if they would try the experiment on a portion of their line, a proposition which they refused to accede to.

He suggested that the Irish railway system should be managed by a Government Railway Board, presided over by a member of the administration.

He thought that such a board would possess greater intelligence than the present boards of directors, and that it would exercise its powers in the direction of a reduction of fares. Professor Hancock, Mr. Galt, and other witnesses have expressed their agreement in principle with Lord Clancarty, though in many details their suggestions differ from his.

The late Mr. Dargan stated in his evidence that the Board of Works might work all the railways, or some board that was specially formed for the purpose, which probably he considers would be a better plan.

On further consideration he proposed, in a letter addressed to us, that the taxation on railway property in Ireland should be reduced, and that Government should advance to the Irish railway companies a sum of, say 6,000,000*l.*, at the rate of 2,000,000*l.* annually for three years at 3½ per cent., to enable them to pay off money at present borrowed from private sources at a higher rate of interest. In consideration of these advantages he said that the railway companies should reduce their rates of charge in respect of third-class passengers, and of the lower and less valuable classes of goods, cattle, &c.

The late Lord Donoghmore, Mr. Hemans, Mr. Hill, and many other witnesses suggested that the amalgamated lines should be leased to one or more companies, under stringent conditions as to low maximum fares and increased accommodation for the public. This proposition was discussed in great detail by Mr. Bidder, C.E. "It is "impossible," he said, "in Ireland, or any country, to get the full benefit of railways "so long as they are cut up into a small number of divisions. You cannot have through "rates, and you cannot have the power of adjusting the rates with that flexibility which "my experience teaches me is necessary in order to give full convenience to the public, "and to secure the largest revenue to the railway. What we ought to aim at in railways "is very much the same as that which was done by the Post Office, that is to have "one rate, if possible, to all places. It has occurred to me, looking at the Board of "Trade returns and the map of Ireland, that there is no practical difficulty in working all "these railways under one management. I am convinced that it is as easy to manage "the whole of this system of railways under one management as it is to manage the "Great Western system, or the Great Northern system, or the Midland system."

"In my opinion, the most efficient management of the railways in Ireland would be "obtained and carried out by what is called in these days a Limited Liability Company, "consisting of some nine or ten individuals, with a capital of a million, with conditions "for affording every possible facility to the public, and subject to low rates for coal, "cattle, and passengers, and possibly for dairy produce and fish: that contract I q. 4219.

" should put out to tender, and I believe there would be no difficulty in obtaining " tenders." He then gave reasons for believing that by proper precautions the lessees might be compelled to keep the lines and rolling stock in good order.

q. 5295. Mr. Allport, on the other hand, manager of the Midland (English) Railway, thought " if they were bound to individuals, they would fall into this difficulty, that the individua. " or company, consisting of half-a-dozen or a dozen individuals leasing a line, would not " have exactly the public interests in view, but their own private interests, to such an " extent that he did not think you would establish that thorough management which our " present system of railway management enforces. At present you have not only the " public to deal with, but you have a large number of shareholders, and anyone who is " practically acquainted with railway management, knows that it does not follow that the " interests of the shareholders are looked to at the expense of the public. There are a " variety of reasons which compel railway companies to be liberal in their dealings with " the public, but he did not see how you could enforce that if you leased the railway to a " few individuals." But it must be observed that Mr. Allport, unlike almost every Irish witness, considers the Irish lines to be tolerably well managed.

q. 5282. Mr. Allport agreed with Mr. Bidder as to the necessity of amalgamation, he says, " I " think amalgamation would be exceedingly advantageous to the Irish railway system, " just as it has been to the English railway system. Mr. Cawkwell, the manager of q. 5069. " the London and North Western line, was decidedly of opinion that the railway traffic " of Ireland has never yet been half developed. He thought there could be no doubt " that great good would result from amalgamation, if it could be carried out. The q. 5071. " Irish boards do not appear to act together at all, you cannot get them to do so, I q. 5148. " believe they are governed by local jealousies, I do not know why it is, but it is not in q. 5151. " Ireland as it is in England, for here the railway companies can always work together q. 5152. " and make their through arrangements, in Ireland they cannot do so. He had no doubt if q. 5174. " the railways were concentrated under one authority, and managed with the same energy " and intelligence which characterized the management of other large systems in q. 75. " England, the shareholders would be much benefited, and the public much better q. 76. " served. But he would prefer to leave the Irish railways to two or three companies " rather than one."

" In all cases Mr. Bidder would restrict the charges generally to what they are at " present in Ireland—nothing should exceed the present existing charges. He should carry " coal at three-eighths of a penny per ton per mile. He would carry passengers by one train " per day at a farthing per mile—for cattle, pigs, &c. he would probably charge the one- " half of the present rate. He had no doubt that you would have an enormous number " of passengers at $\frac{1}{4}d.$, per mile, and that you would make the earning up to the q. 4335. " amount which I consider to be nominal earnings of all railway trains namely, 5*s.* per " mile." There is no doubt there would be a great increase in coals if you charged at the " rate we are bringing in coals into London now. He had a contract last year, as to " having them in at $\frac{1}{4}d.$, per ton per mile, and then it was urged by nearly all the railway " managers that it was absurd, but he believed that they all now agree that it was not " absurd. We are now bringing coals from Peterborough to London, a distance of 100 " miles, for 124 farthings."

q. 4275. Previous to Mr. Bidder's scheme being carried out all the railways would necessarily have been purchased by Government. He did not think that much even of temporary loss would be incurred by a large reduction of the fares and charges. " The economy which " would be introduced by sweeping away so many boards of directors, the greater economy " that would take place in the working from being in one set of hands, the greater " use that would be made of the rolling stock and the stimulus that would be given to " traffic by the lowering of the rates would be attended with great advantages. I " think that a company taking the Irish railways in hand upon the terms I have suggested, " and beginning at once upon those terms, would secure the state from any possible loss."

q. 4277. Mr. Bidder referred to some reductions in charges which he thinks necessary, but he did not propose that these reductions should extend to all charges. He said he would not tie the hands of the companies too tightly, he would leave them to deal with the traffic as they thought fit.

I have now given the opinion of the Irish witnesses as to the principal evils of their existing railway system, and have mentioned some of the suggestions made for its improvement.

The Irish people are so dissatisfied with the present system, and so convinced that the removal of these evils would lead to the development of the resources of Ireland

and to the material improvement of her population, that they have in various public meetings expressed their willingness to have any loss, which a new system at its commencement might entail, borne by Ireland.

It cannot be denied that the existing system is peculiar to Great Britain, and that in various degrees central management and control prevails throughout the continent of Europe.

Neither can it be maintained that in getting rid of this exceptional English system, and in adopting one more in conformity with those of the continent, we should in any degree interfere with the ordinary laws regulating industry.

The anticipations of the Irish Railway Commissioners have been fulfilled. The main avenues throughout the country have ceased to be the property of the State and are handed over to the absolute possession of monopolists placed beyond the reach of rivalry and control. They are enabled to establish a monopoly in the most extensive sense and to keep the intercourse of the country entirely at their command. We have to deal, then, with a monopoly granted upon conditions which may now be brought into play without infringing the principle on which railways were granted by the Legislature, and to very many of the railroad companies who possess this monopoly the words of the House of Lords Committee that "When a company becomes seriously embarrassed it is expedient "that the concern should be transferred to others under whose management it may be "efficiently conducted," apply in their full force.

The legislature adopted a system for Ireland that has resulted in the creation of a number of insolvent monopolies, annihilating other means of transport, but not developing or efficiently conducting the traffic of the country. It is obviously bound to face any difficulties for the purpose of remedying those evils. The task no doubt is difficult, and I proceed to consider the recommendations that have been made for accomplishing it.

It has been suggested that money at a low rate of interest should be advanced to the several railway companies for the payment of their Debentures and other debts upon condition of their reducing rates and fares, but the proportion of debt to paid-up capital in different railways is so unequal that the amount of bonus offered, though in some instances large, would in others be insufficient for the attainment of the object proposed. Neither would this plan attain the essential object of amalgamation.

Several witnesses have proposed that the railways should be acquired by the State by voluntary agreements. This process would be necessarily slow, and would enable companies that held back to extort much more than the real value of their properties.

No effectual means has been suggested for consolidating the Irish system and for the reduction of the present charges except their compulsory purchase by the State, and although the principle of such a compulsory purchase is sanctioned by the Act of 1844, it could not be satisfactorily carried out without a new Act of Parliament.

The shareholders in the railways that pay no dividend, contend that their present position is exceptional and transitory. There appears to be no objection to allowing any company, that so thinks fit, to postpone the valuation of its property to any period within 10 or 14 years from the time the State may take possession of it, and to enable it to receive whatever sum its working under a new system may show it to have been then worth, having due regard to its progressive development.

Upon the manner of managing the consolidated railway system when acquired by the State various opinions, to which I have already referred, were expressed. Several witnesses have recommended that it should be directly administered as the Post Office is by the Government.

It was urged by the advocates for this scheme that a large portion of the Belgian system is so worked. The public there consider the State railways to be better managed than those in the hands of private companies. Although the State manages its railways more with a view to the public good than to profit, the financial results of this management are satisfactory.

There is a profit of 7 per cent. on the capital that was expended.

The fares are very low. From Brussels to Ostend, a distance of 90 miles, the fares by express trains are, 1st class, 4*s*. 7*d*.; 2nd class, 3*s*. 2*d*.; 3rd class, 2*s*. 4*d*. Although the Belgian constitution is free, and there are constant closely contested political conflicts, no complaints have been made to us of railway patronage being used for party purposes. The railway staff is selected by competitive examination.

To use Mr. Hill's words, "We see in countries abroad where we believe there is "certainly not more political honesty than at home, that the Government proprietorship "seems to be very successful in its results, that the fares are low, and that the Govern-"ment is not a loser thereby, and we do not hear of political influences."

If the necessary reforms of the Irish railway system could not be made in any other way, I should be prepared to adopt this suggestion.

There is sufficient force now in public opinion to check the abuses which were formerly rife in public departments, and public opinion would at once be brought to bear with crushing force on any maladministration of a department in whose good working the great mass of the population are deeply and continually interested, but it is no doubt undesirable to extend without absolute necessity the action of Government.

The scheme for railway reform suggested by Mr. Bidder and many other experienced and able witnesses is not liable to this objection, and would, in my opinion, "secure large reductions in the fares of passengers and in the freight of goods, with the "consequent increased facilities for locomotion and for the further development of trade "and agriculture."

This scheme may be described in the words of the late Lord Donoughmore, "The "State should enter into an arrangement with a company to work and manage the "lines upon certain conditions with respect to rates for passengers and goods traffic, and "to reasonable accommodation."

The leases to companies would, as in the case of Post Office packet contracts, be for short periods and would be open to public competition. The tenders would state the lowest maximum rates at which the parties tendering would engage to carry traffic. There would be thus "competition for the field, though not competition in the field." As this competition would be periodically renewed the rates would be reduced to the lowest amount at which they would be remunerative. The railways would not be owned by the lessees. They would not, therefore, in Mr. Bidder's opinion, require a capital of more than one million. Their dividends would be materially affected by an increase of traffic, or a saving in working expenses, too small to be felt when distributed over the twenty-six millions that now form the capital of the Irish railways. The lessees thus would have a much keener interest in the good management of their undertaking than the present proprietors have. Mr. Bidder, and other witnesses, have shown that there would be no difficulty in enforcing conditions to maintain the lines and rolling stock in good order.

The danger of traffic being improperly diverted from its natural channels would be avoided by putting proper conditions into the leases.

Competent witnesses have informed us that State purchase and consolidation would at once produce a saving to the Irish railway system of at least 200,000*l.* per annum, 100,000*l.* by the reduction of the interest of the debt, from 100,000*l.* to 150,000*l.* by consolidated management, and the power of transferring rolling stock to places where it may be required on special occasions, such as Ballinasloe fair. Want of capital by railway companies not only prevents the development of traffic, but hinders them from availing themselves profitably of the existing requirements of trade. The concentration of a large amount of rolling stock is frequently required for transporting cattle from fairs, and purchasers of stock uncertain of being able to remove them, either abstain from buying, or buy at a lower price.

But should there be a temporary loss from a reduction of fares, greater than this saving would meet, the question will have to be decided whether this loss is to be borne by Ireland alone, or by the United Kingdom.

That question it is not within our province to decide. Government and the Legislature must pronounce upon it.

I confine myself, therefore, to expressing my opinion that an Act of Parliament should be introduced for the purchase of the Irish railways, and that the Irish railway system should be consolidated and leased in the manner I have just described.

I consider the Bill that passed the House of Commons last year for the construction of new railways under the authority of local bodies in Ireland, and under the control of the Board of Trade, would, if passed into law, afford every facility that it is desirable for extending the Irish railway system.

The scheme I have recommended would confer no partial benefits, it would affect every class in Ireland. It has been urged that it would raise the landlords' rents, but so would any measure that makes Ireland prosperous. Every class would necessarily share in the results of that prosperity. The labouring classes, debarred by their poverty from the use of railways at high fares, would, perhaps, in a poor country thickly, but unequally populated, be the principal gainers.

Cheap coal is a necessity for manufacturers. Low charges would reduce the price of coal. Peat fuel again has become scarce and dear throughout a great part of Ireland by the rapid exhaustion of the turf bogs and the increased price of labour. Those that remain

are widely separated. A measure giving greater facility to the transit of coals would lower the price of peat fuel and provide a substitute where it cannot now be procured.

It has been suggested that the average distance for which goods could be conveyed in Ireland is short, and that therefore reduction in the rates of carriage would not much affect their price. This is a misapprehension. Indeed, the average length of conveyance of goods is greater than the geographical form of Ireland would lead us to expect, for Irish produce goes in a great part to the Eastern ports, and the effect therefore of cheapening carriage from West to East would be of material advantage to the country.

It has also been said that railways cannot be prosperous in districts where there is not great commercial activity and a wealthy population, and where the transport of goods arising from great manufacturing towns and mineral production does not exist. I will not stop to inquire how far the depressed state of many of the agricultural railways in Great Britain is attributable to the British railway system not being suited to districts so circumstanced. It is sufficient for me to point out that in countries as purely agricultural as Ireland railways managed on the centralized system are as prosperous as the best English railways.

I find that some of the Prussian railways, *e.g.*, the Königliche Ostbahn, and others running through districts with quite as little of manufacturing wealth as the average of Ireland, pay large dividends.

It has been urged that it would be unjust to subsidise railways in order to induce a reduction of rates without doing the same for canals and inland navigation of a proprietary character.

This objection must have been made without due consideration of the fact that of the three Irish canals, one is now in the possession of a railway company and one under Government control, and that both the canals and inland proprietary navigation have received large subsidies for their formation.

In Ireland experience proves that large profits may be accumulated in trade, noble and costly edifices built, great charities instituted and maintained from the shillings of the poor. This must always be the case in a poor and thickly-peopled country, and seems to point out by an inevitable analogy that a measure, which by cheapening fares would bring the railways of Ireland within reach of the population, would ultimately tend as much to the financial improvement of railways, as to the comfort and civilization of the people.

A reference to Sir Rowland Hill's separate report will show that while there are important points of difference between us, especially as to the conditions of purchase, we nevertheless agree in recommending that the Irish railways should be dealt with, and that their purchase by Government should be made with all convenient speed.

It is with pain and diffidence that I have ventured to differ from the majority of the Commissioners. I sincerely respect their opinions, but I humbly submit to Your Majesty that those opinions are not supported by the evidence taken before the Commission, while the conclusions to which I have arrived are founded on that evidence, and are supported by the almost unanimous approval of Your Majesty's Irish subjects.

All which I submit to Your Majesty with great humility.

WILLIAM MONSELL.

7th May 1867.

Report from Sir Rowland Hill, K.C.B., F.R.S.

May it please Your Majesty.

1. Finding that, amongst the recommendations contained in the Report adopted by the majority of the Commissioners, there are several in which, to my regret, I cannot concur, and being further of opinion that measures of a more decided character are required to effect a radical cure of existing evils, I have felt it my duty to present my opinions on such points in a separate Report, which, in a growing expectation of dissent, I drew up (though in a slightly different form) as the evidence proceeded, and eventually submitted to the Commission for its consideration.

(A.)—Beneficial Effects of Railways.

2. When the railway system is viewed as a whole, every one must be struck with the extraordinary results it has already produced. Voluntary combinations of spontaneous origin have by their own enterprise and by the skill and energy of their directors and officers so improved the whole process of travelling, that a return to the state of things existing but 30 years ago would produce utter confusion, interrupting the habitual and necessary traffic, and limiting personal locomotion to a degree absolutely intolerable; the arrival of distant posts would seem to be indefinitely delayed, and thousands of prosperous undertakings, brought into existence by railway facilities, would inevitably and speedily collapse. These facts, notorious as they must be, will appear yet more distinctly when the matter is viewed somewhat in detail.

Of course the most obvious improvement consists in increase of speed, the present rate of motion being about fourfold that of the stage coaches on the old roads.

Increase of convenience is equally noticeable. Roomy carriages, generally lighted, and warmed when needful, have replaced the old stage coach with its cramped interior; while the former outside passengers are supplied with close carriages sheltering them in all weathers, and even those whose best attainable means of travelling were waggons proceeding at the rate of two or three miles an hour, are now conveyed by third-class carriages in tolerable comfort and with great speed. Finally, all of every degree, save, perhaps, in some very exceptional cases, instead of being compelled to take places sometimes two or three days in advance, now enter a station in full confidence of finding seats. The stations themselves, it need not be said, are a remarkable improvement on the old inn yard.

Even safety, notwithstanding the terrible accidents with which the public mind is too often shocked, is, when viewed in relation to the vast amount of traffic, greatly augmented. It is a striking fact that the number of persons killed or injured on railways throughout the United Kingdom is less than the number killed or injured by ordinary vehicles in London alone.*

Cost of travelling, meanwhile, instead of being increased by this wonderful accession of advantages, is greatly diminished, probably (fees and refreshments considered) by more than one-half.

The vast benefits of cheapness and speed thus secured to passengers are extended even in greater measure to the conveyance of goods, of coal and other minerals, of farm produce, and the like.

Further, and perhaps as remote from original expectation as any result yet obtained, railways and their officers (engineers and others) have made a most important addition to the defences of the country by affording extraordinary facilities for concentrating, in a remarkably short space of time, at any given point in the kingdom, a very large number of troops, horses and guns, together with, if necessary, a working corps of navvies.

* Companion to the Almanac, 1867, pp. 235–6.

Nor would it be right to pass over the liberality shown by the leading companies in providing for the religious, moral, and intellectual training of the children of their workmen, and in conveying passengers at low fares to great meetings for patriotic, religious, philanthropic, and scientific purposes.

Hawkshaw, 14,63–64. Teulon, 16,485, 16582–5. Chadwick, 17,200.

Lastly, in addition to all the advantages thus given to the public generally, the possessors of land and other fixed property in all districts traversed by railways have been enriched by the increased value of their possessions, to the extent, probably, in many instances of four fold.

It should be added, that all these results, so large and so beneficial, have been obtained with scarcely any expenditure on the part of Government, or subsidy in the way of rating, or subscription from the public at large.

3. In one sense the railway companies have met with great success, the actual amount of traffic far exceeding the most sanguine expectations of the original projectors. Such unexampled success should, in the natural order of things, be attended with large profit to those whose enterprise, perseverance, judgment, and capital have produced it.

For a time, indeed, profits were, all things considered, satisfactory, and the price of shares was high; but a reverse followed, which, with every allowance for the faults of the companies themselves, must be attributed mainly to mistaken legislation; a reverse which brought many, without any fault on their part, to disaster, some to ruin; and at present, notwithstanding some improvement of late years, railway property is apparently lower in the market than share property of almost any other kind. In short, those to whom the public owe all the benefits of this grand improvement have in the mass been sufferers by their good work; the total market value of share property in railways being now much below the amount originally invested therein.

Neither can it be said that railway proprietors have been consoled, under their grievous disappointment, by public gratitude; their services being little commended, while their failures are visited with severe animadversion and made ground of heavy penalty. It should not be forgotten, that the very permission to construct a railway is bought at a high price, Parliamentary expenses being heavy, and demands for land and buildings often exorbitant; agricultural land, in Mr. Bidder's opinion, being paid for on the average at four times its agricultural value; that again, while in common with the owners of other public vehicles, railway companies are taxed by the State, their lines, unlike the old roads, are heavily rated by every parish they traverse; so that in some rural districts a railway company, though perhaps on the one hand relieving the parish of much pauperism by giving profitable employment to the peasantry, and on the other hand lightening the pressure of the rates by increasing the value of the property on which they are levied, is yet made to defray, in a direct form, half the parochial expenditure.

Bidder, 17,177.

Teulon, 16,480–1.

Teulon, 16,482.

Teulon, 16,484.

In fine, railway companies have been made to feel, in the severest manner, that the justice which society observes towards individuals is seldom maintained towards a corporation; a loss distributed amongst many being too often regarded as, in effect, no loss at all.

4. It cannot be denied, however, that the injustice inflicted in various ways on the railway companies is too often retaliated upon individuals. No one can fail to be struck with the great amount of public dissatisfaction on the subject of railway management, of which, indeed, not a little has come before us in evidence. And it must be admitted, that there are points and occasions on which complaint is well founded, and that the grounds of such complaint it is important to remove. I shall endeavour hereafter to show means for attaining this end.

(B.)—Why Railways should belong to Government.—Competition.

5. The first suggestion of the purchase of railways by Government was made, I believe, by Mr. William Galt, who, as early as the year 1844, gave evidence on the subject before a Select Committee of the House of Commons, (having previously, in 1843, published his views in a work entitled "Railway Reform,") and who has subsequently at different times, by his writings and otherwise, recalled public attention to the matter. While, however, it is but right that Mr. Galt should receive all the credit due to the persistency and energy with which he has pursued an object to which he has devoted much time and attention, it is to be regretted that his zeal in urging a measure so valuable in itself should have led him into much inaccuracy of statement and undue enlargement of expectation. Mr. Galt's evidence before the Commission will be found at pp. 311 and 361.

6. Before the existence of railways, the public, as is known to all, travelled along roads, not the property of individuals or companies, but belonging more or less directly to the public itself. As these roads were open to all on payment of fixed tolls, there could be no monopoly of conveyance, either of persons or of goods; and, as many still remember, there was often sharp competition between rival coaches.

7. In the outset of the railway system the Legislature aimed at maintaining the same freedom on the new as on the old roads. For though, in this country, these new roads, being constructed by special companies, were nowise public property, still it was the intention of the Legislature that any one should have a right to use them for the conveyance of goods and passengers, on payment of the appointed tolls, as on common roads or canals, and tables of such tolls may still be found placarded at some of the older stations, the expectation being that competing vehicles would be established here, just as on the old roads. Wilson, 10,063 –8.

It is scarcely necessary to mention that these expectations have not been realized; probably in respect of passenger trains no such attempt was ever made; and even as regards the conveyance of goods, independent action was for the most part limited to a kind of wholesale use of the company's trains by established carriers. This is easily explained by the difficulties and dangers which, as is now well known, must ever attend disjointed proceedings, where arrangements are so complicated and the speed so great. Thus all expectation of benefit to the public from competition on the respective lines has been baffled by the mere force of circumstances. When, therefore, the Legislature and the public became aware that such competition was impracticable, they gradually laid aside their previous reluctance to the establishment of competing lines, and, on the contrary, began to look to these as the best means of securing reduced rates, accelerated speed, and increased convenience. Wilson, 10,069 –74, 100, 83. Stewart, 14,746.

The first effect of this relaxation was naturally a great loss to existing companies, whose lines had unquestionably been constructed in the expectation that they would not be exposed to direct competition, and whose profits were certainly never exorbitant, considering the efforts they had made, the vast risks run, the long period spent without return, and the immeasurable benefits conferred. "It is very hard," urges the Chairman of the Scottish North-eastern Railway Company, at a recent meeting, "for a company "paying only 2¼ per cent. to the original shareholders to be forced into parliamentary "contests, and to pay large sums on that account."*

As regards gain to the public from competition, while undoubtedly the reduction of fares was in some degree accelerated by the change, yet, considering the dangers and inconveniences produced by the economy, not to say parsimony, in appliances, almost inevitably resulting from reduced income, and bearing in mind the numerous and very serious accidents which have actually been thus caused, it may well be doubted whether the benefits gained, even by non-shareholders, have not been more than counterbalanced by accompanying evils; while to that large portion of the public who, amongst them, hold railway property, (often the investment of hard-earned savings) to the amount probably of nearly 500,000,000*l.*, the predominance of evil is beyond all doubt. Mathews, 10,581. Clarke, 12,803 –6. Huish, 15,877. Cawkwell, 11,675.

And here it may be well to notice a common but most erroneous impression, that in these ruinous competitions the shareholders are consenting parties. The fallacy consists in the generalization. Doubtless the shareholders of invading lines (in the comparatively few instances in which these are the property of real shareholders†) are consenting parties to the full extent, but the shareholders of existing lines are forced into the competition by the mere necessity of defending their property. And surely it should be matter for grave consideration of the Legislature, whether these shareholders should be exposed either to such necessity or to its disastrous alternative.

It must be borne in mind, that on all or nearly all lines of railway Parliament has a controlling power; as it has specially reserved authority to revise, as often as it shall think fit, the maximum rates of any line; so that any attempt to maintain unduly high rates can readily be checked. Stewart, 14,769 –72. Board of Trade, Appendix, B M.

Again, it has been found in practice, where competing lines have been established, that after a period of injurious rivalry, the companies have come to an understanding to charge equal rates, thus bringing competition to a close. It is also to be observed, that the traffic which would be ample for affording a reasonable profit to one line, is often quite insufficient for two, and thus Parliament, which in case of excessive profits might Hill, 8,410. Gibbs, 10,765. Galt, 7,426.

* *Times*, April 2nd, 1866.

† *Vide* statement by Lord Redesdale in the House of Lords. *Times*, March 14, 1866.

Cotton, 7,917–25. warrantably interfere to lower the tariff, is debarred from so doing from a sense of justice, and by the fear that a further reduction of profits, already too low, might render the safe working of the line impracticable. Thus a measure, adopted in the expectation that it would tend to produce low rates, becomes in effect a means of maintaining high ones.

Hawkshaw, 14,525–7. Stewart, 14,873. On this subject Mr. Hawkshaw gives it as his opinion, that competing lines in this country are one cause of our comparatively high fares. Mr. Stewart also holds, that bad legislation, by creating insecurity to railway property, deters existing companies from extension of lines and other improvements.

8. An exception to these conclusions seems to be found in lines that have to compete with natural water-carriage, whether by sea or river. The exception, however, is only apparent; for though in such cases railway charges, especially as regards goods, are often permanently lowered so far as the competition extends, that is between port and port, yet this is clearly because, as the number of possible competitors by water is practically unlimited, (the vessels employed being the only outlay, and these easily transferable to another line) permanent combination between the two parties is impracticable. But where railways only are concerned, the heavy expense of constructing new lines obviously brings the number of competitors within very narrow limits; and as combination is always practicable where possible competitors are few, competition soon comes to an end.

Wilson, 9,911–2.

Hill, 8,041.

9. In short, experience has now shown that railways are essentially monopolies; consequently they are, in my opinion, not suitable objects for ordinary commercial enterprise, in which each party, while striving for its own interests, generally contributes, perhaps in the best possible way, to the interest of all. It seems to follow, that they cannot be advantageously left to independent companies, who of course manage them with exclusive reference to their own interests, but that they should be in the hands of those who will control the management of them with a view to the interests of the country at large, that is to say, in the hands of Government.

Gibbs, 10,765. Chadwick, 17,200.

In proposing this, however, I do not mean to recommend that any Government board should take upon itself, in the gross, the duty now performed by railway directors. For the direct management of the lines I propose to provide by leasing them out, in convenient groups, to companies, partnerships, or individuals, as the case may be. An opinion in favour of leasing the lines will be found in the evidence given by Mr. Bidder before this Commission.

Bidder, 16,793–806.

What I recommend is, that either a department of Government should be created, or the superintendence of railways committed to one of the existing departments, and that the controlling power thus established should act as lessor, not only in granting leases, but also in fixing suitable terms and enforcing due observance of contract.

10. The following conclusions, taken chiefly from the evidence of Mr. Frederic Hill, embody, in some detail, the plan which I recommend for adoption:—

Hill, 8,267.

1. That it is expedient that the State, first subjecting the accounts to a rigid investigation, (the necessity for which has been shown by recent events,) should gradually purchase the railways, but that it is not expedient that it should undertake their management.

2. That while the purchase of the railways might be made in single payments by the creation of a corresponding quantity of Government stock, such creation is not necessary, since the purchase could be effected by means of a fixed annual payment, like the rent of a Scottish feu, and in the form of a dividend on the shares of each railway, and of interest on its debentures. Some such arrangement is now generally made when one company becomes possessed of the line of another.

3. That in order to save Government from the insurmountable difficulties which would be produced by its having to deal with the railway proprietors in detail, power be obtained to enable each of the three classes of ordinary shareholders, preferential shareholders, and holders of debentures, to decide on the question of sale by a majority as determined by the aggregate amount of interest in the undertaking; the Government, of course, not being bound to abide by its offer, unless all three classes agree.

4. That, as a general rule, the rate of dividend and of interest should, in each instance, be a matter to be freely agreed upon between the railway proprietors and the Government without resort to compulsion, and therefore without resort to arbitration; any railway, in the event of a failure in the negotiation, to remain, so long as the failure continues, in the hands of the present owners.

5. That, nevertheless, since the right operation of the measure might be thwarted by the resistance of some few companies (moved by the hope of obtaining exorbitant terms), the Government should be enabled, in case of a very general concurrence of the railway companies, to enforce sale upon the others,—of course upon equitable terms,—in the same manner as they themselves have enforced sale of land upon the public.

6. That the Government should let each railway on a lease, as a landed proprietor lets a farm;

such lease to be either for a number of years, or terminable at a moderate notice, as may, in each case, be judged most expedient.

7. That the rent to be demanded should, in each instance, be calculated to pay the dividends, the interest on the bonds, and all incidental expenses—in a word, calculated to make the railway self-supporting, and, in addition, to yield a surplus, in proportion to the magnitude of the railway, to go towards a fund to make good any loss which, contrary to expectation, may, in the case of some few railways, be entailed by their purchase.

8. That the rent should be paid, if not in advance, yet at short periods,—say monthly, or even weekly,—so as to afford considerable security to Government, and thus bring the necessity for additional guarantees within such moderate limits as would enable even individuals to become lessees.

9. That, *cæteris paribus*, a railway should be let to those parties who, while undertaking to pay the required rent, will agree to adopt the lowest tariff of charges, as well for passengers as for goods.

10. That the leases should be so framed, as to empower the Government to require that all due precautions be taken for safety, such as observance of punctuality, and affording means of communicating with the guard; and also for the conveyance, at a moderate rate of charge, of the mails.

11. That the leases should further provide for keeping the railway, bridges, viaducts, and embankments constantly in a good state, and for maintaining the rolling stock at its full value, and for any necessary further extension of capital;—and that to attain these and other objects, frequent Government inspection should be made, and the lessees should be bound immediately to make good any deficiency.

12. That, at the termination of a lease, and at any intermediate time, if either party desire it, the whole property should be assessed, and any falling off made good by a money payment; while, on the other hand, the company should be indemnified for any increase in value, provided the consent of Government shall have been obtained to the measures causing such increase.

13. That if the increase in value be large, and it be deemed inexpedient to pay for it out of the National Exchequer, the necessary funds may be raised by the creation of additional shares in the railway.

14. That under a like arrangement for raising the funds, the Government should give their consent, from time to time, to the construction of new branch lines to a railway, or to a prolongation or other alteration in the main line.

15. That as respects the construction of lines altogether new, the Government might either agree beforehand on what terms (either by means of a single payment or in the form of a dividend) they will buy the line, provided the work be well done, or allow the business to proceed spontaneously, as at present, the proprietors being at liberty, when their railway is complete, either to continue their ownership, or, upon terms to be mutually agreed upon, to sell the railway to the Government. Another and perhaps a preferable mode will be described hereafter.*

16. That provision should be made for the equitable and ready settlement of any disputes that may arise between the Government and the lessees.

17. That the plan described in this summary might be tried experimentally by the purchase, in the first instance, of some one railway, or, say, of all the Irish railways.

11. Mr. Frederic Hill anticipates the following benefits from the plan, and in these anticipations I concur,—

"(1.) The acquisition by the State of a property of greater value to it than its price.

"(2.) The receipt by the proprietors of railways of a dividend somewhat higher than that of which, if the railways remained their own property, they could have any reasonable prospect; such dividend, moreover, being rendered certain in amount, and free, therefore, from its present liability to great fluctuation.

"(3.) A cessation, to a great extent, of fierce struggles to obtain legal authority to construct new railways, with the consequent saving of the cost of such struggles, of the time and attention of Parliament and of the directors of railways and others, the saving of the expense of making railways which are not really needed, and the prevention of all unnecessary invasion of private property or of places set apart for public recreation.

"(4.) A large reduction in the fares of passengers and in the freight of goods, with the consequent increased facilities for locomotion and for the further development of trade and agriculture; especially, in the latter case, by the greater ease that would be created for the intermixture of different kinds of soil and for the conveyance of manure, including town sewage.

"(5.) Facilities for obtaining, under comparatively safe arrangements, 'running powers,' or, yet better, for so adjusting the working of the different railways as to make the trains of every line coincide at the terminal points with those of its neighbouring lines.

"(6.) Greater securities against accidents, and also against assaults and robberies on railways, by the establishment of a uniform system of signals, and by clauses in the leases imposing penalties for unpunctuality and other irregularities, and requiring that means should always be provided for enabling passengers to communicate readily with the guard.

* *Vide* para. 27.

"(7.) Facilities for so arranging the traffic of the country that, as far as practicable, passengers and goods may be conveyed on different lines.

"(8.) Facilities for abolishing the present varieties of gauge.

"(9.) Additional facilities for the conveyance of the mails, with a consequent increase in the number of posts, and in the celerity of communication, and removal of the chief difficulty in the establishment of a parcels post."

It is important to observe, that the plan of leasing out the lines would naturally lead to that wholesome competition which is at present so great a desideratum. Of the futility of competition between line and line I have already spoken, but this plan would *in effect* secure that competition upon the respective lines which was originally contemplated by the Legislature, and that without the dangers to which the original plan would have given rise. The number of possible lessees being practically unlimited,—since by the proposed arrangement the necessary investment of capital would be moderate,—combination against the interests of the public would be impracticable. In short, to use Mr. Chadwick's expressive phrase, we should have "a competition for the field, though "not competition in the field;" and as the criterion taken for decision amongst qualified candidates would be comparative lowness of fares and rates, this competition would tend directly to its most desired result.

Add. to Mr. Chadwick's evidence, page 855.

I am of opinion, that the system of management by lessees would be found to have important points of advantage alike over the existing system of management by directors, and over any plan of direct management by the Government itself. This last, indeed, seems to meet with condemnation on almost all sides; the chief objections raised being the want of a direct interest, the want of thorough knowledge or peculiar aptitude, the habit of costly management, and the danger of abuse in patronage. Now those conversant with railway affairs can scarcely have failed to notice, that to some at least of these objections the present system is in no small degree liable. Thus, when it is considered that the gentlemen now acting as railway directors have almost without exception other occupations claiming more immediate attention, and involving nearer interests, it must obviously be difficult for them, even if they are selected for their posts by peculiar aptitude (whereas many other considerations notoriously intervene), to acquire that thorough skill which usually appertains only to an exclusive profession. Again, to the interests of the company there are sometimes opposed, in the minds of individual directors, interests of their own, the latter, it is to be feared, occasionally getting the mastery; and the selection of subordinates is too often guided by considerations very analogous to those alleged in the matter of Government patronage.

Cawkwell, 12,316–9. Harrison, 15,351. Bidder, 16,586. Allport, 5,285–98.

On the other hand, a small body of lessees having to manage not for others but for themselves, and having consequently large and direct interests at stake—often, too, prompted to undertake the charge by a consciousness of peculiar aptitude—would doubtless be led to make railway management their sole calling, and to pursue it with such zeal as would enable them to acquire that high skill so often shown in other professions; while mere self-interest would secure them, so far as commercial partnerships ordinarily are secure, against selection or retention of subordinates by any other criterion than fitness.

And here it may be observed, that men gifted with sagacity in the choice of subordinates, and with other qualifications for railway direction, would, in the ordinary course of competition, obtain the preference over inferior candidates; since by superior management they would be able to afford equal convenience at lower rates; and thus the arrangement would tend to secure to the public the most efficient management combined with the lowest fares.

12. Some difficulties appear at first sight to attend the plan of leases in relation to the rolling stock. Different modes of overcoming these have been suggested by Mr. Bidder and Mr. Frederic Hill. Another, and perhaps more eligible mode, would be for the lessees to contract for the supply with one or other of the rolling stock companies which have already adopted the practice of supplying engines and carriages on payment of mileage rates for their use, in a manner similar to that in which the Post Office was formerly so well supplied with mail coaches. And to such companies the rolling stock on the purchased lines would doubtless be transferred, on equitable terms, by the Government.

Bidder, 4,219, 16,794. Hill's suggestions, par. 11.

13. Amongst the reasons for the transfer of railway property to the Government, not the least important is the effect which such transfer would have in giving to this kind of property that stability in which it is now so notoriously deficient.

The importance of affording the public a secure depository for its savings has of late

been distinctly and most beneficially recognized by the Legislature in the establishment of a National savings bank based on National security; and surely the same consideration should lead to the adoption of measures which, with no loss but great gain to the public at large, would give like security to the enormous amount, (probably almost 500,000,000*l.*,) now invested in railway enterprise. As has been already stated, fluctuations in the value of railway property have been detrimental to very large numbers, and to not a few, probably ruinous.

Nor, under present arrangements, is it likely that the means will be found of removing this injurious uncertainty. Any one who has watched the whole course of railway legislation must see that it has followed no fixed principle, but has varied from establishing apparent monopolies towards a disposition to admit unlimited competition; so that those who embarked their property on the former understanding find themselves every year more and more subjected to risks proceeding from the latter course; until at length, as has been already intimated, there seems to have arisen an organized system of depredation on railway property for the benefit of unscrupulous speculators. The reasons for transferring the general control of our railways to other hands appear to have been greatly strengthened by recent events. Some lines appear to be sinking into bankruptcy, others have confessedly fallen into that state, and the way to deal with such lines has already become a perplexing question. It is extremely improbable that a company in a state of bankruptcy can work its line in a manner consistent even with public safety.

14. In recommending the gradual transfer of railway property to Government I deem it necessary, with a view at once to obviate public jealousy and to secure efficient management, urgently to advise that the selection of the Head of the Department should be made in exclusive reference to fitness for the post; that the Department should be put entirely out of the range of political action; that as the duty to be performed would be one of great difficulty, labour, and importance, requiring the highest qualifications that can be procured for the purpose, the head of the Department should be unaffected by changes in Government, and, to make his responsibility complete, should have the uncontrolled appointment and dismissal of all his subordinates, leaving, of course, to the several lessees equal freedom as regards those under them.

15. The following extract from the inaugural address delivered by the late Mr. Robert Stephenson as President of the Institute of Civil Engineers is strongly confirmatory of the views expressed above in reference to the establishment of a separate tribunal or board for the general control of railways. "What we ask is knowledge; give us a "tribunal competent to form a sound opinion; commit to that tribunal, with any restric- "tions you think necessary, the whole of the great questions appertaining to our system. "Let it protect private interests apart from railways; let it judge of the desirability of "all initiatory measures; of all proposals for purchases, amalgamations, or other railway "arrangements. Delegate to it the power of enforcing such regulations and restrictions "as may be thought needful to secure the rights of private persons or of the public; "devolve on it the duty of consolidating, if possible, the railway laws, and making such "amendments thereon as the public interests and the property now depending on it may "require; give it full delegated authority over us in any way you please; all that we "ask is that it shall be a tribunal that is impartial and that is thoroughly informed, and "if impartiality and intelligence are secured we do not fear the results."

(C.)—Reduction of Rates.

16. Under the proposed arrangement, and indeed the same may be said in the main of the present system, the conditions of cheap and safe conveyance are:—

First. Economy in original outlay.
Second. Economy in current expenditure.
Third. Skill and care in adapting arrangements to public requirements and convenience.
Fourth. Punctuality.

17. (1.) The importance of the first head is forcibly shown by the fact that at present more than half the gross receipts go to cover interest (or dividends) on capital. Under this head the principal points for consideration are the following:—

(*a.*) *Preliminary expenses;* viz., those of surveying and planning the road, of fulfilling the requirements of the law, and of carrying the Bill through Parliament.

Here the main economy to be effected must be in Parliamentary expenses. The new circumstances would seem to admit of a general law which might render detailed application to Parliament unnecessary, by empowering the Government, under strict limitations and proper securities, to authorize the construction of railways where required for the public advantage; and thus the enormous cost of railway legislation would be avoided; a cost frequently absorbing an important fraction of the whole capital.

Stewart, 14,848–52, 14,885. Chadwick, 17,184–7.

(*b.*) *The purchase of the land, &c.*—It is notorious that under the present system exorbitant prices often have to be paid through fear either of Parliamentary opposition or of partial awards of juries. This will better appear, when it is stated that in the purchase of land for railway purposes, the amount actually paid is, as already stated, often several times the antecedent value. By the enactment of a general law, the former fear would be removed; and as regards the latter, it would be for the Legislature to consider whether, in respect of lines constructed by authority of Government solely for the general welfare, it would not be just, while carefully respecting all legal rights, to consider, in the assessment of compensation, what set-off against the value of the land required should be allowed for increased value given by the line to the rest of the estate. The fairness of this principle has been, in some measure, tacitly admitted by the fact, that, in several recent cases, lines have been constructed at the instance, and to a large extent at the risk, of the landholders interested.

Chadwick, 17,200. Teulon, 16,582–5.

(*c.*) *The construction of the line, erection of stations, &c.*—Though the proposed arrangement may have little effect in lessening the expense of construction, so far as relates merely to the lines originally projected, yet it would be very effective by removing the necessity for making unremunerative branch lines; the construction of which is often forced upon a company by the threat of new lines to compete with the main line. The public convenience, however, would be duly consulted by the construction of the less costly "Railroad By-ways," of which I shall speak hereafter.

18. (2.) Under Economy in current expenditure the principal savings to be effected are as follows:—

(*a.*) *In the Parliamentary expenses of defending the line against actual or threatened opposition;* an expense now absorbing a large portion of the profits; many projects known as "contractors' lines" being undertaken,—and that generally in evasion of the standing orders of Parliament,—with no view whatever to public benefit, but simply to prey on existing companies by compelling them to purchase the same. A reference to the evidence of Mr. Stewart, the late experienced secretary of the London and North-western Railway Company, will show how greatly these factitious projects injure the interests of the public, by causing, in existing companies, such a feeling of insecurity as deters them from extensions, reduction of fares, and other improvements really productive of public benefit. Such aggressions would obviously be prevented by the proposed change.

Harrison, 15,313–26. Gooch, 17,509.

Stewart, 14,873.

(*b.*) *In limiting the expense of working unremunerative lines* to those already constructed; instead of it being, as now, subject to constant increase by the enforced construction of new branches, as mentioned above.

(*c.*) *In diminishing the present expenses consequent on accidents.*—The means of effecting this are described elsewhere (par. 28).

(*d.*) *By the amalgamation of unimportant lines;* some of the present undertakings being so small that the expenses of management are beyond all just proportion to their receipts.

(*e.*) *In relief from taxation.*—Should railway property be transferred to Government, the change will naturally open the question of continuing the tax on railway travelling; and it is scarcely needful to say, that as soon as the revenue can spare the amount involved, it is desirable that this and every other mode of conveyance should be relieved of an impost so obviously objectionable; a relief the more equitable, seeing that *in Ireland the impost does not exist.*

Forbes, 1,674.

As regards local taxation, the injustice of the present system has been spoken of elsewhere (par. 3); and as there seems to be no reason why railroads, after becoming national property, should be rated while other roads remain free, and as at the same time it cannot be to the interest of the nation at large to tax its own property for *local purposes,* thereby taking money out of one pocket to put it in another,—raising the fares to lower the rates,—it appears reasonable that, as a part of the whole plan, such local taxation should be abolished.

(*f.*) *In reducing the large amount of waste room now so observable in almost every train.*—One obvious cause of such waste is to be found in the distinction of classes. It seems probable that a great reduction in fares would warrant a reduction in the number

Stewart, 14,821–40.

of classes to two; since, where privacy was desired, it could be secured, at low cost, by any party paying for the vacant places in the compartment occupied. An additional saving of room, and probably also of time, would result from a regulation requiring passengers, when leaving or joining main lines, to change from one carriage to another; and although this can hardly be expected at junctions, where the number to be transferred is large, yet seeing that it would not only economize time, but also tend to a large reduction of fares, it might fairly be required where the number transferred would be small. Mr. Stewart, who strongly supports most of the views here expressed, adds, that their realization would be greatly aided by arrangements tending to produce harmonious action between different lines; which, as he remarks, would be the obvious result of general amalgamation. Stewart, 14,816.

19. (3 & 4.) The remaining heads are "*Skill and care in adapting arrangements to public requirement and convenience*," and "*Punctuality*" These will, I think, be secured, and that in the highest degree, by the proposed plan of leasing out the lines (pars. 10 to 12).

(D.)—How a small Reduction in Expenditure may cause a large Reduction of Charge.

20. Although it is now generally understood that economy in the construction of a line, though highly important to the shareholders, has no natural tendency to produce low fares, yet it is obvious that such economy must increase the *ability* to reduce; and certainly, on the lines in the hands of Government, such ability would have practical effect. Even on other lines, were the outlay reduced, Parliament might thereby be justified in exercising the power now generally secured to it by a clause in railway acts commonly expressed in the following terms:— Galt, 7,341. Smithells, 13,048–51 13,080.

"And be it further enacted, That nothing herein contained shall be deemed or construed to exempt the railway by this or the said recited Acts authorized to be made from the provisions of any general Act relating to Railways now in force, or which may hereafter pass during this or any future session of Parliament, or from any future revision and alteration, under the authority of Parliament, of the maximum rates of fares and charges authorized by this Act [or by the said recited Acts.]"

By reduction in current expenses, however, reduction in fares is promoted more directly and efficaciously: for while, equally with economy in outlay, it creates *ability* to reduce, it also—as may be shown—renders reduction, to a certain extent, an act of sound policy even as regards simple profit.

Now supposing the plans above recommended to be adopted,—including relief from taxation, whether national or local,—the total reduction in railway expenses would unquestionably be large; and this would obviously justify a proportionate reduction in fares and rates of charge. But a little consideration will show, that such reduction would by no means stop there; for as every reduction in fares, &c. produces increased traffic, it naturally tends to further reduction; which again from being an effect becomes a cause, and so on.

(E.)—The Post Office.

21. On reference to the evidence of Mr. Frederic Hill, Assistant Secretary to the Post Office, Mr. Edward Page, the Inspector-General of Mails, and Mr. Gregory, C.E., the Arbitrator for the Post Office, it will be seen that the laws regulating the relations between the railways and the Post Office are at present in a state unsatisfactory to both parties; the dissonance necessarily producing inconvenience to the public, owing to the restrictions which it places on the use of trains for conveying mails, and the consequent impediments to the extension of postal facilities.

22. I concur with Mr. Frederic Hill in recommending that, as fast as lines become national property, clauses be inserted in the respective leases, entitling the Post Office to such use of the lines as may be necessary for its purposes, and that at specified rates of charge; such rates being so arranged as to remunerate the lessees and afford them a moderate profit,—say 25 per cent. on the bare additional cost of the service.

As regards lines remaining in the hands of the present companies, it appears advis-

able that whenever railway companies come before Parliament for fresh powers, advantage be taken of the opportunity thus afforded, by requiring the companies to perform the postal service at specified rates regulated on fixed principles, and providing for all ordinary contingencies; any existing contracts which may have a fixed term to run being allowed to continue in force until they shall be terminated in the ordinary course, under the conditions for that purpose provided in each contract. The rates should be considerably higher than those recommended for insertion in the leases.

As regards the use of such trains as may be run by the companies for their own purposes, I concur with Mr. Page and Mr. Gregory in opinion, that the rate of charge to the Post Office should be based upon the rate of charge which the companies make to the public for similar services; due allowance being made to the Post Office for the extent and regularity of its custom, and for its performing the duties of collection and delivery.

Page, 14,972. Gregory, 17,684–96, 17,749.

As regards trains specially ordered and controlled by the Post Office, I am of opinion that, except in a few very peculiar cases, the payment for the service should also be according to a fixed scale; and this I think should be so regulated, as at once to cover the additional expense to which the company may be put by the Post Office requirement, (after fair deductions for any use of the train made by the company itself) and to yield on the sums thus ascertained the ordinary 100 per cent. required for interest of capital, &c., and profit.

Gregory, 17,670.

This I propose, not as a perfect plan, but as more convenient and even more equitable than the plan now in use.

23. The following tariff is based on the above principle, and is accordingly recommended for adoption, as regards railways not belonging to the State:—

Tariff of Rates to be paid for the Conveyance of Mails by Trains under fixed notice.

First. Trains exclusively employed by the Post Office.

	On the narrow gauge.	On the broad gauge.
For a train (consisting of an engine and the usual break van) and one separate carriage for the mails - -	2*s.* 4*d.* a mile.	2*s.* 6*d.*
For every additional separate carriage (the number and distance to be run by each being varied from time to time according to the exigencies of the service), an additional rate of - - - - -	3*d.* „	4½*d.*

In cases where the distance between the stations—between which the mail train is required by the Post Office to run—is less than 50 miles, the distance to be paid for shall be increased by one-fourth part of the difference between the actual distance and 50 miles.

In all cases where a mail train is required to run in only one direction, the mileage to be paid for shall be assumed to be greater by 50 per cent. than the distance actually ordered to be run; and again, where the distance so augmented shall still be less than 50 miles the payment shall be further increased in accordance with the rule laid down in the preceding paragraph.

When mail trains are run during the night, (*i. e.*, between 10 p.m. and 6 a.m.), an addition shall be made to the mileage charge payable by the Post Office for the distance actually required to be so run; such addition being determined by dividing the sum of 6*d.* among all the trains run in the night, whether Post Office trains or not.

Second. Trains not exclusively employed by the Post Office.

From the rate which would be chargeable against the Post Office if the train consisted only of the carriage or carriages required by the Post Office as above, a deduction to be made for every carriage of whatever description run in the train for other than Post Office purposes, (the company having a right, as above, of varying the number of such carriages), at the rate of 4*d.* per mile on the narrow gauge and 6*d.* per mile on the broad gauge; provided, however, that the rate remaining to be paid by the Post Office shall in no case be less than the rate which would be payable for the use of an ordinary train under the tariff herein-after prescribed.

That in the event of any company satisfying the Board of Trade, or other Government Board yet to be appointed (as suggested in this report), that owing to circumstances not herein provided for, it has a claim to additional payment, the same shall be made.

Tariff of Rates for the Conveyance of Mails by Ordinary Trains.

First. When the Post Office requires a prescribed amount of space, and employs its own guard to exchange bags, &c.

	On the narrow gauge.	On the broad gauge.
For the exclusive use of one compartment of a carriage, second or any inferior class, at the option of the Post Office	2*d.* per mile.	2*d.*
For do. of two compartments	4*d.* „	4*d.*
For „ three „	6*d.* „	6*d.*
For „ four „	—	8*d.*
For whole carriage	8*d.* „	10*d.*

And for any additional carriage or portion of a carriage, at the same rates.

Gregory, 17,686–94.

Second. When the Post Office does not require a prescribed amount of space, and the mails are exchanged by the train guard,

For every 112 lbs. ordinary maximum aggregate weight of mails, $\frac{1}{2}d.$ per mile; any portion of 112 lbs. being considered as 112 lbs. Gregory, 17,698–701.

In the event of the Post Office requiring a carriage or carriages exceeding the ordinary dimensions, (by which term "ordinary dimensions" is meant carriages whose interior horizontal sectional area does not exceed in the case of the narrow gauge 150 square feet, and in the case of the broad gauge 225 square feet,) the company shall have a right to call upon the Board of Trade to increase the charge for such carriage or carriages by an addition to the tariff rates proportionate to the increased size of the carriage or carriages; and on the other hand, should the company, for its own purpose, run one or more carriages exceeding the ordinary dimensions, as above, in any mail train not devoted exclusively to the Post Office, then the Post Office shall have a right to call upon the Board of Trade to determine in like manner the increased amount of deduction in respect to such larger carriages.

The compensation for insufficient notice of the abandonment by the Post Office of a mail train under notice shall be one-fourth part of the full payment for the difference between the actual notice and the required notice of six months.

24. The other difficulties pointed out in Mr. E. J. Page's evidence seem to indicate that the law with respect to the mail service on railways also requires alteration or extension in the following particulars, viz.:—

First. The Post Office should have the power of *requiring* railway companies *by legal notice*, when necessary, to run mail trains to be employed exclusively in the conveyance of mails and officers of the Post Office. Page, 14,963.

Second. The right of a mail guard or other Post Office servant, when travelling and paying his fare as a passenger, to exchange bags at intermediate stations without additional charge,—provided the aggregate weight of mail does not at any time exceed that allowed to a passenger of the same class,—should be made clear. Page, 14,960.

Third. The right of the Post Office to require for a mail guard or other Post Office servant a monthly, quarterly, or annual or other periodical ticket, at the same charge as is made to the public for the same distance and for the same period, should be made clear. Page, 14,962.

Fourth. The mode of calculating the rate of travelling of a mail train,—making allowance for the difference between the stops of the company's fastest train and those of the mail train required by the Post Office,—should be clearly defined. Page, 14,963.

Fifth. The right of the Post Office to insist upon the erection and use of the mail-bag-exchanging apparatus at the cost of the department, should be made clear.

In another portion of his evidence Mr. Edward J. Page dwells on the practicability and importance of establishing a small-parcel post at a uniform rate of charge; pointing out at the same time the peculiar facilities and advantages, for this purpose, which are afforded by the organization and machinery of the Post Office; so superior in their operation and extent to any possessed by railway companies. Page, 14,985, 15,009.

It appears highly desirable that, as fast as railways become national property, provision should be made in the leases for giving effect to these views; and in the meantime, fully believing that the plan would prove beneficial to railway interests as well as to the public, it is hoped that arrangements for the purpose may be made (as suggested by Mr. Edward Page) for attaining the same end with the concurrence of existing companies. Page, 15,009.

(F.)—Extension of Railways.

25. As it is obviously probable that most lines yet to be constructed in the United Kingdom will be of moderate length, (chiefly branches for carrying the system into rural districts) the question of Railway Extension is here considered mainly with reference to what may be called

Railroad By-ways.

26. In considering the pecuniary results of railway operations, it is striking to observe, that more than half the gross receipts (53 per cent.) is required to meet the claims of capital; part being paid over in the form of interest, the rest as dividends. It is obvious, therefore, that if a line could be so constructed as to involve no such claims, the present rates and fares might be reduced by more than one-half, without making any allowance for the increase of traffic sure to follow such reduction.

Now it is notorious that not only the construction, but also the maintenance of the common by-ways fall, more or less directly, upon the landed and household property benefited thereby; and it may be added, that in some instances this is roughly in proportion to the benefit conferred. It may, therefore, reasonably be inquired, whether the principles thus established as regards the existing by-ways may not be safely, justly, and beneficially applied to that better kind of by-ways by which they must, in the natural course of things, be gradually superseded. It may be observed, that the principles in question have recently been applied (by the law of 12th July 1865,) to the construction of branch railways in France; and it appears that, under the operation of this law, many branch railways are already in course of construction.

The mode in which the expense of draining the fens is met, viz., by rates on the land benefited, furnishes another precedent in support of the principle now proposed.

In order, however, to render the application of this principle to railways the more feasible, it is obviously important to reduce the cost of construction to the lowest amount practicable.

Section C., part 1.

Arrangements have already been suggested with a view to free railway extension from the heavy Parliamentary expenses with which it is now clogged,—arrangements which it is reasonable to hope will be more operative than the dormant and almost unknown power which is vested in the Board of Trade, by which, in cases where there is no opposition from the owners of the required property or from railway or canal companies interested, application to Parliament may be rendered unnecessary. And I am of opinion that further economy may be obtained as regards both the purchase of land and outlay in construction.

Chadwick, 17,184.

Harrison, 15,402.

Mr. Harrison states, that on a branch line constructed by him in Yorkshire, viz., the Thirsk and Malton line, partly by liberality in the landholders and partly by avoiding all but the most necessary expenses, the total outlay (exclusive of rolling stock) was not more than about 4,000*l.* per mile; so that, allowing 1,000*l.* per mile for rolling stock, (which is more than sufficient) the total outlay for enabling the company to open the line was but 5,000*l.* per mile.

In cases where the expenses of an ordinary line could not be brought within this amount, resort might be had to the plan of construction used by the Indian Tramway Company, also in Norway, Queensland, and to a slight extent even in this country; a plan which seems perfectly applicable to the rural districts of the United Kingdom. This consists in limiting the railway to a single line, and in using a very narrow gauge, which admits of sharper curves, and, by lightening both engines and carriages, also admits of lighter rails.

Harrison, 15,390–4. Stewart, 14,866–72. Chadwick, 17,181–7.

Of course I am aware of the inconveniences arising from break of gauge, and therefore make this recommendation only as a means of railway extension where expense would render the ordinary gauge impracticable.

As regards purchase of land, it may be assumed that as, on the plan suggested above, the cost of the land required for the by-way in any district would fall upon the property generally, public opinion within the district would check any exorbitant demands in the sale of such land.

Harrison, 15,402.

Supposing these points to be secured, and thus the primary outlay brought within an average of 5,000*l.* per mile, including stations, rolling stock, and every other expense, the annual interest on capital would not be more than 250*l.* per mile.

It remains for consideration, 1st, What rate levied upon the property benefited would suffice to pay this interest? And 2nd, Whether the amount of benefit would suffice to cover the rate in question?

Assuming, as I safely may, that the benefit would extend to an average distance of 4 miles on each side of the railway, the advantage would be spread over a space of 5,120 acres for every mile of railway; and an average rate on this of 1*s.* per acre would produce 256*l.*; or a trifle more than the sum required. Teulon, 16,582–5. Hawkshaw, 14,645. Chadwick, 17,181.

Now surely it may be taken for granted that the increased yearly value given to the land, houses, mines, quarries, and other property, within the assumed range would, after every allowance for waste lands, roads, &c., largely exceed the average of 1*s.* per acre on the land alone; and if so, not only would the railway be made and furnished with rolling stock without real cost to any one, but the owners of property in the district would, in addition to the convenience shared with the public in general, derive a large pecuniary benefit to themselves in especial; while both advantages would be much increased by the very low rates of conveyance—probably less than half the present rates—which the proposed plan would secure. Hawkshaw, 14,642. Teulon, 16,584.

It may be added that, upon lines of so limited a traffic, and where high speed would be unnecessary, sidings might be as frequent almost as farms; and thus unusual facilities might be afforded for the conveyance of farm produce in one direction, and of manure, &c. in the other.

And here it may be observed that, as a means of yet further economy, it might sometimes be found well to substitute horses for locomotive engines, (at least in the first instance) as loads would be light, distances generally short, and speed of minor importance. Chadwick, 17,181.

Such an extensive ramification of the railway system—probably exceeding in the aggregate the whole length of line now in existence—would not only greatly facilitate conveyance within the districts served, enabling labourers to pass at a trifling charge to and from their work, but by bringing almost every village into connexion with every town, and, indeed, with every other village, would extend the means of intercourse, the spread of literature (especially of newspapers), the conveyance of letters, and, in short, every means of civilization to a degree beyond calculation.

Neither can it be out of place to remark, that the influx of traffic thrown into the general system by these subsidiary railways would add largely to the traffic on the existing lines, and thus, on the arrangements proposed, lead to further reduction in the rates of charge thereon.

As a means of giving effect to the above recommendations, it is proposed that where a railroad by-way is contemplated, the holders of property within the prescribed limits, acting with the advice and concurrence of the contemplated Government Board, shall have power to authorize the construction of the railway, including the enforced sale of land and the levying of the necessary rate; the whole to be in accordance with the provisions of a General Act, which should also provide for borrowing the necessary capital, and for the construction of the road under direction of the board or otherwise, at the option of the parties contributing; and as such parties would be relieved of all trouble and responsibility by transferring the line, with its encumbrances, to Government, at its completion, if not at its first undertaking, they would naturally be inclined to adopt that course without any demand for payment, but with a mere stipulation that the tariff of charges should be kept within certain narrow limits. Indeed such transference might not unfairly be made an essential condition of the grant of powers as above.

Longer Lines.

27. Although, however, as already observed, railway extension will probably, henceforth, imply mainly the construction of short subsidiary lines, yet cases may arise, from time to time, in which longer lines will be required, and to which the foregoing plan could not be applied without modifications.

In such cases, probably the most eligible plan would be to transfer to the contemplated Government Board all those duties relative to the subject which now devolve upon Parliament, leaving, however, (as in the case of the by-ways,) to those whose property would be affected,—acting as a body,—a veto on the proceeding;—the expense of construction, &c., to be defrayed partly by rates on the property benefited, (as in the case of the by-ways,) and partly at the National charge, either by direct contribution, or by an augmentation of the railway stock which it is proposed to create for the purchase of existing lines.

But should Parliament, not content with that general control which it exercises over all Government departments, be unwilling to delegate such important power to

a permanent board, an alternative would be to limit the delegation to such powers as are now exercised by the Officers and Committees of Parliament.

Should Parliament object even to this limited delegation, the present course of proceeding might be retained, with the mere substitution of the Board for a Company.

Finally, should the present course of Parliamentary proceeding remain absolutely unaltered, still, supposing the existing lines to be in the hands of Government, railway bills, when calculated to supply a real want, and that of sufficient magnitude to warrant the action of Parliament, would no longer be exposed to the costly opposition which now frequently arises when the project appears to threaten the interests of some existing company; for doubtless, if the threatened line belonged to the State, the lessees would know that a simple demonstration of injury would obtain a proportionate reduction of rent. Parliament, also, should, and probably would decide questions as to the construction of new lines, much as such questions would be decided if all lines belonged to one company, and the decision rested with a general body of directors, who took an enlightened view of that company's interests, *i. e.* it would consider whether it would be to the interests of the country at large, as proprietors of the railways, that the additional outlay should be made.

Hill, 8,267. Supposing the present plan of proceeding to remain unaltered, it might be well, as suggested by Mr. Frederic Hill, that when any new line has been sanctioned by Parliament, the Government should either agree, at the outset, on what terms (whether by a single payment or in the form of a dividend) they will buy the line, provided the work be well done, or allow the business to proceed as at present, the proprietors being at liberty, when the railway is complete, either to continue their ownership, or, upon terms to be mutually agreed upon, to sell the railway to the Government.

In comparing the above modes of proceeding with one another, it may be expedient to inquire what would probably have been the result, if the plan recommended as the best had been adopted from the first; a course, however, which it must be admitted would have encountered great, possibly insurmountable difficulties.

1st. The vast expense of Parliamentary contests would have been avoided.

2nd. The cost of construction would have been greatly diminished.

3rd. The waste of capital in unproductive lines would have been avoided.

4th. Railway extension, so far as relates to lines really useful, would have been carried far beyond its present limits. For many railways which could afford no remuneration to a company of proprietors, would be highly profitable to the community at large.

5th. All classes employed in railway construction and management would have derived corresponding benefit.

6th. The fares and other charges for railway conveyance would probably have been less than half of those actually demanded.

7th. Though the owners of land and other property served by railways would have received but a simple remuneration for whatever they gave up, and would have been called upon to contribute to the cost of construction, yet, through the above-named advantages, they would have derived such benefit in the increased value of their property, that the balance in their favour would, in all probability, have been even greater than at present.

Lastly, there would now be a National Property, in the hands of Government, of enormous value, sufficient to constitute a large set-off against the National Debt.

It seems not useless to add, that while, as regards existing lines, it is, unhappily, too late fully to secure such benefits, yet considering that the railway system is rapidly growing, and admits of indefinite extension, it must be important to secure the maximum of advantage for the future.*

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* Since the above was in print the Commission received a copy of evidence recently taken by a Select Committee of the House of Commons on the "Tramways (Ireland) Acts Amendment Bill." This evidence is strongly confirmatory of the views I have expressed, not only as regards the importance of constructing branch railways,—employing occasionally an unusually narrow gauge,—but also as to the expediency of transferring to a Government Board those duties relating to railways which now devolve on Parliament. Some of the witnesses recommend that cheap narrow-gauge railways, such as I have called "railroad by-ways," should be made when wanted on the ordinary high roads of Ireland; but the majority of witnesses, including Colonel Yolland and Captain Rich (Railway Inspectors to the Board of Trade), and Sir John Macneill, prefer taking new routes; and all three are of opinion that such lines may be made and worked at a comparatively low cost. Sir John Macneill gives detailed plans and estimates of a line 11 miles long and 3½ feet gauge which he proposes to construct between Downpatrick and Newcastle, at an average cost per mile (including land and rolling stock) of 3,533*l*. Sir John Macneill recommends that on these subsidiary lines there should be no intermediate stations, but that the porters should travel with the train, which, the speed being comparatively low (15 miles an hour) and the train light, should stop whenever

(G.)—Compensation for Injury.—Insurance.

28. [Under this head, I am happy to say, my views accord generally with those of the majority of the Commissioners. Nevertheless, as the case is somewhat differently argued, I have thought it better to retain this portion of my Report.]

On the present arrangements, the company is made liable for accidents and their consequences, whenever it can be shown that culpability attaches to the company or its subordinates; and, by Lord Campbell's Act, the compensation to suffering parties is made to vary according to their respective circumstances; the relict, for instance, of a man earning a large income receiving much, while the relict, say, of a day-labourer receives but little.

Now, while it is plausible that the compensation should thus be in proportion to loss, the operation of the rule leads to serious injustice. It is obvious that all such payments, seeing that they increase the expenses of the company, must consequently tend to augment the fares charged to passengers; and if the rich man's life is treated as in effect more highly insured than that of the poor man, while his payment of fares is, conveniences equal, the same, the poor man must in effect help to pay the insurance of his richer fellow-passengers. Hancock, 7,697–9.

Surely a fairer plan would be that the man whose life is especially valuable should be called upon to pay a proportionate insurance; and all that the company can be bound, in fairness, to do, is to give opportunity for effecting such insurance with all possible facility. Supposing that each man could take out a ticket varying according to his own estimate of the loss that would be entailed by his death, incapacitation, or other injury, and the actual compensation were made proportionate to such rate of insurance, justice would be done to all, every one's risk falling upon himself, and every one's recompence being, as in case of fire, marine accident, or ordinary life insurance, in proportion to his payments. Such an arrangement, therefore, is recommended. Clarke, 12,774. Eborall, 16,233–46.

It is proposed that the ordinary ticket should still enable sufferers to claim compensation from the company to a certain extent; but that without any relation whatever to their income or social position, except so far as it may be indicated by the class in which they travel; the payment in case of death to be a certain fixed multiple of the single mileage fare, say for instance, in the ratio of 100*l.* for a penny; so that the heirs of a passenger killed in travelling at the rate of 1*d.* per mile would receive, independently of insurance, 100*l.*, while those of a fellow-passenger killed in travelling at the rate of 3*d.* a mile would receive 300*l.*; minor injuries being paid for in proportion, and so far as possible according to some fixed scale. Of course the multiple may be fixed higher or lower, as may be desired.

At the same time, as indicated above, the proprietors or lessees of the railway on behalf either of themselves or of some other company (whose payments they should guarantee) should on the usual application grant further insurance, within reasonable prescribed limits, at the discretion of the insurer. Eborall, 16,241–2.

A similar rule should, in fairness, be extended to luggage.

In making these recommendations, however, I do not propose to abolish or in any way to alter the penal sanction now existing in cases of great and wilful misconduct or negligence.

(H.)—Ireland.

29. Whatever objections may exist to the Government purchase of the English and Scotch railways, the case of Ireland is evidently peculiar, the impossibility of continuing the present system being, indeed, distinctly maintained by nearly all the witnesses on the subject, however they might differ as to the mode of relief. The management of most of the lines, (with a few creditable exceptions,) seems to be universally regarded as at once costly and inefficient, the fares and other charges as unnecessarily high, whilst for want of that co-operation now becoming, through amalgamation and other Fox, 6,591. Forbes, 1,813. Ryan, 2,653–710. Cawkwell, 5,069. Clancarty 6331–8.

necessary, as for instance, when crossing any road (the porters opening and closing the gates), and "even at any farm house if they saw a signal." These and other suggestions, made with a view to economy and public convenience, appear to be deserving of the most careful attention in connexion with the arrangements which have been recommended. Sir John Macneill proposes (as suggested above) to carry two classes of passengers only, and recommends rates of 1*d.* and ¼*d.* per mile respectively. He is of opinion that on the line he has proposed, the traffic, which he estimates at only 6*l.* 10*s.* per mile per week, will suffice to defray all expenses and to afford a profit of 5½ per cent. on the capital.

Huish, 16,011–31.

means, so common in England and Scotland, the conveyance of passengers and goods is subjected to much inconvenience and derangement.

Haughton, 4,621–4, 4,717–20. Shaw, 6,385. Jones, 6,463. Fox, 6,572–3. Galt, 8,489–90.

Many of the companies are represented to be in serious pecuniary difficulties, and it is urged that without aid from Government several of the lines must fall into disuse.

The evidence shows the existence in Ireland of a strong desire for the purchase of the railways by Government, and that such desire, if not universal, is very general.

Hemans, 3,907 Mulvaney, 1,176, 1,276. Forbes, 1,553–67. Mallet, 2,238–43, 2,282. Longfield, 2854–60. Malcolmson, 3,449–52. Barrington, 7,166. Galt, 8,485. Appendix BQ. also DC. Bidder, 4,217.

Further, while most of the Irish witnesses are of opinion that, under good management, fares and other charges might be largely reduced, with only temporary loss in profit, many declare themselves willing that any loss so arising should be made good by the Irish nation, either by an increase of income tax, or otherwise; and this declaration has been confirmed by resolutions passed at several public meetings held on the subject.

Lastly, in a recent debate in the House of Commons, (July 20th, 1866,) on a motion by Mr. Gregory, M.P. for Galway, general concurrence in the above views was expressed by both sides of the House.

It should be added, that as the whole railway system of Ireland does not greatly exceed the length of line held by some single companies in England, while the capital invested and the amount of traffic are even less, the purchase of the lines would involve comparatively little risk or responsibility.

It is therefore recommended that the Irish lines should be purchased by Government, as early as practicable, in the manner proposed in para. 10 in respect of railways generally.

Should Government determine on the purchase of the Irish railways, it seems expedient that all such action with regard to the English and Scotch railways (in behalf of which no such demand is made), should be deferred until the result of this first experience be known.

At the same time it will have to be borne in mind, whenever the time for further decision arrives, that the best results to be expected in Ireland are of a very moderate character. The railway system there being now in a very depressed and most unsatisfactory state,—such as even to threaten partial dissolution,—much will be achieved if matters be simply placed upon a sound footing. Considering that the population of the country is actually diminishing, that, save in some important localities, enterprise is but feeble, and the country comparatively poor, no large increase of profit can justly be expected. It must suffice to benefit the public and save railway proprietors,—so far as practicable,—from further depreciation of their property. Indeed it is obvious that the experiment of railway purchase by Government would be tried under very unfavourable circumstances.

Forbes, 17,107. Bidder, 4,217.

But should Government object to purchase even in respect of Ireland, there seems to be no valid alternative, but that it should endeavour to promote the formation of a company for the same purpose, and to obtain for it the same powers and privileges, with necessary exceptions, (the guarantee being of course one, but not so the relief from local taxation,) as I have recommended that Government should exercise, if it took the task upon itself.

To such a company the following advantages also might, I think, with due caution be granted, on condition of their making certain concessions.

The advantages are—

1st. Government loans to a moderate extent, where the security is undoubted, and at a low rate of interest.

2nd. Limitation as to liability for injury, as proposed in the general plan (para. 28).

3rd. Protection from the competition of new lines.

4th. All practicable facilities for the extension of lines, including the purchase of land.

5th. Protection from demands in relation to what is called "sea-risk," the same, however, to be extended to the railways on this side the Channel.

The concessions to be made by the Company in consideration of the above privileges are—

1st. To adopt a comparatively low tariff of charges, whether for passengers or goods; and

2nd. To convey the mails at the rates which I have recommended (para. 23) for adoption in respect of lines which may become National property.

And, as there seems to be no reason why Irish railways should enjoy peculiar privileges, it is recommended that similar advantages, under similar conditions, be offered to any established, responsible, and well-conducted railway in the United Kingdom.

A reference to Mr. Monsell's separate Report will show that while there are important points of difference between us, especially as to the conditions of purchase, we never-

theless agree in recommending that the Irish railways should be dealt with first, and that their purchase by Government should be made with all convenient speed.

(I.)—Safety.

30. The importance of punctuality as a means of safety is too obvious to need enforcement.

The establishment of communication beween the passengers and the guard being, as I believe, still under the consideration of a committee of railway officials—which has instituted a variety of experiments on the subject—I forbear to dwell upon that point, merely observing that any plan not including the means of passage for the guard throughout the train, while in motion, must be very imperfect, often leading to disappointment in the passenger and perplexity in the guard; since to stop the train on the mere requisition of passengers might often involve serious consequences. Gooch, 17,584. Hawkshaw, 14,620–1.

And here it must be observed, that with our prevailing narrow gauge such through passage, though held practicable by one eminent engineer (Mr. Hawkshaw) seems to be regarded as impracticable by railway authorities generally. Hawkshaw, 14,629. Clarke, 12,762–4.

On the Irish lines, however, where the gauge is wider, the arrangement is probably feasible; and this constitutes one reason why the Irish lines should be first dealt with by the Government.

I am of opinion that while no steps should be taken that would withdraw from immediate managers the responsibility of providing for the safety of their passengers, a continuous, regular, and systematic inspection under the authority of Government might be advantageously instituted over all lines, in whatever hands their management may be placed.

At the present time, when a line has once been opened, inspection is confined to cases of accident; and at such times a body of rules is produced, often sufficient, if duly enforced, to attain the desired end; but unfortunately the evidence of such enforcement is generally insufficient; and notable instances have occurred in which it became clear that rules were rather for show than for observance. Now the proposed inspection would certainly accomplish much, if it only served to set the question of enforcement of rules beyond all doubt. It is not recommended, however, that the inspectors should have any further power than that of full examination, and of reporting to the proper department of Government the facts as they found them, feeling sure that simple publicity would be a sufficient corrective to at least habitual negligence. Since the above was written, the views herein expressed have been confirmed by the Report of a Select Committee of the House of Commons, to which attention is drawn in a note at p. cxx. On reference to the evidence of Colonel Yolland, Railway Inspector, (Questions 602–4 and 620–3), it will be seen, that not only the rules laid down by the companies with a view to safety, but even those enacted by Parliament, are habitually neglected, and that even on our principal railways.

In the Appendix BK will be found a paper by Mr. Edwin Hill on this subject, to which I desire to draw attention.

Finally, in connexion with the subject of safety,—it being manifest that any reduction in the fares should never be so sudden and considerable as to cause an increase in the traffic that must tax unduly the means at command,—I recommend that the reductions to be effected by the measures herein proposed be made gradually.

(J.)—Insolvent Companies.

31. Since the appointment of the Commission new difficulties have arisen, and those of a very serious character; several companies having fallen into embarrassment, and at least one into avowed insolvency.

It has therefore become a question how the creditors of such companies, and more especially the holders of debentures and preference shares, are to obtain that payment to which they are entitled without such proceedings as would derange the traffic, if not absolutely stop it.

Two modes of solving the problem have been urged on public attention.

First.—That Government should give aid either by loan or by such guarantee as would enable the companies to borrow on advantageous terms.

Second.—The sale of the property as in ordinary cases of insolvency.

The obvious objection to the first mode is that it calls upon Government to lend on security which ordinary capitalists regard as insufficient.

The objection to the second mode is that sale on fair terms, where the amount of property is so very large, is exceedingly difficult, if not altogether impracticable: seeing that individuals could not bring the required capital into the market, and that companies could scarcely be formed on a merely contingent expectation. So that there would be little or no competition for the purchase.

It appears to me that there is a third expedient free alike from the objection raised against the first and the difficulty attaching to the second.

This is the enactment of a general law, by which when a Railway Company becomes insolvent—such insolvency being declared by the Court of Chancery or other competent tribunal—the management of its affairs should be transferred from the ordinary shareholders to the holders of preference shares and debentures; who, taking upon themselves all responsibilities attaching to their predecessors, should be empowered forthwith to elect a new body of Directors.

By this means the power would be withdrawn from those who have but at most a contingent and probably slight interest in the good management of the line, and given to those whose interest has become direct and important.

Under this arrangement the public convenience would at worst remain unaffected, and the ordinary shareholders would retain in full their present claim to any surplus proceeding from improved management or otherwise.

I therefore recommend that this third course should be adopted in cases of Railway insolvency.

(K.)—Summary of Principal Conclusions.

Beneficial Effects of Railways. (pars. 2 to 4.)

32. That while railways have notoriously conferred enormous benefits on the public, at the same time greatly enhancing the value of land and other fixed property, the general result to those whose capital and energy have produced this beneficial change has been unsatisfactory, and too often disastrous. Further, that with every allowance for bad management in the companies themselves, much of this loss must be attributed to erroneous legislation.

Why Railways should belong to Government.—Competition. (pars. 5 to 15.)

(1.) That the formation of competing lines, while not producing, but rather preventing permanent reduction of rates, has grievously injured the interests of existing companies, and tended to check the useful extension of lines, and other improvements.

(2.) That railways, being shown by experience to be essentially monopolies, cannot be advantageously left to independent companies; but should be in the hands of those who are charged with the interests of the country at large, viz., the Government.

(3.) That, nevertheless, Government should not itself attempt the immediate management of the lines, but should lease them to companies or individuals, though retaining the power to enforce the observance of all regulations necessary for public safety and convenience.

(4.) That the State should, therefore, gradually purchase the whole railway system, with the exception perhaps of a few lines, on terms to be agreed upon with the several companies.

(5.) That such purchase does not necessarily involve any outlay on the part of Government, seeing that the transfer may be made on such arrangements as are generally adopted when a line is transferred from one company to another, so that no increase of the National Debt is implied.

(6.) That while the rent demanded for a line must be sufficient to cover the payments by Government in dividends, interest, &c. to the previous owners, preference amongst competent applicants should be given to the one who offers to adopt the lowest tariff of charges.

(7.) That Government purchase of railways may be expected to secure the following advantages: viz.

A. A pecuniary gain to the State.
B. A gain to shareholders and others in steadiness and security of income.
C. Security against Parliamentary contests, now so costly.
D. A reduction (eventually large) in fares, freights, &c.
E. Greater efficiency of management.
F. Increased postal facilities.

(8.) That the department of Government intrusted with the duties arising out of the proposed plan should be empowered, under proper limitations, to authorize the construction of new lines.

(9.) That the head of the department should be a permanent officer, selected with exclusive reference to fitness for the post, and should have the full powers necessary to complete responsibility.

(10.) That the lessees should have the unrestricted appointment and dismissal of all their subordinates.

The Post Office. (pars. 21 to 24.)

(11.) That the laws regulating the relations between the railways and the Post Office are at present in a state unsatisfactory to both parties, productive of much inconvenience to the public, and require to be changed.

(12.) That, amongst other improvements, tariffs of charges should be established, as opportunities arise, for the conveyence of mails, based generally upon the rates of charge which the companies make to the public. Such tariffs will be found at pp. 10, 11 of this Report.

(13.) That, as public convenience would be greatly served by the establishment of a small parcel post at a uniform rate, this should be effected as fast as lines are purchased by Government or the concurrence of the existing companies can be obtained on reasonable terms.

Extension of Railways. (pars. 25 to 27.)

(14.) That most lines yet to be constructed will be of the nature of by-ways.

(15.) That, by applying to the construction of these lines, principles already applied to common by-ways and to the draining of fens in this country, and recently to branch railways in France, the necessary outlay may be provided for without injury to any one, and thus the extension of the railway system exceedingly facilitated, and the fares and freights on such lines fixed at probably less than half the ordinary rate.

(16.) That experience abroad has shown, that where ordinary lines would be too expensive for the traffic, it is expedient to construct single lines of very narrow gauge.

(17.) That the extensive ramification of the railway system which would be effected by adopting the above means, combined with other economical arrangements specified in this report—an extension probably exceeding in the aggregate the whole length of line now in existence—would not only greatly facilitate conveyance within the district served, but would extend the means of general intercourse beyond calculation, and by the influx of traffic so thrown into the general system, would lead to a reduction of the rates on the present lines.

Compensation for Injury.—Insurance. (par. 28.)

(18.) That the present rule of compensation for injury to person is unjust in practice; seeing that, in effect, it compels the poor to pay part of the insurance for the rich.

(19.) That the just rule would be that, while still calling on the company to make compensation for injury to a certain extent, any one desiring to secure higher compensation should be expected to insure accordingly, every facility being afforded for the purpose.

(20.) That, nevertheless, the penal sanction now existing in case of great and wilful misconduct, should remain unaltered.

Ireland. (par. 29.)

(21.) That as regards the Irish railways, considering that there exists at present general dissatisfaction as to their management; that several of them are in such difficulties as to render even their continued working uncertain; considering, also, that there exists in Ireland a general desire for their purchase by Government, together with a willingness to guarantee the State against loss by such purchase; and considering, lastly, the limited extent of the whole system, it is desirable that the Irish lines be purchased as a first experiment; this to be done in the manner proposed for the purchase of railways generally.

(22.) That, failing the adoption of this measure, Government should promote the forma- of a company for attaining the same end, such company to have privileges similar, for the most part, to those which Government itself would exercise in like position, but that in return for such privileges, certain concessions should be required on behalf of the public.

Safety. (par. 30.)

(23.) That while nothing should be done that would impair the just responsibility of companies for the safety of their passengers, it is highly desirable that the Government inspection, now exercised only at the opening of a new line, or in case of accident, should be continuous, regular, and systematic.

Insolvent Companies. (par. 31.)

(24.) That in case of insolvency the management of the company's affairs should be transferred from the ordinary shareholders to the holders of preference shares and debentures.

All which I submit to Your Majesty with great humility.

ROWLAND HILL.

7th May 1867.

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Printed by GEORGE EDWARD EYRE and WILLIAM SPOTTISWOODE,
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For Her Majesty's Stationery Office.

ROYAL COMMISSION ON RAILWAYS.

MINUTES OF EVIDENCE

TAKEN BEFORE

THE COMMISSIONERS,

March 1865 to May 1866.

Presented to both Houses of Parliament by Command of Her Majesty.

LONDON:
PRINTED BY GEORGE EDWARD EYRE AND WILLIAM SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.
FOR HER MAJESTY'S STATIONERY OFFICE.

1867.

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MINUTES OF EVIDENCE

TAKEN BEFORE

THE COMMISSION.

Thursday, 23rd March 1865.

PRESENT :

THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE RIGHT HON. ROBERT LOWE, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
J. A. ROEBUCK, ESQ., M.P.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ.
J. R. M'CLEAN, ESQ., PRES. INST., C.E.
WM. POLE, ESQ., F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE IN THE CHAIR.

Mr. CHARLES CLARK examined.

1. (*Mr. Horsfall.*) You are a merchant extensively engaged in business at Liverpool ?—I am.

2. You are Chairman of the Railway Committee of the Liverpool Chamber of Commerce I believe ?—Yes, I am.

3. Have very great complaints been made to the Chamber of Commerce of the existing excessive railway charges on traffic to and from Liverpool as compared with other places ?—Yes; we have had frequent complaints both of the excessive charges, that is, charges in excess of the charges made for carrying the same goods similar distances from other ports; and we have also had complaints made of the want of sufficient accommodation on the part of railway companies for the accommodation of the Liverpool traffic.

4. Have you drawn up any statement showing several of those inequalities ?—Yes, we have done so. We sent out a series of queries to gentlemen engaged in various branches of trade, and I hold several of them in my hand. This is a table asking them to give us the rates from Liverpool to various places with the rate of carriage per ton, the distance carried, and the rate per ton per mile, upon various classes of goods, and the same information as to the carriage of the same goods to the same places from other ports. A large number of those tables has been sent in. I have here got a tabulated statement of the general result. This of course is an average so far as we can go, and it represents the charges actually paid by the gentlemen who have sent in those returns. I have three tabulated statements, one showing the charges upon timber and deals from Liverpool as compared with other places to a large number of towns. I have another statement showing the charges upon manufactured chemical articles from Liverpool and other places respectively; another showing the charges upon sugar and other heavy goods of a similar class, also from Liverpool and other places respectively. (*For these three statements, see Appendix A.*)

5. Are they founded on the returns made by the traders ?—Yes; they are founded on the returns made by gentlemen engaged in those trades, and who have actually paid the rates here set down.

6. Will you describe to the Commission some of the inequalities ?—I may say that the general result of these tables, which I will put in, is that the rates from Liverpool to certain places in the interior are in many cases from 20 to 30 per cent. in excess of the rates charged from other ports at the same distance from the place of consumption for the same goods; and as regards the rates per mile, if you take them from Liverpool to the places of consumption, and contrast them with the rates per mile from other ports to the same places of consumption you will find that the mileage rate is in some cases 50 per cent. in excess, and even over in one or two instances. Take, for instance, the article of chemicals. The rate for carrying chemicals from Liverpool to Hull, a distance of about 130 miles, is 15*s.* per ton, and the rate for carrying the same goods from Newcastle-upon-Tyne to Hull, which is about the same distance, is 8*s.* The rate per mile from Liverpool to Hull is 1*d.* and $\frac{38}{100}$ths of a penny per ton; the rate per mile from Newcastle-upon-Tyne to Hull for the same goods is $\frac{73}{100}$ths of a penny per ton. I will give another case still on the same article. The rate from Liverpool to Leeds, a distance of 74 miles, is 15*s.* per ton. The rate from Newcastle-upon-Tyne to Leeds, a distance of 98 miles, is 13*s.* 4*d.*, per ton. The mileage rate from Liverpool to Leeds is 2*d.* and $\frac{43}{100}$ths of a penny per ton; the mileage rate from Newcastle-upon-Tyne, upon the same goods is 1*d.* and $\frac{23}{100}$ths of a penny: and those two places actively compete with each other for this class of trade. And it is precisely the same as to Wakefield. The rate from Liverpool to Wakefield, 71 miles, is 15*s.*, and the rate from Newcastle-upon-Tyne to Wakefield, 125 miles, is 13*s.* 4*d.* The mileage rate from Liverpool is 2*d.* and $\frac{53}{100}$ths. of a penny per ton; and the mileage rate from Newcastle-upon-Tyne is 1*d.* and $\frac{28}{100}$ths of a penny. There it is as nearly as possible 100 per cent. more. That is as to chemicals alone, As to timber, take the rate from Liverpool to Penistone, a distance of 63 miles and a half, the rate is 16*s.* per ton. From Hull to Penistone, a distance of 80 miles, the rate is 10*s.* 11*d.* per ton. The mileage rate from Liverpool is 3*d.* and the 42nd part of a penny per ton; the mileage rate from Hull is $1\frac{1}{2}$*d.* per ton per mile. Take the rate to Preston from Liverpool, a distance of 32 miles, the rate is 6*s.* 3*d.*; from Fleetwood to Preston, a distance of 20 miles, the rate 2*s.* 2*d.* The mileage rate from Liverpool is 2*d.* and a third; and the mileage rate from Fleetwood is 1*d.* and $\frac{3}{10}$ths.* And that is more remarkable because the distance is shorter, and one would naturally expect the rate per mile to be higher. There are many instances of the same kind.

* The rate on timber from Fleetwood to Preston has been raised, and now stands at 3*s.* 4*d.* per ton.

Mr. C. Clark.
23 March 1865.

7. (*Chairman.*) There was a third class of goods which you mentioned?—Yes, sugar From Liverpool to Sheffield, about 73 miles, the rate on sugar is 20*s.* per ton. From Hull to Sheffield, 76 miles, it is 13*s.* 4*d.* The mileage rate from Liverpool is 3¼*d.* per ton, as compared with the mileage rate from Hull of 2*d.* per ton a mile, very nearly the same distance. Take again, for instance, from Liverpool to Burton, a distance of 90 miles, the rate is 19*s.* 2*d.* From Bristol to Burton, 124 miles, the rate is 19*s.* 7*d.* The mileage rate from Liverpool is 2*d.* and ⅝ths of a penny, as compared with the mileage rate from Bristol of 1*d.* and $\frac{9}{10}$ths. of a penny. From the same towns to Bradford, for instance, from Liverpool to Bradford, a distance of 73½ miles, the rate is 17*s.* 6*d.* From Bristol to Bradford, 221 miles, the rate is 26*s.* 3*d.* The mileage rate from Liverpool is 2*d.* and ⅚ths of a penny per ton, as compared with the rate from Bristol of a 1*d.* and ⅓rd of a penny per ton. Precisely the same thing applies to Sheffield.

8. (*Mr. Horsfall.*) Are those the rates after making allowance for the terminal charges?—The terminal charges in each case are included, those are the actual rates of the carriage paid; but the rates are largely in excess from Liverpool, making an allowance for the terminal charges.

9. (*Mr. Roebuck.*) Can you state to the Commission the names of the several railway companies which make those different charges?—The charges of all the railways coming into Liverpool are uniform, they have a combination amongst them, and they all agree to charge the same rate.

10. I am talking of the different places that you have cited, there being different charges made at the different places. Can you point out the different railway companies which make those different charges?—I do not see how it is possible to do so, as the goods going from Liverpool to any one of those places may possibly pass over the lines of three or four different companies.

11. (*Mr. Glyn.*) The charge, I believe, is one through charge?—Yes, it is.

12. (*Mr. Roebuck.*) The charge from Newcastle to Sheffield is one through charge, but most of the traffic goes by different railways?—Yes.

13. There are various railways from Newcastle to Sheffield, are there not?—There may be; I am not aware whether the railway from Newcastle to Sheffield belongs to one company.

14. That is not the same railway that goes from Liverpool to Sheffield?—Possibly not.

15. (*Mr. Glyn.*) With regard to the traders in Liverpool they would not be affected by that question?—Not in the least, it does not matter what railway makes the charge, it is one through rate.

16. (*Mr. Roebuck.*) Are those different charges made by the same railway?—In some cases they are. With regard to Preston and Fleetwood, which is perhaps one of the worst cases I have, showing the greatest excess, an enormous difference exists upon the line of the same company.

17. (*Mr. Glyn.*) What company is that?—The London and North-western Company.

18. As to the route between Liverpool and Preston, there is great competition, is there not? There are several lines?—Yes; but there is no competition between them, and they all charge the same rate.

19. (*Lord Stanley.*) There are not only several lines, but several distinct companies, are there not?—There are two.

20. (*Mr. Glyn.*) Between Fleetwood and Preston there is only one company I believe?—Between Fleetwood and Preston there is only one line, but I think that two companies have an interest in it.

21. That is to say they rent it jointly?—I cannot say.

22. It is worked by one company, is it not?—That I cannot tell you. I believe it is worked by an arrangement amongst the companies there.

23. (*Mr. Lowe.*) You say that companies running out of Liverpool charge a uniform price, and that that is higher than the price charged by other companies?—I mean that the companies running out of Liverpool to a given place agree to charge the same rate amongst themselves.

24. The rate being a higher one?—That rate generally being in excess, for the distance carried, of the rate that is charged by other companies from other places, as much as from 20 to 50 per cent. in many cases.

25. (*Sir R. Hill.*) Are there any cases in which the charges to and from Liverpool are less than the charges to and from other towns?—The table which I hold in my hand relates to sugar and sundries. There is only one single case in which the mileage from any port is in excess of the mileage rate from Liverpool, out of I suppose 50 or 100 cases, and that is from the port of London. From the port of London to Stourbridge, for example, the rate appears to be 2*d.* and ⅐th. From Liverpool to Stourbridge the rate is 2*d.*

26. (*Mr. Glyn.*) On sugar?—Yes. Then from Liverpool to Wolverhampton the mileage rate is 2*d.* From Bristol to Wolverhampton the mileage rate is 2*d.* and $\frac{2}{10}$ths of a penny. Those are the only two cases in this table in which the difference is in favour of Liverpool as compared with other ports.

27. Those are the charges made by two different companies; one by the London and North-western Company, and the other by the Midland Company?—Does your question refer to from Bristol to Wolverhampton?

28. Yes?—In all probability those are the charges made by different companies.

29. (*Chairman.*) The greater part of the instances that you gave before had reference to different companies?—Yes.

30. (*Mr. Glyn.*) When you made a comparison as to the chemicals, was that done as between Liverpool and certain places in Yorkshire, because if you make a comparison as between Newcastle-upon-Tyne and Yorkshire there will be distinct companies?—Yes; in the majority of cases.

31. (*Mr. Horsfall.*) In each case the rate is largely in excess, is it not?—Yes.

32. The inequalities of which you have spoken press, I presume, upon those goods whose weight is out of proportion to their value?—Yes; upon all classes of heavy goods the difference in the rate of carriage presses with extreme severity, because in those cases the cost of transit is one of the most material elements in the cost to the consumer in the interior, and, therefore, the difference of 10, or 20, or 30 per cent. in the cost of transit is frequently much more than the entire amount of the profit upon the transaction.

33. In some cases is it not the fact that those heavy rates prevent the development of trade, so far as regards Liverpool?—Undoubtedly in many cases. Many cases have occurred in which business would have been done, where produce has been lying in Liverpool which would have been purchased, but produce has been bought in other ports in some cases at a higher rate, in consequence of the difference in the cost of carriage, where the distance from the place of consumption to the respective ports was as nearly the same as possible.

34. I believe that the trade of Liverpool is chiefly a transit trade?—Yes.

35. Can you state to the Commissioners what was the total tonnage inwards and outwards at Liverpool in the year 1864?—The return of the collector of customs at Liverpool of the tonnage of Liverpool during the year 1864, shows a total of vessels entered inwards and outwards of 9,640, and a total tonnage of 5,351,456 tons.

36. Are you prepared to state the total declared value of the British and Irish produce and manufactures exported from the port of Liverpool in the year 1863?—I find, from the last published return of the Board of Trade, that the total value of the British

and Irish exports from the port of Liverpool for the year 1863 was 64,789,266*l.*, which is a sum largely in excess of the corresponding exports from all the other ports of England put together, including London. One of the tables I shall put in will show that. (*See Appendix B.*)

37. (*Mr. Glyn.*) Can you give the same quantities for the preceding year?—No. I have merely taken these for the last year.

38. (*Mr. Horsfall.*) Is it not the fact that the traffic to and from Liverpool has become so enormous as to be in excess of the accommodation provided by the whole of the railway companies?—It is so, and especially at times when there is a large import of grain coincident with a large import of cotton. Whenever we have large importations of food into Liverpool, and large importations of cotton, the amount of the traffic passing from Liverpool into the interior is so great that the railway companies find the utmost possible difficulty, with their present means of accommodation, in conveying it, and the consequence is, that it imposes upon the traders in Liverpool very considerable loss and inconvenience.

39. (*Mr. Glyn.*) How many railway companies have termini in Liverpool, which are ready to do the work?—I presume there are three, although there may be more, that have an interest in them. There is the London and North-western Company, the Lancashire and Yorkshire Railway Company, and the Great Northern Railway Company. They have a terminus at the south end of Liverpool, it can scarcely be said to be brought into the town.

40. Do not more companies besides those three collect goods in Liverpool?—I think not, or if they do so, they do it through the agency of those three companies.

41. (*Lord Stanley.*) You do not appear to take into account the Great Western Company with its communication to Birkenhead and thence across?—No. In speaking of Liverpool, I am thinking of the Liverpool shore only. If you take into account the Birkenhead traffic, the Great Western Company of course comes into Birkenhead.

42. (*Mr. Glyn.*) Referring to the last question, do not the Manchester and Sheffield Company, as well as the Great Western Company collect goods, and have their agents in Liverpool?—They may have their agents, but they have themselves no line coming into Liverpool. If they carry from Liverpool, they must carry over the lines of the other companies.

43. But I presume that their stock comes to Liverpool to take away those goods?—No doubt it does so, but it comes over the lines of the other companies, they have no terminus of their own, no independent line of their own at Liverpool.

44. (*Mr. Horsfall.*) Had the railway accommodation been greater, and the rates equal from Liverpool to what they are from other ports, have you any doubt that the transit through Liverpool would have been larger than it is at present?—I have not the slightest doubt. Many cases frequently occur, of goods being diverted from Liverpool, which would have come to it, and the trade passing away elsewhere that would have passed through Liverpool in consequence of these rates.

45. That is particularly so, is it not, as to the salt trade?—It is. I have a letter here from a gentleman who is the chairman of the Salt Chamber of Commerce at Liverpool, Mr. Falk, he says, "That one "of the most important trades of Liverpool as regards "bulk, is the salt trade export amounting to upwards "of 800,000 tons in the aggregate: That it is "almost the parent of the port inasmuch as being "a primary necessity of life, it drew, in more remote "times, ships to the port who in exchange brought "produce to barter against salt: That railways have "never given any facility of carriage or accommodation "for loading of ships at Liverpool, although other "ports, Gloucester, Grimsby, Hull, have been extensively accommodated for salt traffic: That the consequence is an entire absence of competition with the "only channel of transit which brings salt to Liverpool, the river Weaver: That the rates of carriage "and dues levied by the Weaver navigation have therefore remained the same for a century past: That the "price of salt is 4*s.* per ton, at the works in Cheshire, "and the rate of carriage and Weaver dues the same, "4*s.*: That the London and North-western Railway "passes through the works at Winsford, 35 miles "distant from Liverpool, but takes no salt traffic to "Liverpool from reasons aforenamed: That the "rate of carriage for salt to Grimsby, 144 miles "distant, is only 6*s.* per ton; Hull the same: That "in consequence nearly the entire Baltic trade has "left Liverpool, and along with it the return import "trade of timber and other raw produce to the great "detriment of Liverpool and its merchants."

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46. (*Mr. Roebuck.*) In the letter it is stated that the Baltic trade has left Liverpool, as compared with the ports on the eastern side of the island. Does not the difference between the east and the west make a difference in the traffic to the Baltic?—No doubt it does. There can be no doubt whatever that the proximity of the eastern ports to the Baltic, would naturally draw to those ports a greater proportion of that trade. But I understand the statement of Mr. Falk to be this, that if 4*s.* are charged for carrying salt about 20 miles to Liverpool, and the same salt is carried 144 miles, I think for 6*s.*, that that is a very material disadvantage to the shippers in Liverpool as compared with the shippers in the eastern ports. The difference of sea carriage is a natural disadvantage which they have to contend against in reference to which they must do their best, but the other is an artificial disadvantage which is created to their prejudice.

47. (*Mr. Dalglish.*) Has the trade in salt in Liverpool suffered very much from another cause, namely, the doing away with the chemical works which use a great deal of salt?—I cannot answer that question, I am not familiar with the salt trade. This statement rests entirely upon the authority of the chairman of the Salt Chamber of Commerce and must be taken for what it is worth.

48. (*Mr. Horsfall.*) Have you had similar complaints made as to the coal trade?—Yes. I have here a letter, received from a gentleman who is largely engaged in that trade, complaining of the want of accommodation. This is addressed to the President of the Liverpool Chamber of Commerce, and he says: "As your Chamber has taken into consideration the "matter of railway grievances relating to the excessive rates of carriage to and from Liverpool, allow "me to put before you a short account of those "grievances which are suffered by the coal trade at "Crown Street, owing to the inadequacy of the "accommodation, which has not for a long time "(with very trifling exceptions) been materially "extended. The immense traffic which is brought "into Crown Street, including coal, and minerals, "and agricultural produce, is all carried from the "main line through a tunnel, which has only one line "of rails. The monthly total tonnage is from "40,000 to 50,000, and when it is taken into consideration that there is only the single line of rails "through the tunnel for this traffic to pass over, "and also that the yard accommodation is extremely "small, it will easily be perceived that the increased "business of the last two or three years has taxed "to the utmost the power of the London and North-western Railway Company to provide for it, and "their incapacity to do so properly has entailed "heavy loss upon the coal trade, by the excessive detention to which waggons are subjected. Waggons "which used to average one journey per day to the "collieries at St. Helens, Wigan, &c. &c., are now "usually from three or four days to a week, and "frequently more than a fortnight on the line; the "consequence of which is that colliery proprietors "would rather send a waggon to London than to "Crown Street station. A few months ago a letter "signed by the firm was sent to the chairman of the

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"company, in which full particulars were given of "the existing state of affairs, and suggestions made "that the company should extend their accommoda- "tion by the purchase of Parliament fields or other "land in the vicinity. After this a memorial, much "to the same effect, signed by most of the coal pro- "prietors and merchants at Crown Street, was sent "to the company, to both of which answers were "received, saying that the directors would give the "subject their best attention. The effects of this "grievance will be felt by this town in several ways: "Firstly, by part of the trade in coals which would "otherwise be sent here being diverted to other "parts of the kingdom; and, secondly, by the fact "that the loss which is at present sustained by "individuals will ultimately fall upon the public in "the shape of a corresponding increase in price to "the consumers."

49. (*Mr. Glyn.*) Are you aware that the London and North-western Railway Company are now applying to Parliament for increased powers to enable them to provide additional accommodation?—Yes.

50. (*Mr. Horsfall.*) Are you prepared to make a statement to the Commission as to the diversion of trade as between Liverpool and France?—There is a very large amount of business carried on between the manufacturing districts in Yorkshire and Lancashire and the various ports in France. Some five years ago, or more, when that business was very much smaller, and prior to the making of the French treaty, a certain part of that traffic passed through the port of Liverpool. I have had an opportunity of inspecting the cargo books of the company owning the principal line of steamers running from Liverpool to the French ports, and I find that at the present time there is actually a smaller amount of manufactured goods carried through Liverpool to France than was the case five years ago, before the development of the French trade, although that trade has increased, I suppose, four or five fold. That would certainly point to a diversion of the trade, and that diversion I attribute to the fact of the excessive charges that are made; for a man will not send his goods to Liverpool if he finds that he can ship them from another port at a lower rate.

51. (*Lord Stanley.*) Are you putting it solely on the ground of cost, or upon that other ground of complaint which, I understand, has been raised, viz., the delay which is caused in consequence of there not being sufficient accommodation upon the line?—In this particular instance I put it upon the ground of the cost. There is no doubt that the element of delay enters very largely into the case; for there is no doubt that if a man, sending his goods to Liverpool, finds that he incurs detention of two or three days, whereas by sending them to another port he can get them shipped more speedily, that of course very materially affects the question.

52. (*Mr. Roebuck.*) The element of cost that you are speaking of is the cost arising out of the railway charges and nothing else, is it not?—Nothing else.

53. There may be other charges which enter into the question which may cause a diversion of the trade?—Yes; but what I speak now of is the question of comparative cost of transit from the places of production to the various ports of shipment.

54. (*Capt. Galton.*) Is not your main argument this, that there is a want of accommodation at Liverpool for the large amount of traffic which is concentrated there?—Certainly not. That is by no means the main argument. The main case is that we are charged vastly in excess for carrying the traffic than is charged for the same traffic to other places.

55. Is not that the result of there not being a sufficient amount of railway accommodation for the wants of the place, and is it not an ordinary question of supply and demand, the railway companies having their lines filled with traffic to the utmost extent, which enables them to demand from you higher rates than other railway companies would, because their lines are not so crowded with trade?—There is no doubt that the fact of the railway companies whose lines come into Liverpool, having a very large amount of traffic at the existing high rates, does induce them to continue those rates, although, at the same time, they may be charging much lower rates for performing the same duties elsewhere; and not only this, but it keeps them in funds, and enables them to perform services which otherwise they might be indisposed to perform.

56. Does not the large traffic completely fill their lines with trade, so that they could not carry more, even though they reduced the rates?—I do not go the length of saying that; but at certain times, under the circumstances I have named, when we have large imports of those two great staples of commerce, then no doubt the railway companies have as much to do as they can do with their existing means of accommodation. But if they were to give us increased accommodation, they could carry a vast deal more.

57. I suppose you could scarcely call upon a railway company to expend a large amount of extra money in order to meet the public necessities, although other people might come into the market?—I do not know, but I may mention this; at the present time we have just the same rails that we had several years ago, when the traffic was much less, and if the traffic, as between Liverpool and Manchester, has doubled, why should not the railway company double their accommodation?

58. (*Mr. Glyn.*) You would say that there are plenty of means of working the traffic, if they had station accommodation sufficiently large, that is to say the lines would do the work?—I do not know that. I think that the lines in Liverpool have already as much work to do as they can ordinarily perform, and that what they want is increased accommodation, not only as to the station, but also the lines, as between Liverpool and Manchester.

59. (*Mr. Horsfall.*) Are you aware of any special reasons why the traffic to Liverpool should be subject to higher rates than to any other port?—No; and not only do I not know of any special reasons, but I think there are very strong reasons why the traffic to and from Liverpool should be charged at *lower* rates. I think that the cost to the railway company, of carrying traffic, depends in the first place upon the outlay of capital involved in the construction, and in the next upon the amount of traffic which is carried over the line. If you have a line which is fully occupied with traffic, as the line from Liverpool is, where the whole capital is in constant reproductive use, I think that the cost of conveying the traffic is reduced to a minimum, and that that is a reason why we should be charged something less, and not anything in excess.

60. (*Mr. Roebuck.*) I suppose that the railway charges are more than you think they ought to be, because the companies find it more profitable?—No, the railway company charges us more, because we are in their power, and we cannot help ourselves, because they have a monopoly. If we could send our goods in any other way, we should very soon find a remedy; but now we have no option, we must send our goods over their line.

61. (*Mr. Glyn.*) There is a great deal of water competition, is there not?—Not at all. You may send goods by the canal, but they are sure to charge the same rate.

62. You do not mean to say, I presume, that there is any combination between the Trustees of the Bridgewater Canal and the railway companies?—I do. I believe that there is an arrangement between them, that they shall not reduce their rates, and I think we had a communication from the chairman of the Liverpool and Manchester Railway, stating (it is some time ago, when we brought this matter before him, and I am speaking from memory) that they would be willing to make some reduction in the rates, but that they were under an arrangement with the Bridgewater Trustees not to reduce their rates below a certain point.

63. (*Capt. Galton.*) Are there not two lines of railway belonging to two companies which lead from Liverpool to Leeds?—I think it is one, the Lancashire and Yorkshire Company have a line to Leeds.

64. And the London and North-western Company?—I do not know that.

65. Are there not two companies from Liverpool to Hull?—The line that carries the traffic to Hull, is the Manchester, Sheffield and Lincolnshire line I think.

66. To Wakefield there are either two or three; but in the instance that you gave, from Newcastle to Leeds, there is only one line, in the hands of one company, so that the people at Newcastle are more in the power of the North-eastern Company than the Liverpool people are in the power of the London and North-western Company?—Practically at Liverpool we deal with but one company. Suppose, for example, that there are three, or whatever the number may be, they have one fixed tariff, so that practically we deal with but one company. We cannot go to one company and say what will you take our goods for, and then go to another company and ask them what they will carry them for, because they all charge the same.

67. (*Mr. Horsfall.*) What you mean is, that if there were a dozen railway companies, so long as such a combination exists, no better terms can be made?—I do not go so far as to say that, because, if there were a dozen companies, the probability is that the combination would break down; but, so long as it existed, we should remain in the same position as to the rates, although we might get an increased amount of accommodation in the transit. I can give the Commission a very striking instance of the way in which this trade is frequently diverted. I have a letter here, which I received from a gentleman who is a very large shipowner, and a member of the Mersey Dock and Harbour Board. It is a private letter, from which I will read an extract. He says, "The Staveley Iron-works Company had a large "quantity of railway material to send out to *India*, "and my firm made proposals for its conveyance "*from Liverpool*, which arrangement would pro- "bably have been carried into effect; but on looking "into the comparative cost of railway carriage to "London and Liverpool, it was found that the goods "would be sent to the former place for 3*s.* per ton *less* "than the latter, while the distances are respectively, "*in round numbers*, *170* miles from Staveley to "London, and only *70 miles* from same place to "Liverpool." Upon an article like iron, of course that decided the question, and the goods were shipped from London and not from Liverpool.

68. (*Mr. Glyn.*) Would not the question of freight by a vessel, after all, determine the question in a voyage to India?—As regards the freight, the freight I think, generally, from Liverpool, as between India and England, is nearly the same as from London, and the homeward freight is generally lower from Bombay to Liverpool than from Bombay to London. So far as regards the sea freight, I think the two ports stand upon a footing almost of entire equality.

69. Are not heavy goods taken at a little lower rate outwards from London?—Possibly they may be. I know that seeds and heavy goods are brought from Bombay to Liverpool cheaper than to London, but outwards that may not be the case. I apprehend that practically there is but little difference.

70. (*Chairman.*) Are these grievances and disadvantages of which you complain of long standing?—Yes; I think it is 10 or 12 years since these complaints have been pouring in upon us.

71. Do you consider that during all that time the rates from Liverpool have been exceptionally high as compared with the rates from other ports?—I think they have. I have not gone so far back as 10 or 12 years ago; but about that time we had complaints from the traders of these exceptional charges, and there have been from time to time certain reductions made.

72. Did not the railway companies come gradually into Liverpool, and was not the trade for a long time solely in the hands of the London and North-western Company?—Yes.

73. As soon as any other railway company got there did they immediately come to an arrangement with one another, or was there a competition for a short period of time?—Yes.

74. Were the rates much lower at that time?—Yes.

75. (*Mr. Glyn.*) Between what lines did the competition exist?—There was a competition in the carriage of goods from Liverpool to Manchester, and I think there was a very keen competition for some time between the lines running to Shrewsbury, between the London and North-western Company, and the Great Western Company to Shrewsbury; there was also a very keen competition to Manchester and back, but it lasted a very short time.

76. Was not the Lancashire and Yorkshire line between Manchester and Liverpool before the London and North-western Company's line was there. I mean before the amalgamation?—I am speaking of the old Liverpool and Manchester line, which ran from Liverpool to Manchester, under whatever name it might be called, and it is the same line now.

77. (*Mr. Horsfall.*) Speaking of those two lines, the old Liverpool and Manchester line, and the London and North-western Company's line now, is there not a prevailing opinion in the Chamber of Commerce at Liverpool, that the London and North-western Company, do not adhere to the principle contained in the Act of 1826?—Yes; there is that opinion undoubtedly. In the original Act, under which the line was first made between Liverpool and Manchester, there was a proviso, or I should say first that there were certain maximum rates granted in the first instance as the rates which the companies might take for carrying goods between Manchester and Liverpool, and then there was a proviso, that if the company should ever divide more than 10 per cent., for every pound so divided in excess, they should reduce the traffic rates to the extent of 5 per cent. I am sure that the Commissioners will be surprised to hear that the maximum rates fixed 39 years ago (in 1826), at a time when the trade was less than one-fourth of what it is now, are in some cases the identical rates which are charged at this day for the conveyance of goods between Liverpool and Manchester.

78. (*Sir R. Hill.*) Are those rates or tolls?—Rates. They are called "Rates for carriage." Take the article of sugar for instance, for all "sugar, corn, "grain, and flour," &c., "not exceeding 9*s.* per ton." That was the rate to be charged between Liverpool and Manchester, and the company were to carry goods from Manchester to Liverpool for that sum. They are not tolls. There is a separate schedule for tolls. But that rate of 9*s.* per ton is at the present time charged for carrying sugar from Liverpool to Manchester. The rate for carrying corn from Liverpool to Manchester, up to within the last two or three months, and until we agitated this question, was 8*s.* 4*d.* They have now reduced it to 6*s.* 8*d.* upon certain conditions. But the Commissioners will see that those maximum rates that were charged 40 years ago, are in some cases the identical rates which are now charged. When those rates were fixed, the total tonnage of Liverpool was about 1,200,000 tons, it is now 5,000,000 tons.

79. (*Mr. Roebuck.*) Will you explain how there has been a deviation from the Act of 1826?—The intention of that Act clearly was that a portion of the earnings upon this line between Liverpool and Manchester over 10 per cent. should go in reduction of the charges levied on the public. Our contention is that the earnings upon that line are far over 10 per cent.

80. Do they divide a dividend beyond that?—No, but they spread the earnings over the entire system.

81. (*Mr. Horsfall.*) That is to say over those lines which do not pay as well as those which do?—Yes; over those which do not pay one per cent. So that

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the advantage which the Legislature intended that Liverpool and Manchester should get from any earnings upon this line in excess of 10 per cent. is completely lost, and not only so, but if it was carried into effect we should have lower rates as between Manchester and Liverpool than exist between any two towns in England; because I believe that there are no two towns in England between which there is the same amount of traffic. For if Liverpool exports 64,000,000 of manufactured produce, whereas all the other towns put together do not export 60,000,000, it follows that the traffic into Liverpool must be enormous in extent. If this limitation were now practically carried into effect, we should have lower rates between Liverpool and Manchester than anywhere else. We do not get that advantage, but we are on the contrary charged a great deal more.

82. (*Sir R. Hill.*) Do you say that those limitations are still in operation?—I speak with deference in the presence of gentlemen acquainted with the law, but I have a copy of the Act of Amalgamation of the Liverpool and Manchester Company with the Grand Junction Company, and I find that all the rights and privileges conferred upon the public by this are expressly reserved. (*See Extracts from the Act in Appendix B.**)

83. (*Capt. Galton.*) If that is so, have you not got it in your own power to enforce it?—Certainly not; at least I think not. The wording of the Act is, that the Directors shall reduce the rates 5 per cent. for every one pound of dividend which they divide beyond 10 per cent. Now the Directors have never divided more. I have a list of the dividends that they have divided. Before the passing of the Amalgamation Act I find that in 1842 they divided 10 per cent. In 1843 they divided 10 per cent. In 1844 they divided 5 per cent. for the first half year, and they divided 4½ per cent. for the next half year. I am now talking of the Liverpool and Manchester line. But they have never divided more than 10 per cent.

84. (*Chairman.*) I suppose the question would have been tried if you had had good grounds and you thought you would succeed?—If we thought we had a legal remedy there is no doubt we should use it. There is a subsequent Act, a general Amalgamation Act with the London and North-western system, which I have not got, but which I shall obtain.

85. (*Mr. Glyn.*) I believe there was a subsequent Act in 1847?—Yes, I have applied for that, and it is promised to me.

86. (*Chairman.*) The complaint on this head at Liverpool is, that the spirit of the Act has not been carried out?—Yes; that the intention of the Legislature has been evaded.

87. (*Mr Lowe.*) What was the intention of the Legislature?—We take it to have been that a portion of the earnings upon this line, in excess of 10 per cent., that is, after paying the shareholders 10 per cent., should have gone to the reduction of the rates charged.

88. The Legislature has not said so?—The Legislature said that for every 1*l.* divided over 10 per cent. they should reduce their rates 5 per cent.

89. There has been no dividend above 10 per cent.?—No.

90. (*Mr. Horsfall.*) Why has the dividend not been increased?—Because the extra earnings upon that part of the line have been spread over the whole system.

91. (*Mr. Lowe.*) The Legislature never forbade that?—The Legislature never contemplated that.

92. Did they not leave the matter in the hands of the directors by saying that the reduction in the rates must depend upon the dividend?—Yes; it was presumed, I imagine, that if they earned more they would divide more, because that Act provides that they shall accumulate a reserve fund of 100,000*l.*; that after that is done, then the surplus shall be available for the dividend. It was thought that if they earned more they would divide more, a per-centage of the extra earnings to go for the benefit of the public in the way of a reduction of charge.

93. They never said that the extra earnings were to go for the benefit of the public unless the dividend was more than 10 per cent.?—I mean the extra earnings over and above the dividend of 10 per cent. I apprehend that they did not distinguish between what was earned and what was divided.

94. (*Lord Stanley.*) Do you say if a company which is upon the point of earning 10 per cent. upon their existing line, and which might be divided, thinks fit to extend itself by making branches, those branches earning a lower rate, and consequently diminishing the general rate of profit upon the whole line, that that is a violation of the spirit of the Act?—I contend that if this line from Liverpool to Manchester earns, as I believe it does earn, a sum largely in excess of 10 per cent., that to apply the whole of that excess for the purpose of making good the deficiencies upon traffic elsewhere, and to apply no part of it to reduce the charge upon the traffic is a violation of the spirit of that Act.

95. In that case was not the Legislature in fault when they allowed an amalgamation to take place between a paying line and another which was not making an equally good return?—I presume that the Legislature thought the companies understood their own business best. If the shareholders of the companies were willing to amalgamate, the Legislature probably did not think it necessary to introduce provisions for the protection of the shareholders. I am old enough to remember that the shareholders expressed the greatest disappointment at the result of their amalgamation; at least they did in Liverpool.

96. (*Capt. Galton.*) Is not a great part of the additional earnings made now due to the extension of the lines of railway?—Some part of them may be, but I doubt very much whether the larger portion of them is. The fact nevertheless remains that before this extension took place, they were earning 10 per cent. and if you take the natural growth of traffic which has increased since that time I think the inference is pretty strong that if with a small amount of traffic they could earn 10 per cent., with a much larger amount of traffic the earnings must be greater. The fixed charges are the same.

97. Had they not to make a large outlay of money, and had they not to construct a tunnel down to the river side?—Yes.

98. And to develope a very large goods station and other stations all along the line?—Yes.

99. (*Sir R. Hill.*) Had they not also to lay down heavier rails more than once?—No doubt there has been an increased expenditure, but the proportion which that bears to the increase of the traffic is after all remarkably small.

100. (*Mr. Glyn.*) Have you any idea of the figures representing the additional outlay both at Liverpool and Manchester on the lines of railway?—No; those figures I apprehend are entirely in the hands of the railway companies. I can only speak from my own personal observation of what has been done in Liverpool. We are not receiving the aid that we expected to receive but we are being charged in many cases the maximum rates.

101. (*Mr. Roebuck.*) When the Legislature allowed the amalgamation to take place, they did not prevent the companies from spreading the dividend over their whole system?—No. The inference which, I think, one may draw from this state of things is that in the Amalgamation Act those rights appear to have been expressly reserved; and, in the absence of anything to the contrary, I think I may infer that, in any further Amalgamation Act, a similar reservation would have been made.

102. (*Capt. Galton.*) Has the Liverpool Chamber of Commerce ever attempted to get up a rival company for the purpose of coming into Liverpool, with the view of getting the rates diminished?—No; that is quite beyond its functions. It exists for certain

definite purposes, and it has no power to step beyond those.

103. (*Chairman.*) I suppose that complaints of this kind have been frequently made to the railway companies?—Yes.

104. What answers have you received?—Always remarkably courteous and civil answers, but always ending in nothing.

105. Have they distinguished between the actual charges on the railway and the terminals, or has their reason for charging these high rates from Liverpool been stated to be the great terminal cost at Liverpool?—I believe that the matter was very closely investigated some years ago by a Parliamentary committee, and one of the gentlemen connected with the railway company then stated that the terminal charges might be taken at about from 1*s.* 6*d.* to 2*s.* a ton. Mr. Patterson, I think, was a witness examined on that committee, and therefore he will be able to speak with certainty upon the point.

106. Have the railway companies rested their charges from Liverpool to Manchester or other places upon the terminal cost?—They never have put it upon that ground in their communications with us.

107. (*Sir R. Hill.*) I understood that the terminal charges were excluded?—The terminal charges are the same for all distances, whether long or short. In the figures which I have given you the terminal charges in all cases were included. Those were the gross amounts paid.

108. But when you reduced them to a mileage rate I understood you to say that the terminal charges were excluded?—No; the terminal charges were not excluded from that; but that is an element to be taken into account. Assume that 2*s.* is, as I believe it is, ample to cover all terminal charges, the rate per mile would necessarily and properly be higher for carrying goods 30 miles than for carrying goods 90 miles.

109. May not the terminal charges, or rather the terminal expenses incurred by the railways, vary greatly; that is to say, may they not be greater or less in Liverpool than in other towns?—They would undoubtedly be greater in Liverpool than in other towns, but not greater in proportion to the traffic. That is the consideration that determines the cost. For instance, supposing the terminal charges in Liverpool to be any sum that you please, say 1,000*l.*, and that the amount of traffic carried through would be equal to 10,000 tons, the terminal charge there is of course 2*s.* per ton. You may have another town where the terminal charge is only 100*l.*, but, if the amount of traffic carried is only 200 tons, then you have a larger per-centage of terminal charges in that town than in Liverpool; and that I believe to be exactly the case.

110. (*Mr. Glyn.*) Do you say that 2*s.* for terminal charges would be generally a fair charge for every town in England?—I cannot speak with certainty upon that, but I believe that that has been already brought out in evidence before a Parliamentary committee, and a gentleman will be examined before you who was examined as a witness before that committee.

111. (*Mr. M'Clean.*) Are you aware that, as between Liverpool and Hull, the terminal charges include cartage?—Not upon all goods.

112. Then upon chemicals, which you have mentioned?—I am not aware that they do, but, if they do include cartage, I would ask whether they do not include cartage also in the rate from Newcastle to Hull.

113. From Newcastle to Hull they are without station charges; in the other case they are without cartage charges?—The rate from Liverpool does not include collection, I understand, of the goods.

114. No, it includes carting from the vessel and to the vessel?—But does it include cartage from the warehouse to the railway station?

115. Yes.—All I can say is, that it is quite the exception for the railway companies to cart the goods from the warehouses to the railway stations.

116. At Hull you are probably aware that there are lines of railway running into the chemical works?—Yes.

117. And at Newcastle?—Yes. I believe that the expense of carting may be taken at about 8*d.* or 10*d.* a ton. According to your statement the expense of carting in Liverpool is included, but it is excluded in Newcastle. If that be the case you would have to vary that rate by 10*d.* per ton.

118. Are you aware that the general charge for carting is 4*s.*?—I assure you that you are greatly deceived if you think that the expense of carting is anything like 4*s.*

119. Including the terminal charge?—That is different; but I know that the carting can be done at a profit at 10*d.* a ton.

120. From Sheffield to Liverpool there are two cartage terminals, and from Hull to Sheffield there is only one?—There would be the same terminal charges at both; the difference is in two cartages.

121. Yes?—The terminals being the same in both cases, the cost of carting would be, in my opinion, liberally allowed for at 10*d.* a ton.

122. That is, the general charge all over the kingdom is 2*s.* 6*d.* a ton?—I can assure you that you are in error upon that point, for there are thousands of people in Liverpool who would be delighted to take the carting at about 10*d.* or 1*s.* a ton; and I do not see, if that be the case, as I know it is, why the railway company should not do their work as cheaply as other people can do it at 10*d.* a ton.

123. (*Mr. Hamilton.*) For what distance?—Take all distances in Liverpool. Our system extends perhaps four or five miles; but I will take all distances, long and short, and I know that we can do it for 10*d.* a ton.

124. (*Sir R. Hill.*) Do you mean all kinds of goods?—I do not know what it might cost for carting some matters; that is a thing that you would require to have evidence upon; but taking the general produce, the sum that I have named would cover it.

125. (*Mr. M'Clean.*) Are the rates charged in any case higher than those which are authorized by the Acts of Parliament?—No. I am not aware that they are higher than those authorized by the Acts of Parliament, because the Acts of Parliament contain the maximum rates, which, for moderate distances, are very well, but which would simply be monstrous if they were applied to long distances; as, for instance, suppose I take a rate of 3*d.* or 4*d.* a mile, it might be perfectly fair to apply that to a distance of five or six miles, but not to a distance of 50 or 100 miles. Such a rate in that case would be simply preposterous.

126. (*Chairman.*) Do the rates as charged at Liverpool include the collection and the delivery of the goods?—As a rule, I believe they do not include the collection of the goods in Liverpool.

127. If the traders themselves carry the goods to the railway station, I presume they are not charged so much?—In nine cases out of ten the railway companies do not collect the goods in Liverpool.

128. (*Sir R. Hill.*) They do, I believe, deliver the goods coming into Liverpool; they carry them to the harbour, do they not?—In some cases they do, but that, I imagine, is under a special arrangement made at the time.

129. Do the charges which you have given us include the conveyance of the goods from the station to the warehouse or to the ship?—To the place of delivery.

130. You have given certain charges from certain towns to Liverpool?—No, the other way; the charges from Liverpool to certain places. It is the exception, so far as my experience extends, for railway companies to collect the goods in Liverpool. They may do so in certain special cases, and they do so, no doubt, in certain cases, but it certainly is not the rule.

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131. (*Mr. Glyn.*) It is done by agreement, is it not?—Yes.

132. (*Chairman.*) Do you complain of the charges to Liverpool, as well as of those from Liverpool?—Yes, precisely the same.

133. The latter are also, in your opinion, exceptionally high?—Yes, as compared with the charges made to other towns.

134. (*Sir R. Hill.*) Do the sums which you have given us, generally speaking, represent the charges from Liverpool?—Yes. All the cases that I have given you have been comparisons of the rates of charge for carrying goods from Liverpool to certain places, and carrying the same goods from another port to the same places.

135. (*Mr. Roebuck.*) I think you read a statement about certain railway materials from Staveley to London and Staveley to Liverpool; that was not from Liverpool?—No. When I speak of rates I speak as to those tables which have been prepared, and which I have handed in. The tables which I have quoted from, are all tables of rates from Liverpool to certain places, and the special instance which I have given you from the letter I quoted on the subject of rails referred to the rate charged from the place of production to the port of shipment, that being in one case London, and in the other Liverpool.

136. (*Sir R. Hill.*) You have given us the rates charged upon salt. Those must have been the rates to Liverpool?—Yes. That was an instance showing the rates charged from the place of production to Liverpool, on the one hand, and from the same place of production to the port of Hull, on the other.

137. Did the charge, which I think you gave of 4*s.* a ton, include the delivery of the salt beyond the station to the warehouse or the ship?—No; that is the river charge; that does not come into the railway station.

138. Your complaint is, as I understand you, that they do not carry your salt?—Our complaint is, that there is no competition, and in consequence of that, the rate has remained the same for a long time without any variation.

139. (*Mr. Lowe.*) Have you any remedy to suggest to the Commission for this state of things?—No. The Scotch people have found a remedy for it, so far as they are concerned, and their remedy has been, to oppose every railway bill for amalgamation or for traffic arrangements unless the parties would consent to introduce clauses giving them moderate rates of carriage between certain towns. That has been done just within the last few days or few weeks, both as to Edinburgh and Glasgow. They have actually stipulated for rates considerably lower between Edinburgh and Glasgow, a distance of 48 or 50 miles, than the rates that we now pay from Liverpool to Manchester, which is a distance of only 31 miles. That is one remedy, but whether a more general remedy might not be found, by the exercise on the part of the Legislature or the Government of any controlling power over the administration of railways, is a matter upon which I have not yet formed any opinion; and I have scarcely had sufficient materials to do so upon a point which is so important. I think it is, however, abundantly clear, that there must be the very strongest public necessity for endeavouring to control a system which causes so great a waste of capital as the present system does. If you carry goods 100 miles by any system of tolls across the country, when they might be shipped from another place only 30 or 40 miles distant, it is clear that there must be a great waste of capital there, and that it must ultimately fall upon the public in some shape or other.

140. (*Mr. Roebuck.*) Might not other ports complain in the same way that you now complain?—I do not see that any port has a right to complain if they are put upon an equal footing, that is to say, so long as they are all charged the same sum for the same service, I do not see that any one has a right to complain. Liverpool would not complain of Hull getting a large share of the Baltic trade. They would have no right to complain of Liverpool getting its share of the Irish or the American trade. If a part of the trade that would go naturally to Hull were sent to Liverpool in consequence of a much higher rate being charged, then Hull would have a right to complain. At Liverpool we do not complain of any natural advantage that one port possesses over another, but we do complain that the advantages that we do derive and would derive from our natural situation, are neutralized, and more than neutralized, by this system of charge.

141. Speaking now of your proposed remedy, is it proposed by you to make equal charges for equal services?—Yes.

142. How would you accomplish that? how would you put it into a legislative form?—I think it might be done, for instance, in a railway bill, in either of two ways, either by binding a company to carry from a given port, say, Liverpool, goods from Liverpool over their line at rates which are not in excess of the rates they charge from other places for carrying the same goods the same distance; or it might be done by the introduction into the bill of a special schedule of rates, based upon the rates they actually charge, and providing that any advantage that was given to one place should be equally given to another, that is to say, where the distances were alike.

143. (*Mr. Lowe.*) You would oblige a railway company never to charge more than it does at the lowest point?—Yes; I think that where the conditions for carrying the traffic are as favourable in the one place as they are in any other place, the charge for carrying the traffic from that place should not be in excess of the charge made for carrying it from another.

144. But suppose that a company, by the competition of water carriage, is driven to charge a very low rate in order to retain the traffic, you would oblige the company to make the same charge everywhere, even where that state of things did not exist?—I think the answer to that is this, that if you take two points between which the water competition exists, and in consequence of which the rate is carried down very low, either that traffic is worth carrying at that rate or it is not; if it is worth carrying, then there is no reason why the same advantage should not be given to the public in other places where the cost of carrying is not in excess; if it is not worth carrying, it is a question whether the company has been wise in continuing the competition.

145. Then you answer in the affirmative; you would say that the lowest charge should be the rule?—No; I do not say that generally, but that if you have two points between which the cost of carriage is as low as it is between any other two points upon the same line, the rate charged for carrying should not be in excess of the rate charged for carrying elsewhere. But if you introduce a very exceptional case, I do not see any objection to meeting that with an exceptional provision.

146. (*Mr. Roebuck.*) Do not the gradients upon a line of railway cause a difference in cost from one place to another. Suppose, for example, that the gradients are more favourable from one town to another, then the cost to the company would be different?—Yes.

147. Then in consequence of that the charges would be different; but how would you put that into a legislative form; how would you meet that difficulty?—The best way I think would be this, to take a rate which was, upon the whole, a fairly remunerative rate, under the most unfavourable circumstances that could reasonably be imagined, and make that the maximum rate applicable to all places alike, not fixing a rate per mile for long and short distances alike, a rate which may be perfectly fair for short distances but grossly unfair for long distances, but making a separation between the carrying charge and the terminal charge, and taking a certain scale, and saying that the maximum rate for carrying

20 miles shall be so much, and the maximum rate for carrying 50 miles so much more, and the maximum rate for carrying 100 miles so much more, and base that maximum rate upon a rate which shall be remunerative to the company under the most unfavourable circumstances that can reasonably be imagined.

148. You think that that would meet the difficulty ?—Entirely.

149. Suppose, for example, that the company never exceeded the maximum rate, but applied the maximum rate, say, to one town, and the minimum rate to another, as they do now, how would you get out of that difficulty ?—I apprehend that the only way of getting out of a difficulty of that kind, although it is certainly not one easily got over, would be by a general clause of the kind I have mentioned, binding the railway company to carry for equal rates, where the circumstances were equally favourable.

150. But how are you to decide that point ?—That is the practical difficulty to which you come. I think you must have some tribunal to appeal to.

151. How is the tribunal to decide that. The tribunal is neither omnipotent nor omniscient ?—You can only decide it by a process of inquiry.

152. That inquiry must take place upon every occasion. Suppose, for example, that one man sent goods from A. to B., another sent goods from A. to C., and another from A. to D., there would be three different cases, and would you have an inquiry for each ?—No, that is not what I am contemplating. You are assuming now, I presume, that there is to be a maximum charge calculated upon the basis of a remunerative rate to the company under what might be reasonably considered the most unfavourable circumstances, and that there should be as between certain towns at given distances specific rates.

153. You would have, as I understand you, each town through which the railway goes named in every Act ?—I think it might be done in this way. I should propose to take certain distances, starting from Liverpool as a basis. I should mention that we have confined our attention to Liverpool, but you are now asking me questions having reference to a state of things in other parts of the country. But what I should propose is this, to take a distance, say under six miles, and to charge for that at a certain rate, say 1*s.*, and 2*s.* to cover the terminal charges, making together 3*s.*

154. No matter what the gradients might be ?—I mean from Liverpool.

155. Going from Liverpool you may go to every part of England ?—Yes ; but I mean under six miles from Liverpool. If you want to send goods, according to this scale, a distance of six miles along that line, the rate, according to my proposition, would be 1*s.* for carriage and 2*s.* for terminal charges, making together 3*s.*, that is at a rate of 2*d.* a ton per mile, but that rate of 2*d.* a ton per mile diminishes in proportion to the distance carried. If the distance were 12 miles I would take it at $1\frac{1}{2}d.$ per ton per mile, still allowing 2*s.* for terminal charges.

156. A distance of 96 miles from Liverpool south might, and I think does, imply a very different state of gradients than 96 miles in another direction, and therefore to the company there would be a very great difference in point of cost, and if there were a great difference of cost on account of the comparative difference between the gradients north and south, would you lay down the same rule that you have just mentioned for the 96 miles with bad gradients as for the same distance with better gradients ?—I understand the question to be, would we apply the same rate per ton per mile for 96 miles in every direction without reference to the cost of construction. I say that we would, because you must take the average cost of construction over the entire system, and not the cost of construction over any particular 96 miles. The scale should be based upon the average cost of construction.

157. (*Sir R. Hill.*) Does it not frequently happen that steep gradients are adopted to save cost to the company in the construction of the line ?—Undoubtedly.

158. Therefore, although the company might incur a slight additional charge in working over a bad gradient, it would have incurred a much less charge in the construction of the line ?—Yes, undoubtedly.

159. The company chose a steeper gradient because, upon the whole, they considered it to their advantage ?—No doubt of it. They saved the outlay of capital in the first instance in the construction of the line at the cost of a little additional expense in working the traffic over that part of it. The Commissioners will understand that I am taking Liverpool as a fair example, and not taking the possible cost of the construction of a railway through the Himalayas.

160. (*Chairman.*) You complain more of the inequality of the charges than of their absolute amount ?—Yes.

161. You would not care much if you were charged the same rates as at present, provided the same rates were also charged from Hull or Newcastle ?—No. We complain of both, but first and mainly, that the charges are unequal, also that they are excessive. If we were all sharers in misfortune, we might bear our misfortune patiently, but when we find that we are the main sufferers, and that other people are not treated so badly, that rather aggravates our complaint.

162. You complain of the amount of the rates charged, as well as of their inequality ?—Yes ; as in the instances I have given. We complain that the charges are excessive, as well as of the inequality of their pressure.

163. (*Mr. Dalglish.*) Then, if I understand you, you would by legislation make the London and North-western Company, who are overloaded with business, charge the same rates as the proprietors of the line from Hull to Bradford, where there is a great want of trade ?—No, we do not seek to do anything of the kind.

164. How otherwise are you to equalize the rates ?—What we seek to do is this : we desire to compel the same company to charge from Liverpool the same rate that it charges for doing the same work elsewhere.

165. But I am talking about the rates. You complain that from Liverpool to Bradford the rate is, say, $2\frac{1}{4}d.$ a mile, or whatever it may be, and from Hull to Bradford it is $1\frac{3}{4}d.$, and you desire to have an equalization of the rates, so that your merchandise going from Liverpool to Bradford may be taken at the same rate per mile as from Hull to Bradford ?—We are willing to pay the company that takes our goods from Liverpool to Bradford a rate which shall not be in excess of the rate which that company is charging for carrying the same goods the same distance over other parts of their line.

166. That applies only to one company ; but I thought you introduced the question of rates charged by different companies ?—Yes, but that is a separate question.

167. You desire to have Liverpool placed in as favourable a position for carrying its produce to Bradford as that produce could be carried for from Hull to Bradford ?—Yes.

168. Although it would be carried over two different systems of railway ?—Yes.

169. Do you see any way by which the Legislature could so deal with the question that the London and North-western Company, who have plenty of work to do, should be compelled to charge only the same rate as another railway company who were charging a very low rate because they wished to increase their trade ?—If you compel the Lancashire and Yorkshire Railway Company to charge a rate not in excess of the rate charged for carrying the same goods the same distance over other portions of that line, the practical effect would be to put the rates between Liverpool and Bradford, and between Hull and Bradford, upon a footing, if not of absolute equality, of at least a close approximation to it. It

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might not give you a perfectly uniform rate, but it would be more near to that than it is now.

170. Following that up, you have given us the rates between Liverpool and Preston, and Fleetwood and Preston. I will suppose that the two lines are part of the same system, and that the rate on the one is a $1\frac{1}{4}d.$ per mile, and the rate on the other $2\frac{1}{4}d.$, Fleetwood to Preston ?—Yes, on timber.

171. Then, is it not possible on the Fleetwood line that there is a great want of traffic, and that the railway company finding Fleetwood a very desirable port for the importation of timber, carry it at a lower rate, in order to relieve their other line ?—Yes.

172. Do you think it would be very fair to them to say, "You must charge the same rate from Liver- "pool to Preston as from Fleetwood to Preston ?"—Yes ; perfectly fair. I do not mean that you should say they should charge the same amount from Liverpool to Preston, which is perhaps 30 miles, as from Fleetwood to Preston, but I mean at the same rate per mile.

173. Do you mean that, taking into consideration that one part of the railway is quite overpowered with work, while the other has not half traffic enough ?—Yes ; but why is it overpowered ? It is overpowered for this reason, that, instead of taking the funds which they derive from the traffic upon the line, and employing those funds to provide increased accommodation, they have been diverting those funds to make a line, and to construct docks and erect warehouses where there is actually no traffic at all. Instead of giving increased accommodation to the traffic in its natural channel, they have spent their money to force it into another channel, and that is the reason why these unequal rates exist. That is the very thing of which we complain, that they spend their money to force the traffic to go elsewhere, instead of sending it in the natural channel and giving increased accommodation. We say that, not only are we damaged with the public to a very large degree, but the railway company endeavours to force that traffic out of its natural channel, and we know that that is always an expensive mode of proceeding.

174. (*Mr. Roebuck.*) Do not your wishes converge altogether to one point, namely, uniformity of charge? —Uniformity of charge from the same place and for the same distance. That points, not to a uniform mileage rate of, say, $1d.$ or $1\frac{1}{2}d.$ for any distance, but to a uniform rate for an equal distance and under similar circumstances.

175. (*Sir R. Hill.*) Should you see any objection to an arrangement of this kind to extend to all railways ; *viz.*, that in respect of each description of goods there should be, first, a charge for loading and unloading and for other terminal expenses, that charge being made in all cases, whatever the distance might be ; then, in addition to that, a uniform mileage rate, whatever the distance might be ? —The first point that you put is absolutely essential, if you come to anything like a fair adjustment. You must separate between the terminal charges, which are fixed, and the carrying charges, which fluctuate, in proportion to the distance. The only objection that I can see, eliminating altogether the question of the terminal charges, to fixing a uniform mileage rate for distances long and short, is this, that there are two elements of cost, which are smaller in long distances than in short ones. Every manufacturer knows that if he has to get up steam, it will cost him as much to get up steam for three hours as for four hours, and the cost of the men's wages will be perhaps as much for three hours' work as for four. Thus there is a small fractional saving in going long distances upon the cost of fuel, and upon the labour employed, as to wages, in driving the train, as compared with short distances.

176. Might not those expenses be merged in the terminal charges ?—They do not form any portion of the terminal charges.

177. Is not getting up the steam strictly speaking a terminal charge ?—Yes ; but keeping it up after you get out of the station is not. What I mean is this, you have a certain amount of motive power sufficient to propel a train, say 50 miles ; but the motive power is not completely exhausted at the end of that distance, there is as much motive power with the same expenditure of fuel as would have sent the train say 5 miles further ; and if you charge for 50 miles at the same rate as for the longer distance you may be unduly weighting the longer distance in favour of the shorter one.

178. Then the total charge divided by 50 would give a higher mileage rate than the total charge divided, say by 100 ; but in all these matters all you can do is to make an approximation to fairness. Do you see any practical mode which could be laid down by the Legislature which would make a nearer approximation to fairness than that which I have suggested ? —I think that the mode which should divide the distances, and which should stipulate for a slightly fractional higher rate for a short distance, than for a long distance, would be a closer approximation to exact justice than your suggestion.

179. (*Mr. Roebuck.*) Apply that rule to the terminal charge. The terminal charge for 5 miles being the same as the terminal charge for 100, it necessarily falls upon the five miles in a much larger degree than upon the 100 ?—Yes.

180. Then applying your rule as to division of distances to the terminal charges as well as to the railway charges, would not that be a nearer approximation ? —No. In my opinion the first thing to do is to strike out the terminal charges when it is a question of comparative mileage rates, because the terminal charges being the same for short as for long distances, you cannot get anything like an accurate comparison. The question is what is the actual cost of carrying goods, say, 100 miles, as compared with the actual cost of carry them 50 miles, and setting aside the terminal charges, all the elements of cost appear to be the same, with the exception of a small economy in fuel in driving the train, and a small economy in the wages of the labour employed. These two points are in favour of a long distance as compared with a short distance, and therefore on that ground I think that the long distances ought to be charged a small fraction less per mile than the shorter ones.

181. Do you not think that that might be compensated for by the difference arising out of the terminal charge, which would be thrown upon 5 miles, being greater than upon 100 miles?—Certainly not; because there is no gain on the short, and no loss upon the long distance, so far as the terminal charges are concerned.

182. (*Mr. Glyn.*) You appear to leave out in your calculation all reference to capital ?—In what calculation ?

183. You have enumerated several heads of expense, the cost of fuel and so forth, but you have not referred to the capital originally laid out, and which in the case of one line may have been 100,000*l.* a mile and in the case of another only 10,000*l.* a mile ?—I think that you have a little misapprehended what I meant to say. That which I was comparing was the cost of carrying goods, say, 50 miles, and the cost of carrying goods 100 miles over the same line of railway, and I was endeavouring to make a separation between the items of cost, which are equal in both cases, and the items of cost which are unequal, so as to see whether the principle of a uniform mileage rate could not fairly be applied. Now the capital employed in the construction of a line is one of those items of cost which equally applies to 50 miles as to 100 miles ; that is, the cost of the construction of a line is twice as great on the same line for 100 miles as for 50 miles and so far as that goes a uniform mileage rate would be perfectly fair on the same line.

184. But not as compared with some companies where the question as to original outlay might be very different ?—If there was a very large difference in the outlay, or supposing, for example, that the traffic

was taken over two lines of railway belonging to the same company, there might be a difference there; but I think the point is this, that the cost of conducting the traffic does not depend upon the original amount of the capital expended, but upon the proportion which the traffic carried over the line bears to the cost of conducting it, that cost of conducting it including the interest upon the original capital. The actual charge for carrying relatively may be much smaller upon a high priced line than upon a low priced one; and I believe that that applies with special force to the line between Liverpool and Manchester, for they have a line there of which the original cost was great and the proportionate cost of conducting the traffic remarkably low in comparison with conducting similar traffic elsewhere.

185. (*Lord Stanley.*) Parliament having left a large discretion in the hands of railway companies as to the charges they may make, you wish to limit that discretion and compel them to place the traders sending goods by their lines for equal distances upon an equal footing?—Parliament has limited I think already, or intended to do so, the power of railway companies to charge rates, by fixing certain maximum rates, and I apprehend the object was to show railway companies that they were not at liberty to charge anything they pleased, and that they were introduced as a protection to the public. My contention is that those maximum rates are so constructed that it is possible for railway companies under them to charge excessive rates, and they do so in the case of Liverpool. What I seek is to compel railway companies to remove the inequalities which now exist between the charges for carrying goods from Liverpool and the charges made for carrying from other places.

186. Is not the security which the shareholder has for getting a return for the capital he has expended in the construction of a railway the power of charging anything that the company pleases within the limits which Parliament has fixed? and how, after that bargain has been made between the shareholders and the public, can you fairly diminish the rate on condition of receiving which the shareholder has consented to invest his money in the undertaking?—There will be no diminution of the security unless you propose to reduce the rates to a point at which the railway company will be unable to earn the usual dividend. It is a mistake to suppose that by charging the maximum rates the security to the shareholder is in any degree increased; in point of fact I believe that experience will show that a reduction of the rates would often be the wisest policy to pursue in the interests of the shareholders themselves.

187. As a matter of fact Parliament has left it in the hands of the shareholders to decide as they think fit upon what rates they shall charge within the limits fixed?—As a matter of fact they have done so.

188. (*Chairman.*) You would like the maximum tolls to be diminished, and you would compel each railway company to carry at a uniform rate over their whole system?—I should like to have the maximum rates separated in the first instance into two elements, terminal charges, and carriage rates. I would have those carriage rates diminished and classified in proportion to the distances over which the goods were carried.

189. (*Mr. Roebuck.*) Are you aware whether railway companies make specific contracts with individuals for each specific service which they may perform for them?—I believe that is the case now. I have made the very closest inquiries upon this subject, and if you ask me my opinion, I say that I entertain not the slightest doubt of it; but the difficulty is this, that there is almost an insuperable difficulty in getting any proof of it, unless you had the power to compel a man to give evidence, and the men who could give the evidence are the very men whose interest it is to conceal the fact; but that the fact is so, is, I believe, perfectly notorious.

190. For example, suppose that A., wanting to send a certain quantity of cotton from Liverpool to Manchester, pays one rate, having made a special contract with the railway company to carry his goods; and then B. comes wanting also to send cotton to Manchester; do you think it has happened that a different contract has been made with B. as to the carriage of his cotton from that which has been made with A.?—Substantially I believe that to be so, but it is not done in the way you suggest. I believe that by entering into certain arrangements with the companies one trader is able to get his goods carried between two points at rates considerably lower than are charged to other traders sending goods between the same points. I am speaking now entirely from knowing that the thing is notorious, although I cannot obtain proof of the fact.

191. If I have been informed that this is done, you think it is quite true, and that the schedule made by the company of their rates is no guide to actual reality, but that in each particular case there may be, and there very often is, a contract made to carry a particular person's goods at certain rates?—Do you mean the schedule in the Bill?

192. No; I mean the schedule which is put forward as that according to which the company would carry goods?—In many cases I may say that that schedule is perfectly illusory, for you can get goods carried at rates which are considerably under the rates named in that schedule; and I think I can give the Commission a proof of that. I have received from a gentleman engaged in the corn trade in Liverpool, one of the largest corn merchants there, a list of the rates which his firm have actually paid, and do pay, upon the carriage of flour from Dunkirk to Liverpool and Manchester. They get the flour carried from Dunkirk *viâ* Hull, Goole, Hartlepool, or Newcastle-upon-Tyne through to Manchester at 16*s.* a ton, including the sea carriage from Dunkirk to Hull or Goole or Hartlepool, and all expenses of unloading there, and the land carriage from those ports respectively to Manchester. That is done for 16*s.* a ton, and they have got it done for 14*s.* a ton. They can get the same service rendered on flour going to Liverpool for 18*s.* a ton; but if you want to get those goods from Hull to Liverpool alone the rate will be 12*s.* 6*d.*; that is to say, you get the service, sea and land together, and all the incidental charges, done for 18*s.* in the one case, and for 16*s.* in the other, but if you want a certain land carriage done alone the rate is 12*s.* 6*d.* I believe that in special cases it has been done at a through rate absolutely as low as the land carriage alone.

193. Would there, in your opinion, be a different charge made to different individuals?—I believe that it is quite possible. In the case of the gentleman who gave me the information, although he was very unwilling to give it, I believe that he got large quantities of goods at rates very considerably under the nominal rates which the company professed to charge.

194. (*Mr. Glyn.*) There was a very large quantity carried, was there not?—He did not say in this particular case anything about the quantity; but there is no doubt that in the case I speak of, where the lower rate, or the rate as a through rate, was charged for the entire service, though it was a lower rate than the company professed to charge for the land service alone, there is no doubt that in that case the quantity was large. Still it is certainly not easy for anyone to understand how it can be cheaper to carry goods from Dunkirk to Newcastle-upon-Tyne by a steamer, having to pay all the charges from Newcastle-upon-Tyne to Manchester or Liverpool by railway, than it can be to bring goods from Newcastle or from Hull direct by railway alone.

195. (*Mr. Lowe.*) Did you say that all the lines of railway running out of Liverpool are overloaded with traffic at the present time?—No; what I said was, that the excess of traffic in proportion to the amount of accommodation occurred when there were simultaneously large imports of cotton and large

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imports of corn; now, unfortunately, there are not those large imports of cotton.

196. Still you consider that the lines are overloaded?—At certain times they are. Under the circumstances I have already mentioned, the amount of traffic passing over those lines has been greater than they were able to accommodate; and I think so from this fact, that I, as a merchant, have frequently despatched goods to the railway station, and I have found that there has been detention there for several hours before they could unload the carts; and there have been frequent complaints made of the detention of goods upon the lines.

197. Then is not your case this, that you want another railway or two running into Liverpool?—No; we want additional railway accommodation, whether by the same companies or by other companies we do not mind.

198. Is not the obvious course for you to adopt to get up another railway or two, or intimate to the present companies that you will do so unless they double their lines and provide extra accommodation?—That would amount to this, we might get an additional railway or two, but then we should not be in a better position, if, by entering into traffic arrangements with the London and North-western Company they determined to charge the same rates as have been charged heretofore.

199. You think that the competition would not be kept up?—No; for, it must be borne in mind that, although gentlemen might get up another line, you could not prevent them from alienating their shares.

200. Then you think you could not do such a thing in Liverpool, and that there is no possibility of getting up another railway?—There would be every possibility of getting it up, but we should be in no better position unless they treated us in some different way. There is a company at the present time seeking to come into Liverpool, their object being to construct an independent line from Manchester to Liverpool, and if that company, the moment it gets its bill, agrees to charge the same rates as the other companies, we shall be just in the same position.

201. Is that proposed line being supported in Liverpool?—I cannot say that we are supporting it entirely; but we have offered to support it on certain conditions, that is to say, on their giving us more equal rates of traffic.

202. Do the projectors of the line decline to do so? No; they do not decline it, but, on the contrary, I may state this, that I have received a letter from the Chairman, in which he expresses his general approbation of the principle of equality of charges, and promises, so far as he is concerned, that everything shall be done to give us those equal charges. I am referring to the Manchester, Sheffield, and Lincolnshire Railway Company, and I mention this as a curious illustration of these matters. I was asked this question, whether we had ever gone to the railway companies, and what we got by going, and this, I think, will show what we do get. The chairman expresses his approbation of the principle of equal charges, and says that that which prevents him from introducing a clause giving us equal charges is the fact that a Royal Commission is now investigating the whole matter, and as we shall have an opportunity of stating our case before that Commission, it would be impolitic to do what we ask him to do.

203. (*Mr. Roebuck.*) The question is whether the same difficulty as to competition does not arise in other companies. Take, for example, the case of gas companies, and suppose that there are three gas companies in the same town. For a certain time they compete with one another, and the public benefit by it; but by-and-bye they say,—"It is time for us to "combine. We will divide the town and charge the "same rate for the gas supplied." Is not that exactly the same case that would occur in Liverpool if another railway was laid down there?—I think you could not have given a happier illustration of the case of Liverpool than the one you have given as to the gas companies. What you have supposed, actually exists at Liverpool. We had in Liverpool, I think, two gas companies, and at that time the price of gas was, I think, either 4*s.* 6*d.* or 5*s.* per 1,000 cubic feet. Those companies wished to amalgamate, and they came to Parliament for increased powers, and a clause, quite analogous to the clause in the London and North-western Bill, was inserted, binding the companies to this, that when their dividends exceeded 10 per cent., they should reduce the price of gas; and the consequence has been that the price of gas in Liverpool has been reduced, I think, 33 per cent. We have no objection to the railway companies entering into any arrangement they like, provided that we, the public, get a fair share of the benefits, if there are any, arising out of amalgamation or traffic arrangements. What has actually happened at Liverpool with regard to the price of gas would have happened as to the rate charged by the railway companies, if that very wise provision of the Legislature in 1826 had not been evaded or got rid of.

204. Do you believe that any legislative enactment as to the maximum or minimum dividend can be so framed that it cannot be evaded?—I am not prepared to set any bounds to the power of human evasion, but still I think it is quite possible to draw up provisions that would render evasion very difficult; and, moreover, I think it would be possible to attach such penalties to evasion as to prevent it.

205. You think that when competition is limited to a small number, competition is a good thing?—I think that competition is a good thing, whether it be limited to a small number or to a large number.

206. But when it is limited to a small number, do you think you can regulate the competition; will it not be evaded in spite of all you can do, as in the case of the gas companies; how could you prevent it?—The gas companies have not evaded it, because there was a provision, and we get the advantage of that provision. They do not evade it. As their profits increase the price of gas is diminished, and the reduction has been, I believe, from 25 to 33 per cent. in Liverpool.

207. (*Mr. Glyn.*) What dividend is paid?—10 per cent.; that was the limitation.

208. (*Lord Stanley.*) Parliament having originally authorized these companies to charge a certain sum per mile for all traffic, the shareholders having put their money into the undertaking on the express understanding that they were to be allowed to make a certain charge, do you contend that Parliament can now, without committing a breach of faith, compulsorily reduce the charge which the companies are allowed to make, without refunding to the shareholders the money they have invested?—I contend that Parliament has not fixed specific rates which the railway companies are to charge, but they have fixed a specific limit beyond which they are not to charge; they have fixed maximum rates.

209. Does not that come to the same thing as allowing them to charge whatever they please within those maximum rates?—I think not, because one must remember that those maximum rates were fixed when the cost of transit was not well understood, and when people did not know what the cost of conveying goods and passengers was. Therefore those maximum rates were taken as rates that would protect the public on the one hand, and yield a fair dividend to the shareholders on the other. The company was at liberty to take less, but on no account to charge anything more.

210. You then put it in this way, that because the cost of transit is less than it was supposed to be, and because the bargain turned out to be better for the company than was expected, therefore Parliament should interfere again and violate the bargain that was made?—I would put it in this way, that Parliament has given to those companies a monopoly of the inland carriage of the kingdom, and that it has given to those companies that monopoly, not for the benefit

expressly of the shareholders, not upon the allegation that it is for the sole advantage of the shareholders, but upon the allegation that it is for the advantage of the public. The preamble of the bill to which I have referred states, that "whereas the making of this "railway will be of great public utility;" and that is the allegation upon which the railway is made, and upon which this monopoly is granted. I take it that the intention of fixing these maximum rates was to protect the public against the possibility of railway companies levying extortionate rates upon the public; and I do not conceive that by checking the power which railway companies now exercise of charging excessive rates to the public in one district as compared with others, you would diminish the value of the security that railway shareholders would have. The Acts to which I have referred are the 7th of George 4th, chapter 49, sections 128 and 138, date 5th May 1826. Also the 8th and 9th of Victoria, chapter 198, date 8th August 1845, and the passages to which I have referred are in the preamble, and clause 10.

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The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Friday, 24th March 1865.

PRESENT:

His Grace The Duke of Devonshire K.G., F.R.S.
The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
The Right Hon. Robert Lowe, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
J. A. Roebuck, Esq., M.P.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
George Carr Glyn, Esq., M.P.
Captain Douglas Galton, R.E., F.R.S.
E. T. Hamilton, Esq.
William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE in the Chair.

Mr. Charles Clark further examined.

211. (*Chairman.*) Do you now produce a copy of the Act of Parliament to which you yesterday referred, the last act of amalgamation?—I hold in my hand a copy of the Act of Amalgamation between the Liverpool and Manchester Railway Company and the Grand Junction Railway Company and the London and Birmingham Railway Company, forming together what is now known as the London and North-western Railway system. It will be remembered that I pointed out yesterday in the Act which I did produce, the Act of Amalgamation between the Liverpool and Manchester line and the Grand Junction line, that there was an express reservation of those rights which were given to the public by the original Bill of the Liverpool and Manchester Railway. But it was suggested by a gentleman, who sat to my left, that although those rights had not been taken away by the particular Act which I produced, yet if I had produced the subsequent Act it might probably be found that the case was different. I have now the Act before me, and I find that not only does the preamble of this Act, dated 16th July 1846, constituting the London and North-western Railway, expressly reserve the rights given to the public under the former Acts, but it goes much farther even than my statement, for there is an express clause (clause 2) which states that, "and as to all such and so many of any "the provisions and powers in the said repeated "Acts," one of which is the Act under which the Liverpool and Manchester line was made, "or any or "either of them, contained, for the benefit, advantage, "security, protection, or convenience of the public at "large, either in person or property, as shall not by "or by virtue of this Act or the incorporation of the "said Companies Clauses Consolidation Act, 1845, "and the Railways Clauses Consolidation Act, 1845, "be either expressly or by reference repeated or re-"enacted or otherwise provided for, the same shall "remain, continue, and be in full force and virtue "notwithstanding the repeal of the said Acts, and "shall be applicable to and may be enforced upon "and against the Company hereby incorporated, "and the railways and works hereby vested in the "same company, as fully as the same were applicable "to the said respectively hereby dissolved companies, "and might have been enforced against the said "respectively hereby dissolved companies, or any or "either of them, in case this Act had not passed." I think that the Commissioners will see that that clause goes even farther than my statement. There is just one other point in reference to this Bill that I should like to refer to, and it is in reference to a series of questions that were put to me by Lord Stanley. The questions were to this effect, whether the request that we are now making was not that we should ask the Legislature to revise the maximum tolls which, under the existing Acts of Parliament were granted to the railway companies, and whether that would not be asking the Legislature to commit a breach of faith with the shareholders who have advanced their money upon the faith of having the power to collect such maximum tolls. I find in this same Act, in the 76th Clause, that there is an express provision to meet the very case which I have suggested, and it states this, "And be it enacted" (after having granted certain maximum tolls in the usual manner) "that nothing "herein contained shall be deemed or construed to "exempt the railways by the said recited Acts or by "this Act amalgamated or authorized to be made "and completed from the provisions of any general "Act relating to such Acts, or of any general Act "relating to railways which may hereafter pass during "the present or any future Session of Parliament, or "from any future revision and alteration, under the "authority of Parliament, of the maximum rates of "fares and charges authorized by this Act." I submit very respectfully to the Commission that that is a complete answer to the question put to me as to whether we were not asking the Legislature to commit a breach of faith with the shareholders for the advantage of the traders and general consumers in the country.

The witness withdrew.

Mr. John Patterson examined.

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212. (*Mr. Horsfall.*) You are a merchant at Liverpool extensively engaged in the foreign trade of the country, especially the corn trade?—Yes.

213. That branch of commerce is very extensive at Liverpool?—Yes, it is very large.

214. You are also a member of the Chamber of Commerce at Liverpool?—I am.

215. You are aware, I believe, that very general complaint is made that the charges on several of the railways running out of Liverpool are in some instances 50 per cent. more than are charged on the same lines in other parts of the country?—I am.

216. Have those complaints been preferred to the different railway companies?—They have by the

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corn trade particularly. About four years ago a statement of those charges was prepared, and that was submitted to each of the railway companies and the other great carrying companies from Liverpool. Their attention was invited to that statement, and it was suggested to them that an important reduction should be made.

217. What was the result of those complaints or suggestions?—We received an answer that the circumstances should be fully investigated, and that every attention should be paid to the representations of the corn trade.

218. Has due attention been paid to those representations?—The performance has signally failed.

219. Has the corn trade prepared a tariff which they think would be equitable as regards the public, and remunerative to the company?—They have.

220. Will you be good enough to state to the Commission the substance of that table?—The table is based upon the principle that goods such as corn could be carried distances of between 48 and 96 miles at 1*d.* per ton per mile profitably, due allowance being made for proper terminal charges.

221. (*Sir R. Hill.*) In addition to the 1*d.* per ton?—Yes; the charge of 1*d.* per ton per mile being from station to station, the terminal charge being understood to be a charge for the use of the station during the time necessarily employed in the loading, with a reasonable time for the delivery and a reasonable charge for the loading and unloading, it being the understanding of the corn traders that that traffic, and indeed all traffic with which they are acquainted, would be most effectually carried on by allowing the customers to deliver the goods at the stations, and taking them from the stations. Of course this does not refer to small parcels, but to articles of merchandize.

222. Is there a very general feeling that the corn trade of Liverpool, as compared with the trade from other ports, is unduly weighted with charges by the railway companies?—There is a very general feeling of that kind, and we will endeavour to prove its correctness. This printed statement (*See Appendix C*), which I hold in my hand I believe has been already inserted in the proceedings of the Commission; but I should like to put it in with this remark, that since it was prepared it has been discovered that there is an inaccuracy in one of the items relating to the charge from Liverpool to Sheffield. It is stated there that the rate of carriage is 12*s.* 6*d.* a ton. It was originally printed by the corn trade as 15*s.*, but when this paper was revised, as it was, by the goods manager of the London and North-western Railway, he altered the rate to 12*s.* 6*d.*, and it has been so printed. But it has since been discovered that the representation made by the Sheffield corn dealers, who say that they are ordinarily excluded from Liverpool because of the high charge is correct, and that the rate is not 12*s.* 6*d.*, as we had printed it, but 15*s.* They have sent a letter or a copy of a letter from the station master at Sheffield, showing that the rate is really 15*s.* and not 12*s.* 6*d.* I have stated the fact in a marginal note in this paper, which I beg to hand in.

223. Who stated that it was 12*s.* 6*d.*?—Mr. Mason, of the London and North-western Railway Company, did us the favour to correct the figures contained in this paper, and in the corrections made he altered the rate that we put down at 15*s.* to 12*s.* 6*d.*; but we have since discovered that that rate is 15*s.*, and not 12*s.* 6*d.* No doubt it was some oversight, or unintentionally done.

224. (*Mr. Glyn.*) The stationmaster at Sheffield being the stationmaster of another company?—No; I believe he is the stationmaster of the Manchester, Sheffield, and Lincolnshire Company. I believe it is possible that there may be a difference in this way, although it might not readily occur to you; but I am told that by sending goods in the first instance from Liverpool for Sheffield to Manchester, and breaking the journey there, and then forwarding the goods to Sheffield, they can be carried at a lower rate than the direct rate would be that was charged from Liverpool. I am informed that that can be done. It is a thing that we should not have suspected, but I am told that it is the fact. Possibly there may be some reconciliation of the figures in that circumstance.

225. Do you know by what route the goods would go, on which company's line, and to what station?—The Manchester, Sheffield, and Lincolnshire Company who carry now by way of Garston.

226. Is that the station where the lower rate would be charged?—Yes; I believe that by sending goods to Manchester, and breaking the journey there on the same line of railway, and booking them again for Sheffield, they can be taken at a lower rate than if they were taken direct from Liverpool.

227. With whom would the contract be made at Liverpool?—With the same company, the Manchester chester, Sheffield, and Lincolnshire Company.

228. (*Mr. Horsfall.*) Do the corn dealers in Derby and Sheffield, for instance, complain that in ordinary times they cannot buy corn in Liverpool, owing to the high rate of charge for the carriage?—Yes; and that is one of the express cases to which our attention was called by a corn dealer in Sheffield, who noticed that some agitation was going on in Liverpool upon the question, and he wrote to his correspondent in Liverpool to say that he hoped the Chamber of Commerce in Liverpool would not overlook the case of Sheffield. He says, what is quite true, that Liverpool does suffer by wanting Sheffield as a customer, and that they suffer by wanting an access to Liverpool. A dealer in Derby, who is in the habit of attending our market, stated recently to one of our largest factors in Liverpool, that he was unable to buy a parcel of Indian corn that he offered to him, because it would cost him 3*s.* a quarter to carry it from Liverpool to Derby, whereas he could carry it at the rate of 1*s.* 6*d.* from Gloucester, the distance between the places being nearly the same.

229. Is it the fact that other inland towns, not having other ports available, must pay much higher prices for their produce, owing to the extra cost of carriage from the Mersey?—It is necessarily so, because they have not access to other ports.

230. Will you mention to the Commission some of the towns so situated?—Todmorden is one; that is a large consuming district.

231. (*Mr. Glyn.*) Can you state the rate charged between Liverpool and Todmorden?—Yes; it is 9*s.* 10*d.* a ton for a distance of 40 miles.

232. (*Mr. Horsfall.*) Is it the fact that merchants in Liverpool, from having certain places closed against their produce, have very frequently to warehouse their goods at a great cost, and to wait until a demand arises for them?—Yes; I attribute largely the large stocks which are frequently warehoused in Liverpool, to the want of cheap communication with the inland towns.

233. Have you made any calculation of the actual increased cost per annum on bread stuffs, owing to the heavy rates charged from Liverpool?—I have; I think that ordinarily the increased cost upon the importations to Liverpool on bread stuffs is about 150,000*l.* per annum, probably 200,000*l.* if we calculate the warehouse charge.

234. That would, I suppose, fall upon the consumer?—Yes; it must necessarily fall upon the consumer ultimately.

235. Have you entered into any calculation as to cotton?—Yes; my calculation as to cotton and cotton goods, taking what I conceive to be a fair rate, would be that it amounted to about 100,000*l.* per annum.

236. (*Mr. Roebuck.*) That cost arising, if I understand you rightly, merely from delay?—No; it arises from the extra charge made over and above what would be a fair charge for the conveyance of those goods.

237. (*Chairman.*) That has nothing to do with the detention at Liverpool?—No; when I spoke of 150,000*l.* I spoke of the direct charge, and meant to

say that that might be increased to 200,000*l.* if we calculated the expense of warehousing and also the delay.

238. (*Mr Gower.*) Is cotton taken to any other ports in England ?—Yes ; it is taken to London.

239. Is it taken to any other ports ?—Not to any important extent ; a little is taken to Glasgow ; but after all Liverpool is the great cotton port, and next to that comes London ; indeed London has only recently become of importance since cotton grown in the East Indies has been sent so largely to this country.

240. (*Mr. Horsfall.*) Are you aware of any special arrangements being made by the various railway companies, giving to certain individuals a preference over others ?—I am not personally aware of such; but from observations which have been made to me by customers of my own as to the advantages which they enjoy in forwarding goods in particular ways, I have been led to the conviction that preferential arrangements do exist and are made.

241. (*Mr. Glyn.*) Have you any idea what the character of those arrangements is ?—In two cases that are just now before me, I find that in the cases of Rochdale and Todmorden the charge is, in one case, to Rochdale 8*s.* 10*d.*, and to Todmorden 9*s.* 10*d.* to millers, whereas other dealers, grocers, and other persons in the same place, for the same goods, are charged 11*s.* 4*d.*

242. I suppose there is some little difference in those cases as to the quantities carried ? — Very possibly.

243. There is probably a contract for a certain quantity to be carried ?—Yes ; possibly there is. I am also informed as to the sugar trade, that a higher rate is charged to the grocers in Manchester than is charged to the sugar refiners, that is to say, that the raw sugar is carried at one rate and the refined sugar at another rate.

244. (*Capt. Galton.*) The article is not the same ? —So far the same that they are, as nearly as possible, equal value, weight for weight.

245. Might not damage be done more easily to one than to the other ?—Not much more easily. I think the difference would be almost inappreciable ; but in regard to that, I may mention that the rate on treacle is the same as that upon sugar, although treacle is the less valuable article of the two.

246. (*Mr. Roebuck.*) The difference, I suppose, is made on account of the person and not of the thing ? —On account of the persons or the classes.

247 (*Capt. Galton.*) Can you give any instances of a different rate being charged to different individuals for the same service rendered, so that one miller, for example, could not attain the same advantage that another could ?—I do not know of any specific cases in which it is so ; but I believe a system of discounts prevails which is a very elastic system, and not capable of being easily brought to the test.

248. (*Mr. Horsfall.*) That is your thorough conviction ?—Yes. One cannot get to know the exact facts from the persons who are best acquainted with them.

249. (*Mr. Hamilton.*) Do you mean that discounts are allowed by the railway companies ?—Yes, discounts off the rates which are printed in their schedule of charges.

250. Do you mean capriciously allowed ?—Yes.

251. (*Mr. Roebuck.*) Would not prompt payment be a good ground for obtaining a discount ?—I think not. All carriers by sea and land have it in their power to require prompt payment if they have any doubt as to the solvency of the parties.

252. (*Mr. Lowe.*) Have they not a lien upon the goods they carry ?—Yes ; and not only on the goods for the then present charge but for all other charges that may be due to them.

253. (*Mr. Glyn.*) Prompt payment is the rule, is it not, except in the case of coals ?—Yes, so I understand it.

254. (*Mr. Lowe.*) Have you any reason to suppose that there is any favouritism shown to certain persons in these varieties of charges, or is the variation regulated by any principle ?—I think it is regulated by some principle but I cannot tell you what that is. I think however, that it leaves it open to favouritism.

255. (*Mr. Horsfall.*) Are you aware of any railway companies deviating from what might be considered their natural province in constructing railways and carrying on the business of railways, by spending their money in the construction of docks with the view of diverting goods from their natural channel ? —Yes ; I know that railway companies have largely entered into the business of dock proprietors, steamboat owners, and warehouse owners.

256. Can you mention any instances ?—Yes. In the case of Hartlepool there has been a large expenditure made there by the railway companies for these purposes as I understand, (I state it on the information of the Chairman of the London and North-western Company) in the building of warehouses for the Port of Hartlepool. Goods are carried from the east coast in rivalry with the port of Liverpool, for example, at lower rates than they are caried from Liverpool.

257. (*Lord Stanley.*) That is to say they favour their own port by giving exceptionally low rates ?— Yes ; and not only so but they expend large sums of money in providing warehouse accommodation.

258. Provided they give equal accommodation at equal rates along their line, I presume it is not a matter that would concern you or the mercantile community in general whether they expended a part of their capital in constructing docks and erecting warehouses ?—Not if they carried for us at the same rates. It would then be a case for their own shareholders.

259. (*Mr. Glyn.*) I believe that the London and North-western Company do not run to Hartlepool ?— They tell us that they do not run there, but that they have a traffic from there. Certainly they have spent their money for the encouragement of that traffic.

260. (*Capt. Galton.*) In what way do you mean ? —Mr. Moon informed me that it was in building warehouses. My previous information was, that it was in the construction of docks and warehouses, but he stated that it was exclusively in the construction of warehouses, and of course his authority is paramount.

261. (*Mr. Horsfall.*) How are those docks made to pay ?—I do not suppose that they are ever intended to pay. It is the traffic upon the railway, they say, that will bring to the shareholders any return at a rate remunerative for the company to make the docks.

262. If the London and North-western Company have not a line to Hartlepool, how have they the means of promoting traffic on their line of railway ?— I cannot tell you what the arrangements are to get the traffic through the port, but I give you the answer that Mr. Moon gave to the objection that was made, that they carried traffic from the port although they had not a line.

263. (*Lord Stanley.*) Is it not the fact that any traffic which they may have at Hartlepool must go over 100 miles of lines unconnected with them ?—I cannot say whether or not that is so, for it is really very hard to know what companies such a company as the London and North-western Company is interested in.

264. (*Capt. Galton.*) How does it affect your traffic that they should be able to obtain traffic from Hartlepool ?—Only in this way, that it is carried at a lower price.

265. Lower than you would pay for the carriage from Liverpool ?—Yes.

266. Is it not possible that the conveniences for putting the traffic on to the railway at Hartlepool may be greater than the conveniences which exist at Liverpool ?—That does not touch the question of convenience from one point to the other. I contrast the rates charged from the company's station in Liverpool with the rates charged from Hartlepool. No convenience enters into the question in that case.

267. Can you give any other illustration of this system besides the case of Hartlepool ?—Yes ; Morecambe, which is used by the Midland Railway Com-

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pany for the purpose of carrying at lower rates than those from Liverpool.

268. (*Chairman.*) The Midland Company have no station at Liverpool, have they ?—Not at present; but they are seeking for powers to come there.

269. (*Mr. Glyn.*) The traffic to Morecambe is very small, is it not ?—No ; there is a very important traffic to Morecambe from the north of Ireland.

270. (*Capt. Galton.*) Of what kind is the traffic ?—The traffic is in butter, in wheat, in oats, oatmeal, and in cattle chiefly.

271. What difference in the rate charged is there between Morecambe and places at equal distances as compared with Liverpool ?—From Morecambe to Manchester the distance is 56 miles, and the rate is 8*s.* 4*d.*, while at the same time the rate from Liverpool to Manchester, which is a distance rather under 32 miles, is 8*s.* 4*d.*

272. (*Mr. Horsfall.*) Your complaint is that the heavy charges out of Liverpool upon corn and other produce are unjust to the merchant, and that they throw a heavy tax upon the country ?—Decidedly. I should like to add to the case of Morecambe the case of Fleetwood, which is also a railway port, and there a large trade has been promoted from the north of Ireland. Steamers run daily each way, and the Lancashire and Yorkshire Company have recently sought and I believe have obtained powers to expend 50,000*l.* in the construction of docks there. The London and North-western Company have with them a common interest in that port.

273. (*Mr. Glyn.*) The London and North-western Company are not parties to that outlay, are they ?—I understand that they are to join in it to a small extent. I believe they participate to the extent of two-thirds and one-third. I know that the Lancashire and Yorkshire Company have agreed to expend 50,000*l.* upon the condition that no interest is to be charged for the money advanced by the railway company or companies until all other parties are paid 6 per cent. upon their outlay. There again the rates for a greater distance are nominally the same as the rates from Liverpool.

274. (*Mr. Roebuck.*) What do you mean by the rates being nominally the same ?—I mean that there are services performed at these ports in the shape of loading and unloading, and exemption from dues and various things which bring the charges there much below the rate charged from Liverpool, where those charges must be borne by the merchant; the services being performed by the railway company the amount must form a part of the ostensible charge which they make for carriage.

275. (*Capt. Galton.*) Are not the conveniences at Morecambe for loading and unloading greater than are to be found at Liverpool, and is not that one reason why the charge made is different ?—They are decidedly greater, but that cannot be a reason why the charge should be lower, as we have no service of the kind performed. When a vessel discharges her corn, or a steamer from Ireland, butter for Manchester, or for a merchant in Liverpool who sends it on to Manchester, he has to take it up at the dock side, cart it to the railway station, and deliver it to the railway officials, and they charge him the same amount that the parties charge from Fleetwood where no such service is necessary.

276. (*Mr. Dalglish.*) The railway comes nearer to the vessel at Fleetwood, does it not, so that there is economy in the working ?—Yes ; there is economy in the working of it, but none as regards the railway companies ; it is a service that in Liverpool they do not perform.

277. (*Capt. Galton.*) Can you give the Commission any instance of the rates charged as between any two places, showing all the charges made at Liverpool and and all the charges made at Fleetwood ?—The point that I wish to put is that their present rates are identical, say 8*s.* 4*d.* a ton, or they where when this paper was printed, from Liverpool to Manchester or from Fleetwood, or from Morecambe to Manchester.

278. Take Fleetwood ; are there any other charges made beyond the amount you have mentioned ?—No ; all the charges are borne at Fleetwood.

279. Are they all included in the 8*s.* 4*d.* ?—Yes.

280. The charge for unloading the goods and putting them on to trucks and transferring them from the vessel to the railway ?—Yes.

281. The whole expense of that operation is included in the 8*s.* 4*d.* ?—Yes.

282. And you say that they charge the same rate at Liverpool when they do nothing of the sort ?—Precisely the same.

283. (*Mr. Glyn.*) In the one case it is a charge from the seaside, and in Liverpool it is a charge from the station ?—Yes.

284. (*Mr. Horsfall.*) What is the difference in the mileage ?—From Fleetwood to Manchester the distance is 50 miles, but from Liverpool the distance is under 32 miles. Again, at Holyhead the London and North-western Company have necessarily great privileges.

285. (*Lord Stanley.*) Have they practically a monopoly of access to Holyhead ?—Yes ; practically they have, and they are by way of Holyhead diverting a large portion of the Irish traffic, which would go in the other direction.

286. From what other place would it go ?—Diverted from Liverpool to Holyhead; I do not say that they have constructed docks at Holyhead, for I believe the nation has done that for them, but they are making at Greenore, which is a point near Dundalk in Ireland, a harbour, and from it they are constructing a railway connecting with the Irish trunk lines with a view to divert the traffic to Holyhead.

287. (*Chairman.*) Does Greenore belong to the London and North-western Company ?—I believe they have become possessed of it, or at all events some persons who represent their interest there, I believe that the company who own it, consist in reality of some of the Directors, and other representatives of the London and North-western Company, at least that is the information which I have received. I believe that Mr. Bramley Moore and a number of other gentlemen went over to hold their annual meeting at Dundalk a short time ago.

288. (*Mr. Glyn.*) Are you not referring to the Irish North-western Railway Company ?—It may be so called ostensibly, but in Ireland it is treated as the London and North-western project, and I could hand in a letter that was received from an Irish gentleman, addressed to the Chairman of the London and North-western Company, giving his views upon the construction of that railway, and as to its influence on Irish traffic.

289. (*Mr. Roebuck.*) How is all this a grievance to the public ?—The observation that I would make with regard to that is, that a large proportion of the earnings made in places like Liverpool, where there is a large and profitable traffic, and where it is unduly weighted by these high charges, is diverted by making these experiments in railway enterprise, and pushing further extensions into new places, such new projects, for instance, as Hartlepool, Holyhead, Morecambe, Greenore, and so on. They necessarily reduce the income, that the railway companies earn, and I know, as a man of business, that we are frequently met with this remark :—"After all the companies are only earning "six or seven per cent." It occurred to us, in preparing a statement of our case, that we might fairly call attention to such unprofitable expenditure, as a reason why the whole revenue or income of the company was reduced beyond what it would normally be. One reason appears to us to be very plain, that these fancy schemes possess no value, we know that when they are made they are absolutely of no value, unless traffic can be forced to them, and the traffic that is forced to certain places, is so forced to the disadvantage of other established trades, and we in Liverpool, suffer accordingly.

290. (*Mr. Horsfall.*) Also to the great cost of the public?—Eventually it must be to the great cost of the public.

291. (*Sir R. Hill.*) The construction of these railways I presume is not carried out without parliamentary authority?—No; they cannot be made without parliamentary authority being obtained.

292. (*Capt. Galton.*) To what towns or places is the traffic carried between the place in Ireland which you mentioned which goes by way of Holyhead, and which formerly went by way of Liverpool?—I believe that a large proportion of the traffic will go into the midland districts, but even from Manchester itself, goods are proposed to be carried over that line from Holyhead, and in that way to Ireland.

293. But to whom does the conveyance between Greenore and Holyhead belong, and to whom does the conveyance between Greenore and Liverpool belong?—There is no conveyance between Greenore and Liverpool. It is intended to be in rivalry with the conveyance from Dunkalk, Newry, and Dublin, those ports having already steamers established that run to Liverpool.

294. In whose possession are those steamers?—They are in they possession of Irish traders and other private individuals.

295. Who are the persons who possess the steamers running between Greenore and Holyhead?—The London and North-western Company, are the persons who ostensibly occupy the position of proprietors of the line and of the harbour.

296. (*Mr. Glyn.*) Do they possess the steamers?—Decidedly.

297. Do you not refer to the Dublin Steam Packet Company?—I believe that they propose to make contracts; but they have the power to own steamers.

298. (*Capt. Galton.*) Does the London and North-western Company give a through rate from Greenore to some places in the midland district?—To any place that the parties wish to send goods to, as I understand it.

299. Then they get a through rate from Dundalk to Liverpool?—I believe that they have through rates.

300. Do those through rates differ from each other?—I cannot tell, for it is very hard to get at the through rates; but that does not meet the whole case, for a large portion of the Irish trade is not negotiated directly between the Irish shipper and the English consumer, but it has hitherto passed through Liverpool. Butter I mean and various produce have been sold by merchants and factors in Liverpool to the people in the interior engaged in that trade, and of course the traders in Liverpool would be deprived of that, or of any access to it, because it will be carried past them.

301. (*Mr. Horsfall.*) Are there any other general observations that you wish to make to the Commissioners?—I do not know that there is any other particular matter that I care much to trouble them with, except it be the grievance of those excessive charges of which we complain. The first item is the increase of cost to the consumer. Secondly, that they entail charges and loss upon the importers, when they are deprived of their market. Thirdly, they raise up these rival ports. Fourthly, they admit of opportunity for preferential privileges. Fifthly, they impose taxation in the article of grain of at least 50 per cent., upon the corn duties. Now when the prices are very low they may not press with any very great severity; but yet, if, unfortunately, we should have years when we should require a large importation of corn, and when the prices would be in consequence raised, they would be added to and greatly enhanced by the additional charges made upon the transmission.

302. (*Mr. Roebuck.*) That is, assuming that it came through Liverpool?—Yes; which is the great port for the importation of foreign grain for the Lancashire district.

303. (*Mr. Hamilton.*) Do you think that it would promote the interests of Liverpool if increased railway accommodation were given to that port?—Yes; I believe that Liverpool can very well afford to have some more railway accommodation. *Mr. J. Patterson.* 24 March 1865.

304. To be provided by independent companies?—There is a difficulty there as to where the independent companies can be found.

305. You mean that they are likely to combine?—Precisely.

306. That is only possible within certain limits, I suppose?—Captain Huish, when he was asked the question as to the chances of an independent line being made between Liverpool and Manchester, said that it was impossible, for it must either be run off or bought off. At the present time there is a combination between the existing railway companies and the canal carriers by which uniform rates are charged, and therefore any independent company that might attempt to come there would find itself in this position, that it must either encounter the hostility of a united body or agree with them upon the charges that would be satisfactory to them as well as to itself.

307. Is not the facility for combination very much increased by the disproportion which exists between the railway accommodation and the enormous traffic which companies have to carry?—No doubt it is so.

308. Therefore it would be a benefit to Liverpool if the railway facilities were increased?—I should say it would at present, but of course it must be borne in mind that facilities might be increased beyond what the trade would pay and so necessitate the imposition of extra charges. Still I do not think that we have arrived yet at that point.

309. (*Mr. Roebuck.*) Your suggestion is that the mischief of which you complain arises from combination; but what legislative cure for the evil are you prepared to suggest?—I must say that it is very difficult to suggest a legislative remedy because one has to deal with such very large interests; for example, one of the companies represents a capital of over 20,000,000*l.* sterling, and I am afraid that it would require something like a national scheme of legislation on the subject to meet the whole question.

310. (*Lord Stanley.*) Without that you think that a large company would crush a small opponent and combine with the more powerful ones?—They would crush any ordinary opposition that might be given to their schemes; for example, I believe there is a remedy that possibly Liverpool might appeal to as to the line between Liverpool and Manchester, and I think that possibly the assistance of some of the courts of law or equity might be invoked if we had not such powerful opponents to deal with, as I believe that the legislative provision made for the protection of trade has been entirely disregarded and ignored.

311. (*Mr. Roebuck.*) To decide such a matter in the law courts would probably require a capital nearly equal to that of their opponents?—I do not suppose that it would exactly require an equal capital, but it would require a larger sum than any voluntary combination of traders could raise unless there were other important public bodies who would take up the question.

312. (*Mr. Gower.*) Would a new line, do you think, receive the support of Liverpool at large?—No.

313. Would it receive very general support in Liverpool?—It would receive. I have no doubt, considerable support, but there are very large existing interests in connexion with the present companies.

314. Your opinion is, that with that support a new company could not compete with the existing companies?—I have no doubt they could compete, and to their advantage, but I do not think that they would compete so as to give such a reduction of rates as we seek for.

315. (*Chairman.*) You have already three lines, have you not, between Liverpool and Manchester?—Counting the line by way of Garston we have, but it is not a very direct one, and not very useful. The

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London and North-western Company have got a very considerable hold over it.

316. (*Mr. Glyn.*) Have they not a Bill in Parliament this year for the purpose of increasing their accommodation in Liverpool?—I believe they have.

317. (*Mr. Horsfall.*) Your apprehension, I think, is that although a new company might be formed, yet in the end they would necessarily combine with the others?—Yes; and I will, if you will permit me, give another illustration of that. I find on reference to Mr. Baines' History of Liverpool, that somewhere about 42 or 43 years ago complaints were made by those engaged in my trade as to the excessive rates charged from Liverpool to Manchester, and they applied to the Duke of Bridgewater's agent for a consideration of and some redress for their grievance. The result was that they received as civil an answer as we have received from the railway company, but no redress. The consequence of that agitation was, that an application was made to Parliament for powers to make a line between Liverpool and Manchester, and I believe that that lies at the bottom of the railway system there. I mean the complaint that was made of the excessive charges made for the carriage of grain from Liverpool. That line was promoted by gentlemen of great public spirit, great honour, and great integrity, and who possessed a large amount of the confidence of the people of Liverpool, but in the course of the last 30 or 40 years circumstances have become very much changed, and it has been found that instead of protecting the public the company has been either forced or has been induced to enter into combinations with the same canal interest in order to keep up the excessive charges, and the legislative provision which was intended to protect the trade has been entirely disregarded.

318. (*Capt. Galton.*) Are not the rates charged much lower now than they were at that time?—I understand not; not at all lower in proportion to the improvements made as to communications in various ways; not certainly as low in proportion to the cost.

319. When the Amalgamation Bill was passed for amalgamating the London and Birmingham, the Grand Junction, and the Liverpool and Manchester lines, was not the scale of tolls considerably reduced?—I believe that when the London and North-western line was formed there was some reduction made in the scale of tolls; and I would just like to say, as to the scale of tolls appended to their railway bills, and even those in the Bills now before Parliament, that they are not of the slightest value for the protection of the public.

320. In what way do you mean?—First of all they entirely ignore the terminal charges or they treat us in this way, they say that "a reasonable sum" is to be charged. Now a reasonable sum in the hands of a railway company means anything. If in addition to the fixed tolls which Parliament introduced into the Bill they had also introduced fixed terminal charges, then one could understand it, but as they only put in the expression "a reasonable charge," we never know what the charge is to be.

321. (*Mr. Glyn.*) Do the terminal charges vary much in the same place; are they not fixed as between different railway companies, and made from year to year the same?—I believe that they are susceptible of very simple calculation, and that they could easily be embodied in Bills.

322. Are the terminal charges from time to time varied by the railway companies?—Not to any appreciable extent; certainly not more than the mileage charge would vary.

323. Can you refer me to the examination of Captain Huish before a Committee of the House of Commons, which is mentioned in the paper you have handed in, where he talks about 2*s.* being a general terminal charge?—It was given before the Committee which sat upon a Bill promoted by the Manchester, Sheffield, and Lincolnshire Company in the year, I think, 1861; I was present, and heard the question put to him.

324. (*Chairman.*) Are the Parliamentary tolls evaded in any other way than by excessive terminal charges?—It is impossible to say whether or not they are; for example, in the article of sugar carried from Liverpool to Manchester, it would be charged for at a mileage rate of 6*s.* 6*d.* per ton; it is charged 9*s.* Whether or not the railway company count 2*s.* 6*d.* or 1*s.* 6*d.* for terminal charge I cannot say, probably they would say that their calculation for the terminal charge was 2*s.* 6*d.*, but with such an elastic element in the calculation as the words "reasonable charge," it is, I think, apparent that you cannot determine in any given case whether they have or have not exceeded their tolls. I should like to point out as to mileage this difference, that in most railway Bills distances under six miles are to be so computed, that is, as six miles, while any distance above that is calculated at a uniform rate. But we know by experience of railways, and by the charges they make, that they do not carry for 10, 15, or 20 miles at the same rates as for 50, 60, 80, or 100 miles. Although the Parliamentary toll may be right enough for a distance of 10 or 12 miles, it is wholly useless when it is applied to a distance of from 24 to 50 miles or upwards.

325. (*Lord Stanley.*) Do you mean that the charges are above or below the Parliamentary rate for the longer distances?—For long distances the companies necessarily charge a rate much below what Parliament authorizes them to charge, because otherwise the public would not stand it, and it would stop the trade.

326. As regards the longer distances, they have practically a discretionary power?—Absolutely; for example, I will refer to a tariff which the corn trade prepared as to this very question. We endeavoured with such information as we could avail ourselves of, to fix a rate that we thought would be reasonable with reference to all parties, and we took a distance under six miles, which Parliament usually treats as six miles, that is the way they deal with it; and we took next a distance of under 12 miles, then a distance under 24 miles, under 48 miles, under 96 miles, and over 96 miles. The calculation that we made was, that while for 48 miles or over 1*d.* was a reasonable rate, if the distance was under 12 miles it ought to be $1\frac{1}{2}d.$, if under 24 miles it should be $1\frac{1}{4}d$, and if under 48 miles $1\frac{1}{8}d.$ Parliament, in dealing with such a case as that, has authorized the railway companies to charge from 2*d.* to $2\frac{1}{2}d.$ over all distances.

327. (*Mr. Glyn.*) But practically the railway companies do not do that?—No; unless it be for such a distance as six or eight miles. So that the Parliamentary tolls, as we believe, give no security that the public will be protected at all, unless the rates charged are made to graduate according to distance, and unless the terminal charges are distinctly stated and fixed.

328. (*Mr. Dalglish.*) How much do you pay from Liverpool to Manchester?—The rate was 8*s.* 4*d.* per ton until recently, when the company made some concession. They alleged truly that in Manchester they provided warehouse accommodation for three months, and in some instances for six or 12 months, without any charge to the parties using it, and that that formed an element in the charge of 8*s.* 4*d.* a ton. The answer of the corn trade was, we do not want you to provide warehouses at all, but do you charge for them as warehouse owners; and eventually, after a long conflict, and several interviews with the directors, they agreed to fix the rate at 6*s.* 8*d.* a ton, as applicable to those persons who removed their goods within 48 hours, 7*s.* 6*d.* per ton if the goods were removed within one month, and 8*s.* 4*d.* per ton if they remained in the warehouse for a longer period.

329. (*Mr. Glyn.*) That including a charge made for warehouse room?—I suppose so, that the goods were to pay.

330. (*Mr. Dalglish.*) That amounted to 10*d.* a ton for warehousing for a month?—I am not sure whether that was the charge for one month or two months;

but it was for a short period, I know, as to the 7*s.* 6*d.*, and the 8*s.* 4*d.* was charged if the goods remained for a longer period.

331. How much do you calculate per ton in Liverpool for warehousing?—I think it would cost about 2*d.* per quarter per month, 9*d.* or 10*d.* a ton.

332. Then for one month the railway company would warehouse your goods for just the same price that you would pay in Liverpool?—It would be 2*d.* a week per ton, as near as possible. The railway company charges us 10*d.* for warehouse accommodation. I do not know whether they give the option of taking the goods away within two months, but I think it is so.

333. 6*s.* 8*d.* would give about $2\frac{2}{3}$*d.* per mile for carriage?—It is about that, I think.

334. The distance is 32 miles?—Yes, but in the calculations we made we preferred to calculate what we understood to be a reasonable rate for terminals, and to calculate the mileage rate apart from that, and at 1*d.* per ton per mile it is 4*s.* 8*d.*, at $1\frac{1}{2}$*d.*, it would be 36 pence, or 3*s.*, and 2*s.* for terminals, which would make it, according to our calculation, 5*s.*

335. By adding the 2*s.*?—Yes.

336. (*Chairman.*) You take 2*s.* for terminals as the basis in every case?—Yes.

337. (*Mr. Dalglish.*) The railway company has now reduced the charge to 6*s.* 8*d.*?—Yes.

338. (*Mr. Horsfall.*) And you want to bring it to 5*s.*?—Yes. We believe that if the stipulations contained in the Liverpool and Manchester Act were carried out the rate would be under 4*s.*, and that it would be the cheapest rate for carriage in the kingdom.

389. (*Chairman.*) Are the rates which you propose about what they charge on other portions of the railway system in the country?—They are about the same as the charges made on other lines, such as the Midland Railway, which is one of the best paying lines in the kingdom.

340. (*Mr. Hamilton.*) Can you give an instance in which the same charge is made on the Midland Railway?—Yes; from Birmingham to Gloucester, and also from Birmingham to Bristol the rate, for which is 8*s.* 10*d.* a ton.

341. Is that the charge made for corn?—Yes.

342. What is the distance?—90 miles. According to our scale it would come to 9*s.* 6*d.* The actual rate is 8*s.* 10*d.*

343. Is that the usual charge made on the Midland Railway, or is it an exceptionally low charge?—It is the usual charge; it is about the average, as I am informed by one of my customers who is very familiar with it. If the Commission will allow me I will just read a letter from a Birmingham corn dealer on this subject which was addressed to my firm last year. "The distance to Bristol is 94 miles," in the printed statement it is put down at 90 miles. "The distance "to Bristol is 94 miles, to Liverpool 96 miles. The "rate from Bristol is 8*s.* 10*d.* by rail, and 8*s.* 4*d.* by "canal; from Liverpool it is 12*s.* 6*d.* by both. This "low rate from the former place has induced the "formation of two new dock companies, hoping, as "their merchants say, to get a large share at least of "the steamer traffic between America and the midland "counties, as well as that of sailing ships of a class "that hitherto their docks have scarcely been able to "accommodate. It is not, however, of Bristol that "we complain, but of our present high rates of "freights from Liverpool. The midland line carries "from Bristol, which is one of the best dividend "paying lines in the kingdom, and this is about an "average of their rates; so that the companies "between here and Liverpool cannot say it will "not pay them to carry for the same rates. But if "they should refuse to do so most certainly a large "share at least of their traffic will be gradually "turned in the other direction. Trusting you will "lay the matter before them, and that for their own "interests and that of the port of Liverpool they will "at once see its importance, I remain, dear sir, yours, "&c." The substance of that letter was communicated to the Chamber of Commerce, and to the great carrying companies, at an interview which took place between them.

344. (*Mr. Dalglish.*) Would the freight upon grain from any foreign port be the same to Bristol as to Liverpool?—There is a large proportion of the foreign grain trade which comes from the Black Sea, and the vessels come either to Cork or to Falmouth for orders. The captains have no option in the matter, but they must proceed to the place to which they are ordered to go.

345. Supposing you sent an order to the Black Sea for grain, you would, I presume, pay the same freight whether you ordered the vessel to come to Liverpool or to Bristol?—If the vessel called for orders the freight would be precisely the same.

346. Do you know whether there is any difference in the charges made in the port of Liverpool upon a ton of grain, and the charges made upon a ton of grain in the port of Bristol?—I believe that they have converted Bristol now nearly into a free port, the town itself having assumed the charges of the harbour.

347. (*Mr. Roebuck.*) Would not that probably in part account for the divergence of the trade?—It would; but that is a divergence of which we should not in any way complain, because that is a thing that would probably arise from some natural advantages possessed by the place, or from the public spirit of the people. What we complain of is, the difference of expense incurred in the carriage from one place as compared with another.

348. (*Mr. Dalglish.*) You have just stated that Bristol has become nearly a free port. Do you mean to say that they do not charge anything at Bristol upon a vessel entering their docks?—I do not know what they charge upon vessels entering their docks; but I understand that a considerable portion of the charges made at Bristol, if not all of them, have been in some way assumed by the inhabitants themselves; however, I do not speak with any confidence upon that subject.

349. (*Chairman.*) In your opinion could any legislative measure be passed that would compel the two railway companies running between Liverpool and Birmingham and from Liverpool to Bristol to carry at the same rates?—I think that is quite within the competency of Parliament to provide that the charges made on all lines of railway in the kingdom shall be conformed to some reasonable standard. As I have frequently noticed in railway bills, Parliament has reserved to itself the power of making such regulations and reductions as for the interests of the public they may think necessary to make.

350. For example, that coal should be carried for 100 miles over every part of the railway systems in England at the same rate, on whatever line it was carried. Do you think it would be possible to effect that?—Quite possible.

351. (*Mr. Horsfall.*) And with justice to the railway companies, irrespective of the cost of the lines?—Yes; I think that the same principle has been already laid down by Parliament, when it provided that a certain class of passengers should be carried over all the railways in the kingdom at a certain rate per mile, and which is practically found to be the rate that is charged to everyone.

352. (*Mr. Dalglish.*) That is the maximum?—That is the rate that is charged, I believe, practically on nearly all the lines of railway in the kingdom; as I found, when I was making some calculations that I could as nearly as possible arrive at the mileage by taking the third-class fares as my guide.

353. Are the dock charges greater in Liverpool than in other parts, or are they not very high?—The dock charges at Liverpool are necessarily high, but I believe they are higher in some other places. I do not think that the dock charges press, in addition to the railway charges, upon the trade. Say we pay 1*s.* a ton in Liverpool for dock charges upon our goods, it is not reasonable, we think, that the railway com-

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pany should lay 2*s.* or 3*s.* upon our backs additional; they do not pay them, but we do.

354. May not that be a fair reason for a new harbour being constructed at Holyhead?—It would doubtless be a fair reason why independent parties should construct a harbour upon commercial principles, to be paid by the dues levied on the vessels and goods using it.

355. Do you attribute a considerable loss of trade at Liverpool to the high rates which are charged by the railway companies running from Liverpool into the interior of the country?—Decidedly; causing as they do, a diversion of the trade.

356. You do not attribute any proportion of the loss in the corn trade to the fact of your dock rates and other charges in Liverpool being higher than they are at Holyhead or Fleetwood, or at Morecambe?—Decidedly; but when we come to Parliament to ask for a remedy or for a measure to rectify the mischief we ask them to deal with questions that appear to be within the competence of Parliament to deal with. For instance, Parliament cannot help us whether we get our goods carted in Liverpool or warehoused for nothing or not. If there are natural disabilities that we labour under we must, of course, submit to them, or we must endeavour to remove them in the best way we can; but when we ask for a remedy we ask for a remedy, not with reference to things not within the competence of Parliament to deal with, but for those things that are within their competence.

357. In the grain trade, for example, when there is a short stock of grain, do you not take every advantage of the markets and sell grain at as high a price as you can?—Yes, that is the natural working of it.

358. Then I presume you would not blame the railway companies running out of Liverpool, if they found that they could get a certain price for carrying, for taking it?—Decidedly not, if we had a fair competition rate. We have 150 corn merchants and corn factors in Liverpool, and the competition or higgling which takes place in the business settles the price; but if a small number of them combined together and said that they would only sell corn at a certain price, I should think that that would be a most dangerous thing for the community at large.

352. They would become regraters?—Whatever the name might be I think that they would be a most dangerous set of men.

360. There is no law, is there, against their doing so?—I do not think there is, it is quite unnecessary.

361. Would it not be a difficult matter to get 150 corn factors to combine together in that way?—I think we must eliminate about 140 or 145 of them.

362. Do you not think it would be better in Liverpool to try and get up some more railways?—To a certain extent it would be advantageous to us, if any reasonable number that we might get would not be in such a number that they would have the power of combination. In the case of steamers there can be no reason why Parliament should interfere, any man may run a steamer, but with railways it is different, for in the first instance no man can make one without Parliamentary authority; and secondly, there is a practical limit to the number of railways that can be run from any given place.

363. (*Mr. Glyn.*) You do not think that competition will keep the railway companies in order?—It cannot do so.

364. (*Sir R. Hill.*) When the number of the competitors is necessarily small, I presume you find in practice that you cannot rely upon competition to reduce the prices?—Yes.

365. (*Capt. Galton.*) You stated I think that you would charge a uniform rate for goods carried over all the lines in the kingdom?—Yes, over uniform distances.

366. You would apply that rule to all railways?—Yes.

367. You would not leave one company to charge anything less if they please?—I would not interfere with their discretion, if they reduced to all places alike.

368. Then where would be the difference between the state of things now and what it would be then, they have maximum rates and tolls, and they can charge up to those amounts, but that they do not do; that is apparent, most of them charge below the maximum, and some of them very much below it. You complain that the London and North-western Company charge a lower rate from Hartlepool to the same towns than they do from Liverpool; but how would your proposal alter that unless you prohibited them from charging any more than the sum you would lay down?—I should certainly not contemplate prohibiting them from making a reduction in their rates, if they dealt with other places, rival ports, and so on, on precisely the same principle. If for example, the London and North-western Company found that they could work profitably, beginning at 1*d.* per ton per mile, instead of 1½*d.*, I think they would have a perfect right to reduce the rate to 1*d.*; but I should say that they should reduce it over the entire system.

369. Then you would not allow them to charge any differential rate on any part of their system?—No, neither more to places than to persons.

370. (*Mr. Dalglish.*) You would not permit them to charge a lower rate on the Holyhead line than upon the line from Liverpool to Manchester over the same distance?—That is my view of it, with this exception, that the question of the terminal charges might be fairly I believe introduced by Parliament into every Bill, and that the special circumstances of each particular place might be considered. For example it might be competent to the London and North-western Company, when promoting a Bill, to give evidence that Liverpool was a place where they could work for 6*d.*, a ton cheaper, on account of the quantity of goods they had got to carry, than at some other place; and whereas the terminal charges from Liverpool might be 1*s.* 6*d.* a ton they might fairly charge 2*s.* for terminal charges at another place where they had a comparatively small traffic. If there were special circumstances which affected the terminal charges, I think that those special circumstances might fairly be made the basis of legislation in a particular case.

371. (*Mr. Glyn.*) Then you would vary the terminal charges?—Yes; if there were special circumstances, but I should require them to be strictly shown and proved.

372. (*Mr. Dalglish.*) You would fix a certain maximum terminal charge, and you would allow railway companies, under particular circumstances, to reduce that maximum?—Yes.

373. Would not that be in direct contradiction of your own principle, that you would have a fixed charge over every length of mileage on a railway?—No; I would have a fixed maximum, I take no objection to reductions.

374. You would not have a differential rate with regard to mileage, but you would be quite willing to have a differential rate as to the terminal charges?—Yes; if the parties could show special circumstances, which I think would be very improbable. The railway companies say that at Liverpool and at London they have excessive terminal charges, and I would give the parties concerned an opportunity to give any proof of the fact. At the present moment I dispute it, for I do not believe there is any reason why there should be any difference in the terminal charges; but I would give them every opportunity to prove that there was.

375. Would you allow this, that the terminus of the London and North-western Company in Liverpool has cost an infinitely greater sum than the terminus of the railway in Holyhead?—I have no doubt at all that it has cost a larger sum.

376. A very much larger sum?—Am I to under-

stand by the question that you mean in yards or in area, or in reference to the quantity of goods ?

377. I mean in the capital expended in the construction of the tunnel and the various stations in Liverpool, and on the other hand in the construction of the station at Holyhead ?—I do not believe that the station at Liverpool has cost the London and North-western Company more money per ton, having reference to the quantity of goods.

378. You would allow, I presume, that there was an enormous difference in the outlay ?—Do you mean in the area ?

379. No ; I mean in the outlay of capital for the station ?—No doubt.

380. Do you suppose that the Liverpool traffic is equivalent to the difference of cost in the two cases I have put to you ?—I am sure that it is more than equivalent.

381. (*Mr. Glyn.*) You would permit it to be shown by the companies if there were any very peculiar circumstances, and, if proved, you would allow them to vary the terminal charges ?—Yes, I think it would be very fair to allow them to show that there were such circumstances, but at the present moment I dispute it.

382. (*Capt. Galton.*) With regard to the rest of the charges, you would not permit any variation in the mileage rate ?—I have given an illustration of the mileage rate fixed by Parliament as to third class passengers, and which I think would fairly apply to all classes of traffic all over the country.

383. A mileage rate is already fixed for third class passengers all over the country, but you say that whatever a railway company charges on one part of its line they should charge the same over the whole ? —My proposal is this, that if Parliament proceeds upon the principle of fixing a uniform mileage rate for uniform distances they should proceed precisely upon the principle that they have adopted in all previous Acts where they have fixed tables of tolls ; but in fixing them they have not had information as to the cost, nor have they made any provision for varying distances. I think, then, that if a remedy is to be found in legislation in that direction, they ought in the first instance to fix a terminal charge, either a uniform charge for all lines, or, if special reasons could be given (although I do not believe they can), they might allow exceptions where exceptional circumstances were shown to exist. I think in the first instance that the onus of proof would rest upon those who said that there was a reason for an extraordinary charge.

384. You would make a mileage rate uniform all over the system ?—Yes.

385. Suppose that I am a manufacturer ; and that I go to a railway company and say, I can furnish you with a train load of goods every day at a fixed hour, would you permit that company to charge me a lower rate than they charged some one else who could only supply them with a ton of goods occasionally ?—No, I would not, for I believe that that is one of the most pernicious systems that is at present in use in railway concerns, that of making a distinction between different classes of customers.

386. (*Mr. Glyn.*) It is a distinction founded upon quantity and weight, is it not ?—I believe that that is an entirely erroneous distinction.

387. (*Capt. Galton.*) A certain company can work traffic much more economically than another, and if I supply them with a full train load of goods, and which they know will run at a certain hour every day between one place and another, could they not work that traffic much cheaper than when they had to wait to make up a train by receiving a ton of goods from one and a ton of goods from another ?—It is possible in such a case as you have put that they might be exempted from the terminal charge by loading, for instance, on the manufacturers' own premises, so that there might be a possibility of giving that person the advantage of the terminal charge.

388. (*Mr. Glyn.*) But it is not a question of terminal charges ; it is a question of the charges on the line ?—Yes ; but I think that differential charges are based on an erroneous principle. What railway companies now and all carriers are served by is the aggregation of littles.

389. Do you think that upon a full load there is not a greater profit to the company than upon half a load ?—I believe that, if the company had 100 small customers who all started their goods daily, the profits would be greater than if there were only five large customers.

390. The question is whether the customers will practically fill a particular train, and whether or not the arrangements as to a full train will not be more economical to the company, and therefore that they could carry at a lesser rate than if they carried only half a load in a train ?—I do not see exactly how that is.

391. (*Mr. Dalglish.*) For example, suppose you had ten customers in your own trade, and that they each bought from you a quarter of corn which you had to deliver to them ; then suppose that another person came and purchased 10 quarters of corn, and you had also to deliver them to the purchaser ; would you make no difference between the price you charged for the one quarter of corn and the price you charged for the 10 quarters ?—I believe that a shopkeeper who sells his goods over the counter will sell half a pound of tea or a pound of tea or two pounds of it at precisely the same price, and if you have a constant stream of traffic coming in, such as a railway company has, that would be better served by a large number of small customers than by a small number of large customers.

392. But the question is, the expense of delivering the 10 quarters of grain ?—If you had to send expressly to Liverpool those 10 quarters, then the question of economy or the want of it would come in ; but a railway company does not send away half a load, it allows the littles to accumulate until it makes up a full load.

393. That is what they do, but the question put to you was this, whether a train, say of 400 tons, going at a certain hour, and one customer filling the train, does not place the railway company in a better position than they would be in when they announce that they have a train to start at a certain hour, trusting to ten or a dozen customers to bring their goods to fill that train ?—The practical fact is that the railway company does not announce that they will start a train at any hour, but what they do is to make up a train of goods and carry them, but they give no information as to the articles, or as to the time when they will carry them, for they will keep them a day or two days or half a day until they are sent away.

394. (*Mr. Roebuck.*) I think what you mean is this : You would suggest a reduction of the maximum rates and you would impose a necessity upon the railway companies to charge for uniform distances a uniform rate ?—Yes, that would be, supposing that Parliament chose to deal with the subject in that particular manner.

395. (*Chairman.*) I think your view is, that not only one particular system of railways should charge a uniform rate, but that all railways in the country should have a uniform rate for equal distances ?—Yes, and I believe that that is a reasonable proposal. It would involve the necessity for having some administrative board that should take into consideration the question of proposed reductions.

396. Would not that practically put an end to competition ?—Yes, it would, but there is none at present.

397. (*Sir R. Hill.*) Your proposal, I think, is to have a general system of fixed terminal charges, and a varying mileage rate according to the distance—a lower rate for a longer distance ?—I should say somewhat lower than for a short distance.

398. Would not the same result be brought about by more simple means ; for instance, if you had a uniform mileage rate, whatever the distance might be, but a higher terminal charge, that terminal charge being so adjusted as to produce, in combination with a uniform mileage rate, about the same charge for a

Mr. J. Patterson.

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given distance, 10 miles, or 20 miles, or 50 miles, as you have yourself proposed?—That would be a question of calculation.

399. No, it would be a simple arrangement, to have a fixed rate for terminal charges, and a uniform mileage rate whatever the distance travelled might be?—My apprehension of the case is, that the terminal charge is as nearly as possible a uniform amount, entirely irrespective of the distance, and therefore I would make it a fixed charge; but a mileage rate is subject to fluctuation, and I would make the fluctuation apply to it. The result would be arrived at I have no doubt by the same means, but it would be an erroneous phraseology. There is no reason why the terminal charge should be made different upon 100 quarters of corn whether it be carried 20 miles or 120.

400. I am suggesting that the terminal charge should be a fixed invariable amount?—Yes, that is my proposal.

401. And that the charge per mile should also be a fixed invariable amount. Then by raising or depressing the terminal charge, I do not mean on every occasion, but once for all, in the original enactment, you might bring out the same result as you aim at obtaining by a fixed terminal charge, and a varying mileage rate?—I think that that would be an inconvenient way of arriving at the same result.

402. (*Mr. Gower.*) In your opinion, are the rates which the railway companies connected with Liverpool now charge, rates which are most profitable to themselves, or do you think that by changing them, they might increase their own profits?—I have not the slightest doubt that the rates at present charged, are those which are supposed to be the most profitable to the company; I have no doubt at the same time that a judicious reduction of those rates would not infringe upon their profits.

403. (*Mr. Roebuck.*) If the high charges at Liverpool throw increased trade upon the lines in which they have an interest, may it not be for the real interest of the companies as opposed to the interest of the public to make a high charge from Liverpool?—It may be their supposed interest to do so, but I believe that selfishness is often very short-sighted.

404. Suppose that by making a high charge they throw increased traffic upon the lines in which they have an interest, may it not be for their interest to do so, although it may be injurious to the interests of Liverpool?—Yes, for a limited time; but if the Liverpool and Manchester Company, instead of having two lines from Liverpool to Manchester, many years ago had laid down four lines, and perhaps by this time six lines, and had reduced their charges, I believe that their shareholders would have been receiving a very large dividend upon a very largely increased trade from Liverpool, and they probably would have been saved from some very injudicious extensions in other directions.

405. (*Chairman.*) Are the docks at Liverpool capable of accommodating a greatly increased traffic over the present enormous amount?—At the time when the two articles of corn and cotton came in in large quantities, as they did in the year 1861, the dock accommodation was found to be very deficient; but large dock extensions are in progress, particularly at Birkenhead, extensions which at present are not profitable to the trade of Liverpool, but which probably will be found to be a profitable employment of capital at a future period.

406. (*Mr. Hamilton.*) Have you heard anything of a scheme for connecting Liverpool with Birkenhead, by running a tunnel underneath the Mersey?—Yes; we have seen it in the parliamentary notices.

407. Is that project entertained with favour at Liverpool?—I think it is; we should be very glad to see it carried out, but we think that it is almost too good to be true.

408. (*Mr. Horsfall.*) Is there any other observation that you would like to make to the Commission?—Yes; in reference to some of the questions which have been put to me as to the cost of construction, and as regards the terminus at Liverpool. I think that we might get an illustration as to the importance of cost in the case of a railway in Ireland that has been made at a cost of 5,000*l.* a mile as compared with another railway at Blackwall which cost above 120,000*l.* a mile. That Blackwall Railway has been carrying, and could carry, passengers with a profit at rates that would not be as remunerative to the Fynn Valley Railway. Another case has occurred to me as to the terminus at Liverpool. We have an insurance company in Liverpool called the Liverpool and London Globe Company, which has very extensive offices standing upon land which has been valued at about 50*l.* or 60*l.* per square yard, and I think they can insure persons as cheaply as if their land cost them as many shillings per square yard. I give these cases as illustrative of the opinion which I entertain, namely, that the actual cost of the construction of a railway or of a terminus may be comparatively of small moment with reference to a calculation of the charges to be made, for after all the main element is the amount of business done on the premises.

409. (*Mr. Glyn.*) Has there not been great opposition on the part of landowners in Liverpool to grant sites for stations, and so on?—No, I think not, if a proper price was offered; we have had so large a trade from Liverpool that the landowners have derived a very large harvest indeed in that way.

I have further to add that in the letter that I received from the corn dealer, and to which I have already referred, there is a postscript. "P.S.—"What makes the railways more difficult to deal "with between here and Liverpool is, that they "have the control of the canal tolls, and if any one "puts boats on they must do it at a loss. This is "not the case between here and Gloucester. Any "one can carry cheaper by their own boats, or by "hiring, than by railway." From Liverpool actual weights are charged for, as they should be elsewhere; 5 quarters are computed to the ton of wheat, thus reducing the nominal charge 10 to 15 per cent. With regard to the applications that have been made to the railway companies in Liverpool I may state that we have not only applied to the London and North-western Company, to the Lancashire and Yorkshire Company, and to the Manchester, Sheffield, and Lincolnshire Company, but also to the trustees of the Bridgewater Canal, as after an interview that we had with the chairman and with several of the directors of the London and North-western Company, it was suggested by the chairman that it would be desirable that we should have a conference with all of those gentlemen. He was good enough himself to call a meeting of those several companies, who appeared by a very large representation indeed; there were probably three or four directors of each of those companies. Mr. Faraday Smith and some of the officials were present on behalf of the Bridgewater Trust, and all these questions were discussed between us, and it was then understood that any redress that could be given for our grievances must be given by the united action of all those different bodies. We were afterwards informed that Mr. Faraday Smith, as representing the Duke of Bridgewater's Canal, was unwilling to give up the system of free warehousing in Manchester; but, whether with or without his consent, that principle has been to some extent given up, so that now we have a small but inadequate reduction in the rate from Liverpool to Manchester. But our case included the whole case that is made in this printed paper. With regard to any other portion of it we cannot say that we have obtained any redress.

410. What was the date of the conference?—It was a few months ago.

411. Is that the only rate that has been reduced to which you have just referred?—I believe that there is one in the neighbourhood of Manchester that has been reduced, correspondingly, but only one.

The witness withdrew.

Mr. Hilton Halhead examined.

412. (*Mr. Horsfall.*) You are a timber merchant at Liverpool?—Yes.

413. How long have you been engaged in that trade?—Forty-three years next month.

414. You are well acquainted with the timber trade at Liverpool and its requirements?—I am.

415. Is that trade continually in need of increased accommodation?—Yes, constantly.

416. Owing to the increased imports?—Yes.

417. The trade of Liverpool, I think, doubles itself in about every 14 years?—Yes, all the tonnage of Liverpool.

418. What is the present tonnage of Liverpool?—Nearly 5,000,000.

419. Has the timber trade largely increased?—It has, I think, in about the same ratio with the general increase at Liverpool.

420. Has the Baltic trade increased?—No; that has diminished, chiefly owing I believe to the very excessive rates which have been charged from Liverpool into the Yorkshire districts, as compared with the rates charged from Hull, Grimsby, and Hartlepool, which compete with us.

421. That is regarded as a grievance by the timber trade of Liverpool, is it not?—Yes, as a very serious one.

422. Owing to higher rates being charged from Liverpool than from those ports?—Yes, they are very much in excess, and we have had two or three meetings on the subject.

423. With which railway companies have you had communications?—With the London and North-western Company; with the Lancashire and Yorkshire Company, and I fancy with the East Lancashire Company, who have a portion of the Hull and Grimsby line running into Leeds and the other manufacturing districts.

424. Will you state to the Commissioners what amount of shipping is employed in the timber trade?—In 1822, when I first entered into the trade, there were 384 ships employed, which carried 100,620 tons. In 1860 that number was increased to 421 ships, which carried 298,498 tons. In 1863 the number was increased to 545, which carried 410,932 tons, and that is still going on.

425. Is it an opinion generally entertained by the timber trade in Liverpool that the tonnage would have been much greater had it not been for the high rates charged by the railway companies?—Yes.

426. Are you prepared with any statement as to the comparative rates charged at Liverpool and at other ports?—I am; I have condensed it a little. (*See Appendix E.*)

427. Just state the substance of it?—From Liverpool to Burton-on-Trent the distance is 90 miles, and the rate charged is 15*s.* a ton. From Hull it is 122 miles, and the rate charged is only 9*s.* 8*d.* From Hartlepool the distance is 154 miles, and the rate charged is 10*s.* 10*d.* From Bristol the distance is 125 miles, and the rate charged is 12*s.* From Gloucester the distance is 87 miles, and the rate charged is only 7*s.*

428. It is larger to Burton-on-Trent?—Yes. The next place is Derby; the distance is 92 miles from Liverpool, and the rate charged is 13*s.* 4*d.* From Hull the distance is 111 miles, and the rate charged is 9*s.* 2*d.* From Hartlepool I have not got the mileage, but it must be very considerable, above 120 miles, and the rate is 10*s.* 4*d.* From Bristol to Derby the distance is 136 miles, and the rate is 11*s.* 4*d.* From Gloucester to Derby the distance is 99 miles, and the rate is 8*s.* From Great Grimsby to Derby the distance is 94 miles, and the rate 9*s.* 2*d.*, and so on. Then there is Sheffield, which is distant from Liverpool 70 miles, and the rate is 11*s.* a ton. Then from Hull to Sheffield the distance is 70 miles, and the rate is 7*s.* Hartlepool is 8*s.* 4*d.* per ton, but there again I have not got the mileage. Staleybridge is 40 miles from Liverpool, and the charge is 10*s.* per ton. It is 110 miles from Hull, and the charge is 12*s.* 6*d.* a ton; also 12*s.* 6*d.* from Hartlepool. From Todmorden the distance from Liverpool is 50 miles, and the rate is 13*s.* per ton. From Hull to Todmorden the distance is 84 miles, and the rate is 12*s.* 6*d.* From Liverpool to Birmingham the distance is 90 miles, and the rate 13*s.* 6*d.* per ton. From Hull to Birmingham the distance is 134 miles, and the rate is 14*s.* 2*d.* per ton. From Hartlepool to Birmingham the distance is 180 miles, and the rate is 14*s.* 2*d.* From Bristol to Birmingham the distance is 94 miles, and the rate 10*s.* per ton. From Gloucester to Birmingham the distance is 56½ miles, and the rate is 6*s.* 6*d.* per ton. From Sunderland to Birmingham the distance is 208 miles, and the rate is 14*s.* 2*d.* From Liverpool to Penistone the distance is 63½ miles, and the rate 16*s.* From Hull to Penistone the distance is 89 miles, and the rate 10*s.* 10*d.* From Liverpool to Rochdale the distance is 41½ miles, and the rate is 11*s.* per ton. From Hull to Rochdale the distance is 88 miles, and the rate is 12*s.* 6*d.* a ton. From Hartlepool to Rochdale the distance is 138 miles, and the rate 12*s.* 6*d.* per ton. From Liverpool to Sheffield is 70 miles, 11*s.* From Hull to Sheffield 70 miles, 7*s.* From Hartlepool to Sheffield I have not the mileage, but the rate is 8*s.* 4*d.* a ton. From Liverpool to Manchester the distance is 31½ miles, and the rate is 8*s.* per ton. From Fleetwood to Manchester the distance is 50½ miles and the rate is 8*s.* per ton. From Hull to Manchester the distance is 99 miles, and the rate 12*s.* 6*d.* From Hartlepool to Manchester 103 miles, 12*s.* 6*d.* From Grimsley to Manchester 110 miles, 12*s.* 6*d.*

429. As representing the timber trade of Liverpool, you put in those various rates operating to the disadvantage of Liverpool, and that is the complaint of the timber trade?—Yes. I may just mention that in all instances except about three, are the rates out of Liverpool in excess of 12 rival ports to 22 places. Out of 264 places there is no charge in excess of those from Liverpool, except in three out of the total of 264, in which places the charge is in excess of the charge from Liverpool—261 cases against 3.

430. Which are those three places?—From Grimsby the charge is at the rate of $2\frac{1}{15}d.$ per ton to Halifax. From Liverpool it is $1\frac{2}{3}d.$ Another case is from Hull to Leeds, where the charge is $1\frac{4}{7}d.$ per ton. From Liverpool it is $1\frac{1}{2}d.$ From Hartlepool to Halifax the charge is $1\frac{5}{8}d.$ against $1\frac{2}{3}d$ from Liverpool. Those are the only three exceptions out of all the places enumerated in the list which I have handed in, and in those cases the rates are slightly in excess.

431. (*Mr. Hamilton.*) Does the table show on what particular lines those rates are charged?—Not entirely so, because there is an amalgamation in the case of some of them. The goods go perhaps upon two lines for the whole length of the distance, but we have got these rates from the parties who pay the rates. I have a letter here which was sent to me from Liverpool. I wrote before I left Liverpool to a gentleman to get me the particulars of the rates from Birmingham, and he says, "Agreeably with your request "annexed, I beg to hand you rates of carriage from "Gloucester, Bristol, &c. to Birmingham, and I am "pleased to see that some one is taking the initiative "with a view to get the Liverpool rate to our town "reduced, as it has for some years kept us out of "your market for American pine and spruce deals, "of which there is an enormous consumption here. "You will perceive that the Liverpool rate to Bir"mingham is half as much again as the Bristol rate, "and the distances, I believe, are nearly alike. "Hoping your efforts will meet with a successful "result, I am, Gentlemen, yours most respectfully, "Jesse Ball."

From Bristol, 91½ miles.

By water 8*s.* 6*d.* per ton, 2½ tons to standard.
By rail 9*s.* 0*d.* „ „ „
Station to station rate.

Mr. H. Hulhead.

24 March 1865.

From Gloucester, 54 miles.

By water 5*s.* 6*d.* per ton, $2\frac{1}{4}$ tons to standard.
By rail 5*s.* 6*d.* „ $2\frac{1}{2}$ „ „

Station to station rate.

From Newport, Monmouthshire, $97\frac{1}{2}$ miles.

By water 9*s.* 0*d.* per ton, $2\frac{1}{2}$ tons to standard.
By rail 9*s.* 0*d.* „ „ „

Station to station rate.

From Liverpool.

By rail 13*s.* 6*d.* per ton, $2\frac{1}{2}$ tons to standard.

Station to station rate.

432. (*Chairman.*) The trade from Liverpool with most of these places has become diminished, and you consider that you are placed in a disadvantageous position as compared with other towns ?—Yes ; the trade has very much diminished for Baltic timber, although as a whole it has increased. We consider our trade would have increased still further had a more equitable charge been made from the different rival ports, and that our rates ought to be less.

433. (*Mr. Roebuck.*) I suppose you consider yourself at a disadvantage with the eastern ports, you being on the western side of England, in your trade with the Baltic ?—There is a little disadvantage.

434. May not a portion of the falling off of your trade be attributable to that circumstance ?—I think it may, fairly.

435. (*Chairman.*) The Commission may infer, I think, that you are not prepared to give any opinion as to what would be the best remedy for the disadvantages under which you state you labour in Liverpool ?—We should like something in the shape of an equitable distribution of the rates according to distance.

436. But you are not prepared to give any evidence as to how that is to be accomplished ?—No ; I am not.

The witness withdrew.

Adjourned to Wednesday next at 12 o'clock.

Wednesday, 29th March 1865.

PRESENT :

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
J. A. ROEBUCK, ESQ., M.P.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
CAPTAIN DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ.
W. POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. THE EARL OF DONOUGHMORE IN THE CHAIR.

Mr. C. Stead.

2 March 1865.

Mr. CHARLES STEAD examined.

437. (*Chairman.*) I believe you are a member of the firm of Salt, Sons, and Company, of Saltaire, near Bradford ?—Yes.

438. What business do you carry on ?—We are spinners and manufacturers of alpaca and various other fabrics made from foreign and English wool.

439. Are your works at Saltaire ?—Yes.

440. What is the situation of your works ?—They are about three miles from Bradford. One end of the warehouse abuts upon the Leeds and Liverpool canal, and the other end of it abuts upon the extension line of the Midland Railway Company, called the Midland Extension Railway, by which we have access to Liverpool either by canal or by railway.

441. At the time when the erection of your manufactory commenced, did the canal belong to one company and the railway to another ?—That was so. When the buildings were commenced, I may say that I believe a lease was entered into in the first place between the different railway companies and the Leeds and Liverpool Canal Company, by which the tolls or water dues on this canal were leased ; and perhaps, prior to the works being commenced, other arrangements were made before we were aware of it.

442. Can you state to the Commissioners the names of the four railway companies ?—The Lancashire and Yorkshire Railway Company was one, the East Lancashire Railway Company another, the London and North-western Railway Company another, and the Midland Railway Company.

443. You had made arrangements to commence the erection of the buildings before you became aware of this arrangement ?—Yes.

444. Since that time has there been an amalgamation between the railway companies and the canal company ?—No, but the railway companies have raised the tolls upon merchandise carried on the canal.

445. So that those four railway companies have complete control over the traffic on the canal ?—Yes.

446. (*Mr. Horsfall.*) Do they all charge the same rate ?—Yes, both the canal and the railway companies have made them so now.

447. (*Sir R. Hill.*) Was the charge previously made by the canal company increased ?—Yes, it was considerably increased, as I can show the Commissioners. On the 3rd of August an agreement was entered into, at which date the dues per ton per mile were $\frac{3}{4}d.$ from Liverpool to Bradford, and on the 5th August following the dues were advanced to $1\frac{1}{2}d.$ per ton per mile.

448. (*Chairman.*) On what description of goods was that charge made ?—It was made on general merchandise, minerals were a little different.

449. In carrying on your business you have a good deal of traffic in bringing the raw materials to the works, and in sending away manufactured products ?—Not so much in sending away as in bringing the raw materials to the works.

450. Which are the places from which you principally obtain your raw materials ?—Liverpool and London.

451. Are you prepared with any statement or table of the rates which you now pay for the principal articles you require for manufacturing purposes from Liverpool and from London, also showing the rates which you formerly paid ?—I have no table, but I can state the rates. We now pay from Liverpool 18*s.* per ton, and before the works were commenced we had them brought to Bradford, which is four or five miles further by the canal, for about 17*s.* 6*d.*, and the rate has been as low as 8*s.* 4*d.*

452. That I suppose was during a period of competition ?—Yes.

453. Did that state of things last for any length of time ?—Not for any great length of time.

454. What rate do you pay to London ?—To London we pay 35*s.* per ton.

455. Is there an equal charge whether the goods are sent by canal or by railway ?—We have not a canal to London. We must have the goods sent by railway or by sea to Hull or to Grimsby, and from thence forwarded by railway.

456. With respect to the canal, were there formerly trading boats and carriers running on the canal ?—A great number.

457. Are there any at the present time?—I believe there are none, excepting those of the lessees of the canal, which now carry for those various railway companies. The Midland Railway Company, I believe, has now withdrawn from the agreement. The three others remain as the lessees of the canal, and they are carrying.

458. You do not mean in opposition to the Midland Railway Company?—No. The Midland Railway Company only goes for a distance of about 25 miles on the route to Liverpool. Then they go over the East Lancashire line, which is now amalgamated with the Lancashire and Yorkshire line, and they form one company.

459. (*Mr. Horsfall.*) What were the rates of charge between Liverpool and Saltaire before this combination took place?—We had not built the works before the combination.

460. What were they to Bradford?—To Bradford we paid 17*s.* 6*d.*

461. What did you pay afterwards?—Now we have an arrangement to Saltaire for 18*s.*

462. (*Sir R. Hill.*) Is the distance greater or less?—It is a less distance, four miles less, but I should not like to say exactly; the Bradford branch of the canal is one on which there are many locks.

463. (*Chairman.*) What is the distance from your works to Liverpool by railway?—114 miles, or about that.

464. (*Mr. Dalglish.*) And what is the distance from your works to London?—We have no canal carriage to London, but by railway it is about 210 miles.

465. (*Capt. Galton.*) To whom does the Leeds and Liverpool canal belong?—It is now leased by the East Lancashire Company and the Lancashire and Yorkshire Company, which are now amalgamated, and the London and North-western Company.

466. Your works are on the line of the Midland railway, are they not?—They abut on both.

467. That is on to the railway and on to the canal?—Yes. The Midland Railway Company have an extension branch from Skipton to Colne—it goes through Skipton.

468. Your goods go, when they are carried by railway, by the Midland line to Colne, and then by the Lancashire and Yorkshire Company's line to Liverpool?—Yes, it was formerly called the East Lancashire line. It was amalgamated with the other in 1859.

469. You have, as I understand, no access to the London and North-western railway?—No.

470. And no access to Liverpool except by passing over the Lancashire and Yorkshire railway?—No direct access; we have an access by way of Bradford and by the Lancashire and Yorkshire line proper.

471. You must pass over one or other line of the Lancashire and Yorkshire Company to get to Liverpool?—Yes.

472. There is no competition between the London and North-western Company and the Lancashire and Yorkshire Company?—None. The competition that we looked for was between the railway and the canal, and when Saltaire was fixed upon it was chosen especially with that view.

473. (*Sir R. Hill.*) Is there anything at the present time to prevent the carriers from conveying goods on the canal at the old rates?—Yes, there is, because the dues are so heavy as charged by the lessees, and it is impossible for them to do it.

474. Can you say whether the original Act empowering the shareholders to make the canal fixed a maximum upon the dues to be levied?—Yes, it fixed 1½*d.* per ton per mile.

475. And they have not exceeded that?—No, but the maximum was not charged before the arrangement was made with the railway companies.

476. (*Mr. Horsfall.*) It was about half, I think you say?—Yes. Only two days before the arrangement was made it was half, and then it was suddenly raised to the maximum.

477. (*Sir R. Hill.*) You do not complain that there has been any violation of the law?—No.

478. (*Mr. Horsfall.*) Consequent upon the arrangement between the railway companies and the canal company you now pay double the amount of carriage that you did before?—No, the dues are double, but we do not really pay double, because we have arranged with the Midland Company, and they again, I presume, have made their arrangement with the East Lancashire Company, whatever that may be, to get our goods brought to Saltaire for 18*s.* a ton.

479. (*Mr. Gower.*) How much would the rate be, supposing no arrangement to have been made?—That I cannot say.

480. (*Sir R. Hill.*) How much would it have been by the canal?—We previously got them carried at 17*s.* 6*d.* per ton, before the arrangement took place and it has been as low as 8*s.* 4*d.*

481. The charge has been in effect advanced from 17*s.* 6*d.* to 19*s.*?—Yes.

482. (*Mr. Horsfall.*) It has been increased in fact from 8*s.* 4*d.* to 17*s.* 6*d.*?—Yes.

483. (*Sir R. Hill.*) That was a temporary change, was it not, the 8*s.* 4*d.*?—Yes; but I have very little doubt but that if private carriers could carry on this canal at ¾*d.* per ton per mile lock dues as they did before the arrangement was made with these various railway companies; I have no doubt that we could get our goods at from 12*s.* to 14*s.* per ton.

484. Can you say how long that low charge which you have mentioned had been in operation?—Not precisely.

485. For a year or two?—I see by a memorandum that it continued until June 1850. It was 8*s.* 4*d.* per ton, but when that charge began I have no data to show.

486. (*Chairman.*) What was the rate immediately after June 1850?—On the 5th August 1850 the lock dues were doubled.

487. That was immediately after the arrangement that was made between the railway and the canal companies?—Yes.

488. If the Lancashire and Yorkshire Company and the East Lancashire Company had not been amalgamated in 1859, would you now have two different routes to Liverpool?—We should.

489. The one by Colne, and the other by Bradford?—Yes.

490. The route by Colne would be by the East Lancashire line, and the route by Bradford by the Lancashire and Yorkshire line?—Yes. I may add that it is not only that we are paying more for the carriage of our goods, but we are seriously inconvenienced in point of time; we find very great inconvenience especially from Manchester. From Manchester we receive goods of the value of 60,000*l.* or 70,000*l.* per annum. These goods consist of what we term cotton warps, and instead of getting them direct by the East Lancashire line by way of Colne and the Midland line to Saltaire, we have them brought by Sheffield—from Manchester to Sheffield and from Sheffield by way of Leeds to Bradford, which is more than double the distance. I should mention that the Midland Company found such obstructions placed in their way in getting hold of our goods, because they had only about 25 miles of their own line to bring them over, and the Lancashire and Yorkshire Company did not get the whole of the freight, that they were obliged to make arrangements with the Manchester, Sheffield, and Lincolnshire Company to take them by way of Sheffield. Then the Midland Company brings them to Leeds, and so on to Saltaire.

491. Can you make any comparison between the distances, showing the difference between the two routes?—I think that one is certainly more than double the distance of the other, and in point of time the inconvenience that we experience is very serious, of which I may give an instance. Only yesterday we got some cotton warps which we ought to have had

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on Monday morning, and a day is of very great importance to us at this season of the year.

492. (*Mr. Horsfall.*) How long does it take to get goods from Manchester by the shorter route?—We used to get them, before the amalgamation took place, the next morning, now it takes frequently two days; sometimes we get them the next day, but that does not occur often. Before the arrangement was made, to which I have just referred, with the Manchester, Sheffield, and Lincolnshire Company, they took frequently four days from Manchester.

493. (*Chairman.*) You say that by the shorter route, which is the natural one for your goods to come by from Manchester, the part of the line in the possession of the Midland Company is only 25 miles?—Yes.

494. The Midland Company would get their proportion of the charge for the distance they carried?—Yes.

495. How much of the other route by Sheffield is in their hands?—The Midland Company has about 46 miles; 36 miles from Leeds to Sheffield, and 10 miles from Leeds to Saltaire.

496. Is that the natural field of the Lancashire and Yorkshire Company?—Entirely, I think.

497. Might it not be the interest of the Midland Company to get a larger profit by carrying your goods the longer distance?—I do not think that. The arrangement was made in consequence of the complaint that we made to the Midland Company of the very serious delay that occurred in the delivery of our goods.

498. You say that by the shorter route they would only carry your goods over a distance of 25 miles?—Yes.

499. And by the longer route a distance of 46 miles?—Yes.

500. Would they not therefore receive a larger proportion of the total freight?—The fact is that we do not pay more for the goods when carried over the longer route than we do when they are carried over the shorter route. The Midland Company has to carry them 46 miles for the same rate as for 25 miles, or rather, I should say, for the same amount.

501. (*Mr. Roebuck.*) You suppose that 25 bear the same relation to the whole distance that 46 bear to the whole distance?—Yes, I think so. I do not know the distance between Sheffield and Manchester.

501. (*Mr. Dalglish.*) Are your goods taken to Sheffield?—Yes.

502. Instead of going by the loop line from Penistone, that joins at Penistone?—They go from Penistone to Sheffield, and over the Midland to Leeds.

504. (*Capt. Galton.*) And from Leeds to Saltaire?—Yes.

505. (*Sir R. Hill.*) You say that the charge for the longer route is the same as for the shorter route?—Yes, the total charge is.

506. Can you suggest what the motive on the part of the company is for selecting the longer route?—The motive of the Lancashire and Yorkshire Company and of the East Lancashire Company, which are amalgamated companies, was this;—they wanted us to send all our goods over their line to Bradford, and then, either by the Midland, a distance of $2\frac{1}{2}$ miles, and so to our works, or that we should cart them from Bradford, so that they would get all the freight.

507. (*Chairman.*) Do you believe that the Midland Company are better friends with the Manchester, Sheffield, and Lincolnshire Company than they are with the Lancashire and Yorkshire Company?—I do not know that they are. I believe that the arrangement was made almost entirely in consequence of the complaints that we made of the delay which took place.

508. The practical result of your agreement is that the Lancashire and Yorkshire Company lose the whole of your traffic from Manchester?—Yes, the whole of it.

509. Do you know what it amounts to in value?—It is certainly not less than 70,000*l.* a year.

510. Did your firm object very much to the amalgamation of those two companies?—Yes, we did, and I came up to London and gave evidence before the Committee in the House of Lords, which Committee threw out the bill.

511. That was in 1858, was it not?—Yes.

512. In the year 1859 you were not equally fortunate?—No; the Lancashire and Yorkshire Company and the East Lancashire Company made some arrangement with the Midland Company, and the Midland Company withdrew their opposition, and then the opposition of the Chamber of Commerce of Bradford failed to upset the amalgamation scheme.

513. The Chamber of Commerce of Bradford opposed on public grounds?—Yes.

514. You opposed as private individuals?—I came as a private trader and as a member of the Council of the Chamber of Commerce.

515. Will you describe shortly to the Commission the difference of the position in which you now stand with regard to your traffic at Saltaire, and the position in which you would have been if this amalgamation had not been accorded by Parliament?—The difference is this, that we should have been able to get our goods from Manchester by the next morning, whereas we have now to wait for sometimes more than two days before we receive them.

516. But I mean with regard to the charges?—As to the charges, I am not aware that there would be any serious difference, for, as I have already stated, we do not pay more from Manchester now than we did when they were brought by Colne.

517. You have not, I think, yet mentioned the rates to Manchester?—I think they are 20*s.* a ton, but they are generally for light goods. I think it is 20*s.*, but the fact is, that we do not ourselves pay the carriage: the parties from whom we purchase the goods have to deliver them and to pay the carriage themselves; therefore I cannot state with any accuracy what it is.

518. The contracts are made between you and those from whom you receive the goods to deliver them at Saltaire?—Yes, at a certain price.

519. (*Mr. Roebuck.*) Do you say that the difference in point of time is to you a matter of great importance?—Yes, it is so sometimes, not always, but it is of immense importance to us sometimes.

520. (*Capt. Galton.*) Your complaint is solely as to the delay; you have no other complaint to make?—The principal complaint that we have to make is of the delay. The charges are about the same as they would otherwise be if we had the goods brought by the Colne route. As I stated before, we do not pay the carriage ourselves, but I believe the parties who send the goods to us pay the same rate by Sheffield as they originally paid by Colne.

521. (*Mr. Roebuck.*) Although the freight is paid by those who send the goods, I suppose that that enters into the cost of the goods to you?—No doubt of that; they would charge a higher price in consequence of paying the freight.

522. (*Capt. Galton.*) What addition to the value of the goods does the carriage you have to pay make for the raw material?—That depends upon the material; in cotton warps it would not make a serious difference.

523. What is the value of cotton warps?—From 2*s.* to 10*s.* a pound.

524. (*Sir R. Hill.*) What is the cost per ton?—I cannot state exactly, but it is much more per ton upon wool, oil, and soap, and such articles as those, the raw materials.

525. (*Capt. Galton.*) Do they charge you the same price per ton for carrying all those articles?—Yes, from Liverpool.

526. (*Sir R. Hill.*) Did you say 18*s.* a ton?—Yes, we have them delivered at Saltaire at that price; but I should mention that we have been at the expense of making a siding.

527. (*Capt. Galton.*) Before the canal company was amalgamated with the railway companies did you

pay 17*s.* 6*d.* a ton ?—Yes, we are three miles nearer now.

528. Formerly you paid 17*s.* 6*d.* a ton, and you had to cart the goods because you were three miles from the place ?—Yes, we should have to pay at the present time if the company carted the goods to our works 20*s.* a ton ; but having made a siding to our works we made a bargain, and we got them delivered for 2*s.* a ton less.

529. Formerly did they carry them for 17*s.* a ton and cart them as well ?—Yes, and now for 20*s.* they do the same thing, they have delivered them at our works.

530. (*Mr. Horsfall.*) When the competition was at its height between the two companies you got them carried for as low as 8*s.* 4*d.* a ton ?—Yes, not by the railway, by the canal ; and if we had now any fair competition between the canal and the railway companies, we should get them carried at from 12*s.* to 13*s.* heavy goods.

531. (*Sir R. Hill.*) You never did get them carried, did you, for that price by the railway ?—Not to Saltaire, because our works were not completed before the arrangements were entered into between the canal and the railway companies.

532. You spoke of a large reduction in the charge by the canal company, can you give us the date of that reduction, and perhaps you can state whether it was before or after the construction of the railway, that which competed with the canal ?—It was after the construction of the railway.

533. Then it was probably caused by the construction of the railway ?—It was caused by the construction of the railway.

534. Your complaint, as I understood you, is this, that the advantage which was given to you by the construction of the railway was only a temporary advantage ; that after a while the railway and the canal companies united their interests, and then the advantage ceased ?—Yes, just so.

535. Has not that always been the case when competition has arisen between railway and railway, and between a canal and a railway ?—It is too frequently the case, but what we think is, that Parliament ought to prevent such things happening.

536. But you must bear in mind that the advantage did not commence, as I understand you, until the railway was made ?—Certainly not.

537. Therefore the making of the railway gave you some temporary advantage, and your complaint is that it was not a permanent one ?—Yes ; we complain that a competing mode of carriage has been allowed by Parliament, of which we ought to have the advantage, but now the advantage is nil.

538. (*Mr. Dalglish.*) You complain of the system of amalgamation ?—Yes ; we complain of the companies having the power to lease the canals, and having the power of amalgamating what had been originally competing lines, and which had been granted as competing lines.

539. (*Lord Stanley.*) Supposing that Parliament placed a check upon amalgamations, or at all events upon the extent to which they have been hitherto carried on, how could you prevent understandings and agreements between separate companies, which would come practically to the same thing as amalgamations?—That is a question, I think, for Parliament to consider. I do not see how it could be done as to understandings and agreements. If there were no leases allowed to be granted, such as the lease of the Leeds and Liverpool canal to the four railway companies which I have already mentioned, private traders would have been on the canal, and we should always have had sufficient competition.

540. (*Mr. Dalglish.*) Do you know what dividend the canal company paid before the amalgamation took place ?—The canal shares were once very high ; a 100*l.* share was as high as 800*l.*

541. Then it paid a very good dividend ?—Yes.

542. Do you know what the rate of toll was ; was it $\frac{3}{4}d.$ or $1\frac{1}{2}d.$?—It was about $\frac{3}{4}d.$, I think.

543. If no amalgamation had taken place between the canal and the railway companies you would have been able to get your goods carried for $\frac{3}{4}d.$ still ?—Certainly.

544. And your goods would be carried at 12*s.* a ton ?—Yes, from 12*s.* to 14*s.*

545. (*Sir R. Hill.*) No amalgamation has taken place between the trustees of the Duke of Bridgewater's canal and the Manchester and Liverpool Railway Company ?—No ; but I believe that there is an amalgamation or a leasing or some agreement between the Manchester and Rochdale Canal Company and the Lancashire and Yorkshire Railway Company ; for instance, when some of our private carriers were thrown off the Leeds and Liverpool canal, who were carrying goods from Liverpool to Bradford or Leeds, they made an arrangement to bring them over the Duke of Bridgewater's canal, and then over the Manchester and Rochdale canal, and then on by the Calder and Hebble canal to Wakefield, and then on the Aire and Calder canal to Leeds, and so to Bradford.

546. It was stated in evidence the other day that an agreement had been entered into between the railways serving Liverpool and the trustees of the Duke of Bridgewater's canal, which had the effect of fixing rates upon the canal and the railways at the same amount ?—Yes.

547. That was not the result of amalgamation ?—No.

548. Supposing that Parliament had not assented to the amalgamation which has taken place, and of which you complain in your neighbourhood, might not the canal and the railway companies have come to an understanding precisely the same in effect ?—No, not precisely ; it would have been much more difficult to do so. We had then the Lancashire and Yorkshire Company, and the East Lancashire Company.

549. Might they not have come to such understanding ?—Of course it is possible that all the railways in the country might come to some such understanding and charge us even the maximum rates.

550. (*Mr. Hamilton.*) Your complaint is that Parliament granted exceptional facilities, which deprived the public of those competing lines by authorizing amalgamation ?—Yes, that is undoubtedly so, by allowing those various railway companies to lease the canal.

551. (*Chairman.*) You were about to state something with reference to the Manchester and Rochdale canal ?—Yes ; I believe that some agreement has been made with the Rochdale canal. When our private carriers were swept off the Leeds and Liverpool canal they arranged to bring goods from Liverpool to Leeds by way of the Rochdale canal, the Duke of Bridgwater's canal, the Calder and Hebble and the Aire and Calder canals ; that was the arrangement they made with the four companies. That was in force until the 15th April 1856, on which day the letter which I hold in my hand was sent to our private carriers in Bradford, Messrs. Crowther and Dickson. It is in these terms :—"Gen-
" tlemen, I beg to inform you that on the first day of
" May next the present dues charged on this canal
" will be advanced on that particular class of traffic,
" which you have lately been carrying from Liver-
" pool to Leeds. The dues will not be less than
" 2*d.* per ton per mile, and in all probability some-
" thing more." Twopence per ton per mile would amount to nearly 1*l.* a ton, and perhaps over that, for dues alone.

552. From whom did that letter come ?—It came from the Rochdale canal office.

553. (*Mr. Horsfall.*) £1 per ton for what distance ?—From Liverpool to Leeds, which is a distance of about 120 miles, but this is not by the direct Leeds and Liverpool canal.

554. (*Sir R. Hill.*). Has the company any legal right to advance their rate to 2*d.* per ton per mile ?—

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Yes; they have a legal right to advance it to their maximum toll, but not beyond that, whether their maximum toll be 2*d.* or 3*d.* I am not in a position to state. These parties made an arrangement with those four canal companies which enabled them to bring goods to Leeds and Bradford, and thereby compete with the railways. Then upon the Lancashire and Yorkshire Company making some arrangement, as these private carriers told me, with the Rochdale Canal Company, the Rochdale Canal Company sent them this note, by which they advanced the tolls to 2*d.*

555. That was not the result of amalgamation?—It was the result of the Lancashire and Yorkshire Company leasing the tolls of the Rochdale canal; it was the result of some arrangement of that kind, the parties could not tell me the particulars; it is very difficult to get at these things.

556. (*Mr. Dalglish.*) You judged that it was so from the difference between 8*s.* 4*d.* and 18*s.*?—No doubt.

557. (*Chairman.*) Would it be, in your opinion, any protection to the public if the railway companies and the canal companies were obliged, when they entered into arrangements of this sort, to make them public?—Undoubtedly, and that is, I think, one of the things that Parliament ought to look to.

558. (*Sir R. Hill.*) Can you see any means of obtaining evidence of such arrangements being made?—I see it in this case.

559. You see certain results, from which you infer that there has been some arrangement made, but you have no positive evidence of it?—No, no other evidence than this letter.

560. (*Mr. Roebuck.*) I suppose a law might be made to put a manager upon his oath?—I suppose so.

561. (*Mr. Hamilton*) You say that the effect of the arrangement, whatever that may be, has been to increase the dues to 20*s.*?—Yes. I infer from this communication that they would be at least 20*s.*

562. What would the whole freight amount to?—Nearly 30*s.*, this is what any private carrier has to pay to the canal company for going over the canal. When we were paying 17*s.* 6*d.* from Liverpool, the dues were about 7*s.* 1½*d.*

563. (*Capt. Galton.*) Is there any cause to which you can attribute the delay of which you complain, or do you know why it arises?—We believe that it arises in this way; from Manchester to Saltaire was over only a part of the Lancashire and Yorkshire railway and the East Lancashire railway, which were amalgamated, and they wished to get all the freight.

564. How would that cause delay?—If we did not send the goods by way of Bradford they did not care whether they brought them or not. The same parties complained to us in this way, that the East Lancashire Company's carters refused to take the goods that were sent to go on a certain day; they refused to take them, because they were ordered to go by the East Lancashire railway.

565. By way of Colne?—Yes.

566. As I understand you, the goods must pass over the Midland line to get to the Lancashire and Yorkshire railway?—Yes, but I am referring to goods going from Manchester; if they came by Colne from Manchester the Lancashire and Yorkshire Company would only receive that portion of the freight to Colne.

567. Why does it matter to you which route the goods come by?—If we get them by the Lancashire and Yorkshire line to Bradford, which is the only other direct route that we have, we should have to cart them, either from Bradford to Saltaire, a distance of 3 miles or 3½ miles, or send them over 2½ miles of the Midland line.

568. You would then have to pay a higher toll?—We should have to pay the same toll to Bradford as we now pay to Saltaire.

569. The companies do not afford you facilities for sending them?—No; they charge the same to Bradford as we now pay the Midland Company to Saltaire. We should have the same amount to pay if we got our goods by way of Bradford.

570. Then your complaint is, that you cannot book the goods by the shortest route from Manchester to Saltaire?—Yes; by the direct route, we cannot book them without such practical difficulties being thrown in the way, that it is in point of fact as though we had no line.

571. (*Mr. Dalglish.*) Can you give the distance by the Sheffield route as compared with the other?—No, I cannot give it precisely.

572. I mean within 20 or 30 miles?—I suppose the distance from Sheffield to Manchester is not far from 50 miles.

573. The distance, I suppose, is about double?—I think it is quite double.

574. The competition existing between these railway companies induces you to send your goods over double the amount of distance at the same rate?—Yes.

575. That is the ground of your complaint?—Yes.

576. The difference in charge is only 2*s.* for the cartage between Bradford and Saltaire, but it is a great advantage to you to have your goods sent in the night, instead of occupying three or four days?—Yes.

577. Would it not be better in cases of difficulty to have them sent to Bradford, and then to be carted at the expense of 2*s.*?—We do that occasionally, just according to the nature of the pressure that is put upon us.

578. It is the competition which exists between the lines that produces this difference in the charge, one line having a siding to your works, while the other line takes your goods only to Bradford?—Yes.

579. (*Mr. Horsfall.*) If it pays the railway company to charge 20*s.* by the longer route, which is double the distance of the shorter one, ought you not to get your goods by the shorter route at half the amount?—Yes, of course we ought; but it sometimes happens that railway companies will convey goods just for the sake of the traffic over very long distances at the same rate.

580. (*Sir R. Hill.*) But of course they suit their own convenience in doing that?—Yes, it is done to suit their own convenience. We are very good customers of the Midland Company, and I am sure that they would do all they could to oblige us in any arrangement that they could make. It is in consequence of the repeated complaints that we have made of delay in the carriage of our goods from Manchester that they have made this arrangement with the Manchester, Sheffield and Lincolnshire Company, and they made also an arrangement with the Lancashire and Yorkshire Company to carry them over the East Lancashire route, but the East Lancashire Company threw such difficulties in their way by ordering their carts not to take the goods when they were to be taken over the East Lancashire route that we could not get them.

581. (*Mr. Horsfall.*) By which route do you get your goods from Liverpool?—By the East Lancashire and the Midland; they did not put the same difficulties in the way there.

582. (*Capt. Galton.*) That is to say, by Colne?—Yes.

583. If the Midland Railway Company are disposed to afford you such facilities, why will they not transport your goods over the 2½ miles?—Because they would not only have to convey them over the 2½ miles, but they would also have to cart them across the town of Bradford, the stations do not join, one is on a high level, and the other is on a low level, and that is the difficulty; by Bradford we have no direct railway communication, the goods have to be carried across the town; we sent them by that route, but we found even greater difficulties.

584. (*Chairman.*) Are there any other facts that you wish to state to the Commission?—I do not know that there are any.

585. (*Sir R. Hill.*) Have you any remedies to suggest?—I do not know that I have; the only thing is this, that when the lease, if the railway companies have a lease of the canal, falls out, Parliament, if it has the power (and if it has not I think it should have it), ought to prevent such things being entered into.

586. (*Capt. Galton.*) You do not seem to have much to complain of as to the rates, or because they are charging you more, or much more now than they were charging you before?—No.

587. Therefore, all you desire to have is competition, so that the rates might be reduced to 8*s.* 4*d*?—We do not expect 8*s.* 4*d.*, but from 12*s.* to 14*s.*; we ought to pay 12*s.* instead of 18*s.*

588. You complain that there is not unlimited competition?—I complain that there is no competition.

589. (*Sir R. Hill.*) The rates which you now pay are lower, are they not, than the rates which you paid before the railway was constructed?—I dare say they are.

590. Then you have benefited by the construction of the railway?—Undoubtedly so, but we have not benefited to the extent that we think we ought to have benefited, and not to the extent that we should have benefited, if there had been no lease of the canal. The canal company paid a good dividend, they were common water carriers, and were making a good profit out of their business.

591. (*Mr. Hamilton.*) Do you pay more at the present rate than is generally charged in that part of the country for equal distances?—It is very difficult to say that, for really I do not know; but looking at the comparative charges, we pay 10*s.* a ton more from London to Saltaire, or to Bradford, than from London to Liverpool, which is about the same distance; in our case we pay 35*s.* a ton, whereas to Liverpool it is 25*s.* per ton.

592. (*Chairman.*) That you think arises from want of competition?—Yes.

593. As far as your London traffic is concerned, you are completely in the hands of the Midland Company?—Yes; we are in their hands almost entirely, if they chose to make an arrangement with the Great Northern Company not to carry goods under a certain price.

594. I suppose you know that between London and Liverpool there are two or three railway companies?—Yes, there are three competing lines. What we desire to see is, the Great Eastern Company go to Askerne, and so on to Bradford.

595. Your grievance would apparently be met if the Midland Company were amalgamated with the Lancashire and Yorkshire Company, for it would not be then contrary to the interests of the Lancashire and Yorkshire Company to carry your goods to Bradford instead of taking them round by Colne?—Certainly.

596. (*Mr. Dalglish.*) If a railway is to be looked upon as a common road, a certain toll to be charged per mile, do you think that the carriers of goods would take them round by Sheffield to your works at Saltaire instead of round by Colne?—No, certainly not.

597. Under those circumstances you would know exactly what you had to pay, and you would get them by the cheapest route?—Yes, certainly. I have already stated that for our goods carried from London we pay 35*s.* per ton to Saltaire, whereas, if we had them sent to Liverpool, which is just about the same distance, or within two or three miles, they would cost 25*s.* a ton. Saltaire is about the same distance from London as it is from London to Liverpool.

598. (*Sir R. Hill.*) And the charge from London to Saltaire is the heaviest?—Yes, it is 35*s.*, and from London to Liverpool 25*s.*

599. (*Capt. Galton.*) Because there is no competition to Saltaire?—Practically, we have no competition; the Midland Company and the Great Northern Company arrange that the toll shall be 35*s.* a ton; but there is a little more competition in manufactured goods; they convey them for 30*s.* per ton from Bradford to London.

600. (*Chairman.*) Do you mean to say that the raw material carried from Bradford to London is charged 35*s.*, and that the manufactured goods carried from London to Bradford are only charged 30*s.*?—Yes.

601. (*Capt. Galton.*) What is the reason of that?—I cannot state it precisely.

602. (*Sir R. Hill.*) Is it not because the unmanufactured article is greater in bulk, and requires more space?—I do not think that is the reason.

603. But it does in point of fact require more space?—It requires a little more.

604. Does it come pressed into bales?—Yes, very often.

605. (*Capt. Galton.*) What is the cost per ton per mile?—I cannot say.

606. (*Sir R. Hill.*) There would be a vast difference, I presume, in the value of the manufactured and the unmanufactured article?—Yes.

607. (*Mr. Horsfall.*) Which are the competing lines between you and Liverpool?—We have no competing lines, they are all now amalgamated; the Lancashire and Yorkshire and the East Lancashire lines were two competing lines, but since their amalgamation we have no competing lines.

608. Have the rates been raised?—The rates, I think, have not been raised since then to Liverpool.

609. (*Mr. Gower.*) Is the arrangement which they have made to subsist for a certain time only, or is it unlimited?—It is unlimited as to a day, but it may be altered at any time. If the amalgamated companies were to say to the Midland Company, we will have on our traffic to Saltaire a local rate, say to Colne, the Midland Company would have to put us at a higher rate again on the whole.

610. (*Capt. Galton.*) How much below the maximum rate do they now charge you?—That I cannot say. On our traffic from Liverpool we complain that the canal is virtually closed to us.

611. (*Chairman.*) As a matter of fact, you bring nothing by the canal from Liverpool?—Nothing at all.

612. (*Mr. Hamilton.*) Are there no trading boats upon the canal?—No; the private carriers were driven off by the amalgamation which took place between the railway companies and the canal company.

613. (*Sir R. Hill.*) What boats are there on the canal?—They are merely boats to carry limestone and such things.

614. If you chose to put boats on the canal I presume you could do so?—They would charge us $1\frac{1}{2}d.$ per ton per mile, which would amount in dues alone to what the railway company charges for the carriage of the goods. The amalgamation drove off the private traders.

615. Is it not the case that you do not use the canal because the railways afford you greater facilities and they charge for the carriage of your goods at a lower rate?—Yes; they charge us a lower rate, but if the canal was open, and was simply in the hands of the Leeds and Liverpool Canal Company, and we were private traders on it, instead of 18*s.* a ton, we should get goods carried for 12*s.* or 13*s.* a ton.

616. You think so?—We have no doubt of it.

617. I think you attach more imporance to the injury which you suffer from the delay which takes place than from the slight increase in the cost of carriage?—That applies principally to the Manchester and Saltaire traffic.

618. Not generally?—Not to the Liverpool traffic.

619. (*Capt. Galton.*) Nor to the London traffic?—No.

620. Your principal traffic is from Manchester to Saltaire?—Yes, in certain classes of goods; in

Mr. C. Stead. 29 March 1865.

manufactured goods the principal traffic is from Manchester, and in raw materials from Liverpool.

621. Do you send any goods that you manufacture chiefly to London ?—We send them all to Bradford. We dispose of our goods in Bradford in an unfinished state; we do not finish our goods, but we sell them in what we call the grease.

622. Are they then finished in Bradford, and are they then sent in bales by the Bradford merchants away to London, or Hull, or Liverpool ?—Yes.

The witness withdrew.

Adjourned to Wednesday next at 12 o'clock.

Wednesday, 5th April 1865.

PRESENT:

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
THE RIGHT HON. ROBERT LOWE, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
J. A. ROEBUCK, ESQ., M.P.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPTAIN DOUGLAS GALTON, R.E., F.R.S.
J. R. M'CLEAN, ESQ.
W. POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. THE EARL OF DONOUGHMORE IN THE CHAIR.

Mr. J. S. Wright. 5 April 1865.

Mr. JOHN S. WRIGHT examined.

623. (*Chairman.*) You are a manufacturer and merchant at Birmingham ?—I am.

624. And vice-president of the Chamber of Commerce ?—Yes.

625. And acting chairman of the Council ?—Yes.

626. Are you familiar with the charges made for goods by the various railway companies running into Birmingham ?—I am familiar with them, both from my own experience in several cases in some trades, and from information obtained as to others.

627. Will you state to the Commission any objections which you have to make to the present system of charges ?—We consider that the charges from Birmingham are generally very high compared with the various other districts of the country; they are also very unequal; to some places we have rates double or treble to what we have to other places.

628. Do you mean for an equal distance ?—Double or treble per mile. It is a matter of very great importance to Birmingham, being an inland town, so far away from the sea ports, many of our articles being exceedingly fine as regards profit—heavy articles—in which we suffer great competition from the Belgians and others. There are two specialities; for instance, in the Birmingham trade there is iron wire, and we suffer great competition with the Liège manufacturers always; and also in nails, although we are very closely running together; and also in brass wire with the French manufacturers. We have very great competition also from some of the sea ports with other manufacturers near to the sea ports, which makes it important to us to have the lowest possible rates of carriage; but we find unfortunately that the rates to our principal ports are very high; for instance, on hardwares, our rate to London is 27*s.* 6*d.* per ton; to Sheffield, which is a less distance, it is 40*s.* per ton; to Liverpool, where there is no delivery and no cartage, it is 20*s.* per ton, or it may be from 21*s.* or 23*s.* with delivery; to Southampton it is 30*s.* per ton, which is about the same distance as to Hull, to which place it is only 22*s.* 6*d.* However, Liverpool and London are the only principal ports, but that is for the export of our goods. If we compare these rates with the rates to Bristol, we shall find that to Bristol we have a very low rate, and we should have no reason to complain if our rates were tariffed the same as to Bristol; for instance, for the same class of goods we pay 15*s.* 5*d.* per ton against from 21*s.* to 23*s.* to Liverpool, or 40*s.* to Sheffield. To Newcastle, which is more than twice the distance it is to Sheffield, the second-class rate is only 35*s.*; it is less than to Sheffield. In the provision trade there are some very curious anomalies; molasses, for instance, an article that is used in Birmingham both for manufactures and for food, is brought at 12*s.* 1*d.* from Bristol, but from Liverpool it is 16*s.* 8*d.* Molasses and sugar are both in the same category. From London the rate is 21*s.* 8*d.* Currants are higher than sugar from Liverpool; being less in value they are higher in freight. Provisions are a very important trade in Birmingham. Bacon is a type of the provision trade. The rate from Liverpool to Birmingham is 20*s.*; from Birmingham to London, it is 27*s.* 6*d.*; from Liverpool to London it is taken direct at 25*s.*, less than half. The same article is charged from Birmingham to Shrewsbury, a distance of 42 miles, 20*s.* also, that is about one-fifth of the distance; from Liverpool to London it is only 20 per cent. less cost. From Birmingham to Rugby there is a still greater difference; the rate is 17*s.* 6*d.* a ton, and to Coventry 14*s.* 2*d.* To Hartlepool there appears to be, from some cause or another (going over, we believe, two lines of railway), a moderate rate, namely, 22*s.* 6*d.* for 185 miles, being 5*s.* less than the rate to London, which is only 112 miles.

629. Upon what article is that last charge made ?—Upon provisions, such as bacon, I expect, and cheese, and things of that size; bacon may be taken as the type. From Liverpool to Birmingham we are charged 20*s.*; from Birmingham to Gloucester, 15*s.*; (sometimes there are delays in Birmingham, which makes a difference) 35*s.* a ton; from Liverpool to Gloucester it is carried at 20*s.* per ton. As regards the article of wire, which is a very important article in our manufactures, and is coming very much more extensively into use for telegraphs and for fencing, and is used in all parts of the world; I have frequent dealings in it, and the rate is 21*s.* 8*d.* to London. I have recently had an importation from Liège, which has to come to London for export to China or Japan; the whole freight from Antwerp to London, being partly by water *viâ* Harwich, is 10*s.* per ton.

630. (*Mr. Horsfall.*) That is from Antwerp to London ?—Yes; *viâ* Harwich. I believe the steamers belong to the Great Eastern Company. With regard to manufactures in iron, the rate from Birmingham to London is 20*s.* 8*d.*, and it is only the same to Brighton. To Swansea the rate is 10*s.* I think the distance is 155 miles; but to a place called Briton Ferry, which is 12 miles nearer to Birmingham, the rate is 11*s.* 8*d.*; 1*s.* 8*d.* more, although 12 miles nearer to Birmingham. In the same trade the railway companies will take to Hartlepool, which is 185 miles, manufactured iron, in two-ton lots, at 20*s.* per ton; but if it is only in lots of one ton the charge is 30*s.* To Workington the charge is, for two tons, the same, 20*s.* a ton; but if it is only in one-ton lots the charge is 37*s.* 6*d.* I have observed that metals were a very important trade in the shape of wires and tubes. I believe that we make in Birmingham the principal parts of the tubes used in locomotives, not only in this country but abroad, and we find that the rates are exceedingly various for metal goods. As to brass, we pay to Bristol, 12*s.* 1*d.*, to London, 21*s.* 8*d.*, to Glasgow, 30*s.*, that being nearly

three times the distance that it is to London. Spelter we have brought from Hull at 12*s.* 6*d.* per ton; from Hartlepool, which is 58 miles farther, it is 14*s.* 2*d.*; but from London we are charged for it, a distance of 112 miles, 18*s.* In manufactured metals we are charged from Birmingham to Wolverhampton, 14 miles, 8*s.* 4*d.* per ton. To Gloucester, 54 miles, four times the distance, 7*s.* 6*d.* The distance there is somewhat more than four times what it is to Wolverhampton. To Swansea, which is 155 miles, the rate is 18*s.* 2*d.*, against 8*s.* 4*d.* for 14 miles. To Plymouth, a distance of 220 miles, the rate is 25*s.* 9*d.* The Commissioners are, no doubt, aware that glass is a very important article, and the great works that are in the neighbourhood of Birmingham are deservedly celebrated all over the world. They have to pay, I believe, about as much for the conveyance of their glass to London as manufacturers in Sunderland or St. Helen's do, and the difference is very small, if any, in this particular trade, including all the articles that are used by plumbers. Glass, which was formerly worth 11*l.* per crate, is now worth only 2*l.*, since the improvements which have taken place in manufactures, and since the abolition of the duty; but the rate for carriage is the same as it was formerly, and higher than it was previously, when carried by canal. Formerly, manufacturers inform me that they had glass and glass wares for the plumbers' trade carried at about 10*s.* per ton, within 50 miles of Birmingham. At the present time, the rate to cover risk of breakage, which we can very rarely get allowed, is three times that amount. The article is heavy, and a sheet of glass probably of the thickness of one inch, for walking over and other purposes, is packed in very strong cases, and the railway companies insist upon its being put in the third class. The rates are very high, in order to allow for breakages, but they are not allowed for when they take place. The companies always resist any claim that is made for breakages. In this particular trade it is found that the rates vary, and for some time back, for instance, going into Tenbury from Birmingham, they would be charged 17*s.* 6*d.* per ton; but if they are brought back from Tenbury, they will be brought back at the rate of 12*s.* 6*d.* per ton. I think I have probably given the Commissioners sufficient instances of the inequalities of the rates from Birmingham. I have a very much longer list, and the Commissioners will probably permit me to send them, before their proceedings are closed, a complete tabulated statement of them.

631. (*Chairman.*) Are the rates which you have now given the existing rates?—Yes.

632. Can you give the Commissioners any information as to any changing of the rates? Are the railway companies whose lines run into Birmingham in the habit of making sudden changes in the rates?—Occasionally they make changes, and generally, as far as my experience has gone, against the traders, and in their own favour. I will give the Commissioners two or three instances. Blacking is a cheap article; say, for instance, that it costs about 15*l.* a ton. It was originally put into the lowest category. It has now been raised to the second; and so with an article that is largely imported for various manufacturing purposes, again, vegetable ivory. It was formerly in a low category, and that has been raised to the second category. The article of buttons was recently raised from the second to the third class. It is, however, right to say that upon a memorial being sent to the principal railway companies from the Chamber of Commerce, the railway companies reduced the rate, or they put the article back again into the second category. Sometimes the railway companies, at their discretion, for we feel that we are entirely in their hands, make whatever laws they think proper for us, and they will divide part of the goods sent; they will divide the lots of goods sent, for example, a party in Birmingham will send two or three sorts of goods, I will suppose, to London; they will divide them; suppose that one parcel will weigh 26 lbs., another parcel 60 lbs., and another parcel 30 lbs.; the railway companies will divide those, and call them "smalls," and for them they have a fixed rate, thereby doubling the amount of carriage which would be charged if they were packed in a box and sent under the highest class, that is, for the best article.

633. (*Capt. Galton.*) That is to say, the railway companies do not allow two or three different persons to combine to send their goods in one box?—No, they do not allow one manufacturer sending three different articles, tubes, brass wire, and iron wire to one party, so to send them, but they will be divided; the whole would be charged per cwt. 2*s.* 6*d.*, but it will be divided into two or three parcels, and the railway company will charge separately for those parcels, thereby doubling the rate of carriage on that particular cwt. of goods.

634. (*Mr. Horsfall.*) That is to say they would not charge the same rate if you paid the carriage. Does not the difference arise from the goods being distributed to three different parties?—No. If they charged the highest rate of carriage for the most valuable article, it would not come to more than one half the amount that they charge when charged as "smalls."

635. Supposing that you paid the carriage on those goods which, as I understood you, the manufacturer sent to two or three parties?—No, I said to one party, they are intended all to go to the same party.

636. (*Sir R. Hill.*) Do you mean when goods are put into the same package?—No, they are tied up in bundles; iron wire is tied up in bundles, and tubing is tied round.

637. (*Mr. Roebuck.*) Would they allow you to put them all into one package, or would they open it?—They would not open it, they would be allowed to be put into one package, but the package would be considered equivalent to extra carriage; but these articles are never put into packages.

638. (*Mr. Ayrton.*) Are they not goods of the same sort coming within the provisions of the Railway Act?—The iron wire or brass wire or brass tubing are put into different classes.

639. The Act of Parliament is only made applicable to packages in the same classes, which are to be charged together. Are you not aware that there is such a tariff?—Provided they belong to the same class of goods. Supposing that I packed iron wire in casks and brass tubes in casks, they would not be carried at the same rate, but, as I have said, they would be divided.

640. Then they would not be goods I presume, of the same class within the meaning of the Act of Parliament, or subject to the rates sanctioned by the Act of Parliament?—No, but if they were put together the manufacturer would have no objection to their being charged at the highest rate. What he objects to is that one cwt. of goods, composed of two or three different materials, should be divided, and made special packages of.

641. What I want to know is, whether the railway companies do more than what is directed by the Act of Parliament under which they are working, and which does not require them to charge for several packages, unless they are packages of the same commodity?—There is no Act of Parliament I believe which necessitates what they do; they can charge the highest price, and there is no reason why they should unfairly divide them, if they can charge the goods in the highest class.

642. (*Capt. Galton.*) I think that what you mean is that any articles in the same class ought to be taken as one consignment?—One consignment; they might be taken from the lower class, and they might be charged in the higher class, but what we say is, that they should be charged as one lot of goods.

643. (*Mr. Ayrton.*) Do you consider that the railway companies act contrary to the tariff which is prescribed for them in their Acts of Parliament, or do they act in accordance with it?—It is not for us to say whether they, technically or legally, would be per-

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mitted to do this, but we consider that it is a hardship upon us to have a consignment divided into two or three lots and charged as smalls. This particular case goes over the lines of two companies, and one of the companies says that the claim of the manufacturers is just, and the other company says that it is not; the consequence being that the manufacturer has to pay a double cost.

644. Your complaint is, not that the railway companies do anything wrong as to the law, but that, doing what is right, you do not like it?—I do not mean to charge them with acting illegally. Most of these powers were granted many years ago, and under different circumstances; and I am endeavouring to show that the powers which they possess bear very hardly upon the trade in Birmingham, and amount almost to a prohibition to our inland trade.

645. (*Chairman.*) Have any of these railway companies in Birmingham made themselves owners or lessees of any of the canals?—There are several canals that are now owned in our neighbourhood by railway companies, and with others they have made arrangements by which, practically, we have to pay the same rates by the canals as we do by the railways. For instance, the Shropshire Union canal belongs to the London and North-western Company. They bring goods from Liverpool to Birmingham. The Grand Trunk canal belongs to the North Staffordshire Company. The Old Birmingham canal belongs also to the London and North-western Company, only they give a guarantee for a dividend of so much per cent., taking the control of it and regulating the rates of carriage. The Worcester and Birmingham canal is free from railway control, but that only comes to the confines of Birmingham; for to come into the town it would have to pass over the Old Birmingham canal, which is in the hands of the London and North-western Company, and consequently they fix such rates as prevent competition.

646. (*Capt. Galton.*) Has not the Worcester canal Company got a wharf of its own in Birmingham?—On the outside of Birmingham they have.

647. Is it not very near the centre of Birmingham?—No; there the old Birmingham canal begins, and there the company that has the control of that canal fixes the rates which prevent it from entering into competition with the railways; and practically the Worcester and Birmingham canal is of no use to Birmingham, as against the railways. The Stratford and Birmingham canal is held now by the Great Western Railway Company. There are other canals, for instance, the Bridgewater canal, the trustees of which are not under the control of any railway company; but there have been arrangements made or understandings come to by which, practically, they keep up the rates to the same amount as the railways.

648. (*Chairman.*) From the very nature of the difference between the mode of carrying the goods upon a railway and upon a canal, the time occupied is greater on the canal than on the railway?—Yes.

649. If you deliver goods to a railway company to carry a distance of 100 miles from Birmingham, and you deliver the same quantity to a canal company, you would of course get your goods delivered more quickly by the railway company than by the canal?—Certainly; and we say that we therefore ought to have lower rates by the canal, as we do not want the goods delivered so quickly.

650. But you say, that in point of fact, the rates upon the canals and upon the railways are the same?—Yes.

651. (*Mr. Roebuck.*) In fact there is no competition between the two?—None whatever.

652. And that competition is prevented by some arrangement existing between the canal companies and the railway companies?—Yes.

653. (*Chairman.*) There are several railway companies running into Birmingham, the London and North-western, the Great Western, and the Midland?—Yes.

654. Has not the competition between those three companies had some effect in lowering the charges?—Just the contrary.

655. Not even between the places to which they do compete?—It is the contrary. When the Great Western Company, in the year 1859, was promoting some Bill in Parliament under the ostensible guise of a Bill for making a bridge, and for the revision of the tolls, they proposed to take powers which would have raised enormously the rates of carriage over their line. This Bill, by the action of the iron masters, to whom it would have been of the most serious consequence, and of the Birmingham Chamber of Commerce, and of the various trades, was, I believe, ultimately abandoned; but it was stated in evidence then, as my own memory in a great measure bears out, that the effect of competitive lines has been to raise the rates of carriage, and notable instances were given that, about the year 1839, the rate of carriage from Birmingham to Liverpool was 13*s.* 4*d.* per ton for hardwares by railway. At or about the same period I had had goods in the same class brought from Liverpool by canal for 12*s.* 6*d.* a ton; but the railways fixed at that time the rate at 13*s.* 4*d.*, and I believe that, at that time, they were paying a dividend of 10 per cent. They were afterwards incorporated with the Manchester and Birmingham line, and then the rates were raised from 15*s.* to 17*s.* 6*d.* a ton, when they became thoroughly amalgamated with the London and North-western Company.

656. What class of goods are you speaking of now?—Hardware goods, second-class goods. When the Great Western Railway Company opened their line to Liverpool, on that day or in the same month that they opened, by an arrangement between the two companies, the rate was raised to 20*s.*, and so it stands 20*s.* by the London and North-western Company, and by the supposed competing line of the Great Western at 20*s.* When it was "Grand Junction," alone, it was 13*s.* 4*d.* I need not perhaps say, after that, how obvious it is that, if there are two lines of railway having to pay two dividends, which one would have done out of the same traffic from the same locality, they will naturally endeavour to make an arrangement by which they shall get the same amount of dividend with which the one would have been satisfied.

657. (*Mr. Roebuck.*) But the evil having been done, and the two railways having been made, what remedy have you for that of which you complain?—That the rates should be placed under the supervision of some independent board; that they should be regulated with some regard to uniformity; that there should not be so large a variation in the rates between places as there is permitted to be at the present moment; that an approximation to an equitable system would be that there should be a graduated mileage rate. We cannot expect to have goods taken from Birmingham to Wolverhampton, a distance of 14 miles, at the same rate per mile as from Birmingham to Aberdeen; but we nevertheless think that we should not be paying so enormously to the purse of the companies, because it frequently happens that lines may have been extravagantly made or they may have been extravagantly worked, and it is not just, in our opinion, that the trades of the country should be called upon to pay for that extravagance either in working the lines or in the outlay for the original construction.

658. That is to say, you would not allow a railway company power under their tariff to charge what price they pleased within that tariff, but you would place over them some supervising body?—Yes.

659. (*Mr. Ayrton.*) How would that supervising body be able to regulate the rates so as to ensure the same dividend to the railway company as they now receive?—It does not follow that they should ensure always the same dividend, neither ought the railway companies always to look for the same dividend. They are looking for, and the tendency now is to make the trade of the country pay, a high dividend to the railway companies under the powers which they have. It is quite possible for railway companies to be paying

a high dividend, and to be very prosperous, while the trade of the country may really be in a difficult position, and may be very much depressed.

660. (*Mr. Roebuck.*) Is not that an objection that would equally apply to yourself; for example, you might be making a large fortune, and the trade of the country might be suffering, but would you consider that a ground for interference with you by anybody?—I do not think that you can put private traders and railway companies into the same category. I am regulated entirely by competition. I dare say that I should have the same feelings under similar circumstances as railway companies, and if I could take my wares into any town in England or on the continent, and be sure that they could get them from nowhere else, I think that I should be tempted to get a very high price for them, and I consider that I should deal somewhat more cavalierly than I can do in the present state of competition with my customers now. It appears to me that Parliament has given to railway companies a monopoly of the trade of the country, and that the trade is now entirely in their hands.

661. Has Parliament given them a monopoly, or is it not that from the nature of things they have acquired a monopoly?—They only have their powers from Parliament; they would have no power but what Parliament has given them.

662. (*Mr. Ayrton.*) If an owner of land owns all the land round a town, has he not a local monopoly of the land, and do you see any difference between the monopoly of a railway company and the local monopoly of the owner of land round a town?—I think that the cases are very different, because you cannot suppose a local person to have so extensive a monopoly as to interfere with the whole trade of a town or district, but a railway company may have, and Parliament has placed not only one trade in their hands, but it has placed at their disposal the whole of the trades of the locality.

663. Your idea proceeds upon the footing that railway proprietors may not be considered to have a property in their dividend which is to be respected?—They have a property in it that is to be respected, but not unfairly at the expense of the trading community, and I think I may give you instances of this; that if a railway company, take the Midland Company, for instance, will pay at the present time a dividend of perhaps 7 per cent. or more, and will carry goods for me at a low rate, suppose 20*s.* a ton, it is not fair to give the Great Western Company, or any other company because they may have constructed their line very expensively, or may have conducted it very expensively, I say it would not be fair to give them twice or three times the amount of rate that is due to the Midland Company.

664. If Parliament permits a railway company to earn, as they best can, within certain limits, a certain interest for the money expended, is not that a simple right of property in their earnings?—Yes; but Parliament may have done so under one set of circumstances which might not be proper for another set of circumstances at a future time. It may be that circumstances have changed, that trade has developed itself, and has become more extensive than it was at a particular time; and therefore we ask for the thing to be fairly considered periodically by Parliament, in order that we may, and the trade of the country, be fairly dealt with, and not injured.

665. If you were to alter that arrangement, would it not be necessary to tender to the parties so interfered with the money that they may have expended upon the faith of that arrangement?—I am not sure that it would be in all cases equitable to do so, because one line may be very extravagantly managed, but we are not called upon to pay for that extravagant working of the line.

666. I am desirous of knowing how you propose that any authority shall regulate the rates with a due regard to the dividend, or whether you propose that that should be the duty of the authority or not?—We think that it must only be considered relatively to the trade of the country, and that it would not be right to destroy the trade of a locality, or the particular trades of a locality, for the benefit of railway companies.

667. But what is your view with regard to setting up an authority; upon what principle would you propose that it should act. Should it fix the rates and take upon itself the responsibility of making a dividend for the shareholders, or should it fix the rates and leave the shareholders to meet the risks and the consequences?—We think that Parliament should see that there are equitable rates charged all over the same line; for instance, that there should not be a variety of charges at the caprice of any railway company. A company may find it to its interest to give very low rates from one place to another, in order to drive out competition, and that may be injurious; and it may find it to its interest to give very high rates from another locality, in order to make up for the other low rates, and to get them a dividend. We claim that at least we should be placed as nearly as possible upon equitable and fair terms.

668. (*Mr. Roebuck.*) A railway is made under a certain stipulation between the railway makers and Parliament. There has been a sort of contract entered into between the two. The railway has been made and certain powers given to the railway company. Would it then be just on the part of Parliament to interfere and say, we made an improvident bargain with you; we think that you are acting improperly under the contract, and we are going to take the railway from you, without giving you any equivalent?—I am not sure that it would be just, unless the circumstances were so completely changed as to make it necessary to do so. We do find in various matters that Parliament does see fit occasionally to alter the arrangements that were made at some previous time, in consequence of circumstances having become altered.

669. In the case I am referring to, people have laid out their money upon the faith of the Act of Parliament. Having so laid out their money and made the line, would it be just in Parliament to say, "You "have done that, it is true, but we cannot help that; "you have acted improperly, and we will take the rail- "way from you, or we will alter your rates without "giving you any equivalent?"—That is a matter that I have not gone into to any extent; but what we ask for is that there should be equitable rates made over all the lines; that we should not be charged one rate to Birmingham and another rate to another town by the same company.

670. You say that the Act of Parliament has given the railway company power to make certain charges within certain limits, and Parliament has said, within those limits we give you full powers. Upon the faith of that understanding the railway has been made, and then the company makes certain arrangements within those limits, which you say are not equitable, but which the company say are equitable. Would it be just for Parliament to interfere, and say, "It is clear "that you are acting in a way that is mischievous to "A. B., although it is advantageous to yourself? "You have made an agreement with us, and we are "very sorry that it was made, and we will annul it?" —Does it then follow that an arrangement made in the year 1830 is to last for all time. Is every Act of Parliament granted upon such considerations? Has not Parliament always the power to step in to see that an equitable arrangement may be made, according to the altered circumstances of the time? Every person who obtains an Act acquires his property subject to the will of Parliament.

671. Is it the opinion of the trade of Birmingham that Parliament has the power, and would be justified in using it, to revise the rates charged by the railway companies, and do they think that the time has come for exercising that power?—I think, as far as I have been able to ascertain, that that is the feeling of the trade generally in Birmingham.

672. (*Mr. Ayrton.*) Do they think that it should be exercised without reference to the dividends to be

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paid to the shareholders?—I must confess that that is a matter which I have not looked into or considered at all; but we feel bearing very heavily upon us the differential rates of carriage from Birmingham to different places. We feel that it is driving trade from us, and driving it also, in some instances, from the country. We, therefore, consider that so great an evil that the matter calls for the attention of Parliament.

673. (*Sir R. Hill.*) Speaking as a member of the Chamber of Commerce in Birmingham, I understand you to say that the trade of Birmingham, and probably, in your opinion, the trade of the country, suffers very considerably from two causes. First, that the rates charged upon the same goods vary very considerably where the distances are practically the same; and, secondly, that the railway companies raise those charges without reference to the state of trade in the country?—Yes; they do not revise them, which is the same thing, according to the altered value of the goods.

674. Without considering at the moment whether the Legislature has provided for a proper revision I presume that in your opinion it is very desirable, with reference to the trade of the country, that such a power should exist somewhere?—We feel so, undoubtedly.

675. If that has not been granted, you think that it should be granted?—That is our feeling generally.

676. If means could be devised by which, without injury to the profit of the railway companies, such a power of revision could be granted, to secure equal charges for equal distances, and further, that the charges should not be arbitrarily raised, you consider that such an arrangement would very greatly benefit the trade of the country?—Yes, and especially in the case of Birmingham being an inland town, it would be very important to us, lying so far as we do from the sea coast.

677. (*Mr. Roebuck.*) You have pointed out certain differences in the charges; I want to know whether you can suggest to the Committee any cause of the difference. I think you said that goods carried to Sheffield were charged 40*s.* a ton, while goods carried to London were charged only 21*s.* a ton?—Yes.

678. Can you suggest any reason for that difference?—The best answer, I think, that I can give to that question is one that I believe was given by the chairman of the Midland Railway Company some time ago to parties who were largely interested in the trade of Sheffield. The Sheffield people, I believe, had complained very much of the high rates to Sheffield, the matter being entirely in the hands of one company from Birmingham; and he said, "although we are obliged on various occasions to "compete and to charge very low rates; where we "have the power of charging a high rate, we are "obliged to do so, and we take advantage of that in "order to make up a dividend for our shareholders."

679. So that in fact the price is raised to Sheffield, because from Sheffield to Birmingham there is only one railway?—Yes.

680. You just now stated that there was mischief arising from two railways running to the same place where one railway could do all the work?—Undoubtedly there is; at the same time, when one railway has the whole power in its hands, it may charge an excessive rate, as in the case from Birmingham to Sheffield; and that stands out, bad as the case may be from Birmingham to London, as a very much more flagrant case of high rates. I do not know that we should be any better off if there was a second line to Sheffield. I think possibly, judging from our experience of other lines, that we should have quite as high a rate, if not higher, if we had a second line to Sheffield.

681. (*Mr. Horsfall.*) You complain of the comparative rates between Birmingham and Bristol, and between Birmingham and Liverpool?—Yes, for the same distance; we think that the rate is very much higher, for instance, to Liverpool; it is 12*s.* 1*d.* for the lowest class of goods to Bristol, and 16*s.* 8*d.* to Liverpool.

682. What is the comparative mileage?—The mileage is about the same.

683. Can you at all account for the difference in charge?—No, save that the Midland Company, in certain districts, charge very low rates. We have no complaint to make about the rates from Bristol and that district to Birmingham. To Sheffield, on the contrary, they charge very high rates, as compared, for instance, with the rates from Newcastle, the goods coming over part of their line, and the rates from Hartlepool, which are very much lower than the rates from Sheffield.

684. (*Mr. Roebuck.*) Is the rate between Birmingham and Sheffield higher than between Birmingham and Bristol?—I should think that the rate was the least between Birmingham and Bristol rather than between Birmingham and Sheffield.

685. (*Mr. Ayrton.*) The rates which you have given are not confined to one railway, but they are applicable to different railways?—The Midland Company for instance, and the Great Western Company, charge the same rates to Bristol.

686. What I mean is that your comparison has not been made upon the same railway, but upon different systems of railways?—There is the same system I think from Birmingham to Bristol as from Sheffield to Bristol, the lines being held by the Midland Company.

687. But the figures which you have given are not confined to one railway?—No; but sometimes by one railway; for instance, from Birmingham to London a very high rate is charged. For provisions carried from Liverpool to Birmingham, that being a line in the hands of the London and North-western Company, there is a very low rate from Liverpool to Birmingham.

688. You would, I think, propose that all railway companies throughout the country should charge an uniform mileage rate for carrying the same quantities over the same distance?—Yes, with perhaps some modifications. As to the seaboard, we do not think it would be required, possibly it would be otherwise. We think that a graduated mileage rate, with fixed terminal charges, would be an approach to an equitable system.

689. But that it should be uniform throughout England?—Yes.

690. And Scotland?—We think so, throughout the country.

691. Throughout the United Kingdom?—Yes; as far as it was possible.

692. What would be the exception as to the seaboard?—There may be an exception that railway companies will find it necessary to charge a lower rate from Edinburgh to London possibly, because of the competition with the seaboard, than by a line of railway at the ordinary rates.

693. Then you would recognize the fact of competition existing between a railway and the sea coast as a legitimate ground for compelling them to take a lower rate, or allowing them to take a lower rate?—I do not know that that should compel them. Where there is competition between railway companies it works efficiently and does all that we require; it is where there is no competition that the public suffers, and when this comes in the shape of a monopoly we think that we have reason to complain.

694. Would you allow all railway companies to carry at a lower rate if they chose than that which was regulated throughout the country?—We think that as far as possible, both in the interests of trade and of the companies generally, it would be better to have as nearly as possible an equitable uniform rate.

695. Am I to understand that you would allow them to take less if they were so disposed?—I think so.

696. Any company might take less if it were so disposed?—Yes.

697. Is not that exactly what the present system is?—No; the present system is to make very high

rates and very unequal rates over the lines of railway running to places similarly situated.

698. Are they not by law prohibited from charging higher rates over the whole line than rates of a certain amount?—Yes; there is no doubt that the law has given them a maximum, but that maximum was established some years ago, and we say that these rates want revision.

699. Inequalities are produced, are they not, by the railway companies voluntarily departing from the maximum?—It may be so in some instances, by charging lower rates in some districts and making other districts pay for it.

700. You would have the present maximum rates diminished?—I think it would be but reasonable to do so.

701. Leaving in other respects the railway companies at liberty to make such a reduction from the gross maximum as they pleased?—It would possibly be found to be right to do so. At the same time my feeling is towards as nearly as possible an uniform graduated mileage rate.

702. Do the Chambers of Commerce mean that the railway companies are to have a maximum rate fixed, and taht they shall be compelled to charge that rate whether they like it or not, and that they shall not be allowed to reduce it if so disposed?—I think it is possible they would hold that there should be a maximum rate.

703. Leaving the companies at liberty to reduce it in some cases if they thought fit?—Yes; I have given you as an exception the seaboard.

704. (*Chairman.*) Would you not allow of another exception; for instance the route from Birmingham to London by the Great Western line is longer than that by the London and North-western line?—Yes; I think in such cases that the shortest route should be taken where there are competing lines to the same point, otherwise you might take a very circuitous route. As for instance from Birmingham by the Great Western line to Bristol, in which it case it would not be right to charge that mileage. It would destroy itself if they did that, because the traders would send by the shortest route, and I think it would come as a matter of course to charging the rate by the shortest route.

705. (*Mr. Roebuck.*) I gather from what you have stated that you attach great importance to a uniform rate?—Yes.

706. And you desire not to have various rates charged over the same line?—Yes, for the same class of goods.

707. And carried for the same distance?—Yes.

708. (*Mr. Horsfall.*) Are you aware of any special reason for the rates being lower between Birmingham and Hartlepool than between Birmingham and any other part of the country?—I have heard that it is in consequence of one of the railway companies having obtained a large amount of property in Hartlepool, and therefore having some special interest in the place, they make the rate low from Hartlepool to the different inland districts.

709. Are you aware whether any docks are being constructed at Hartlepool by any of the railway companies?—Not of my own knowledge. I have heard that there are docks being constructed either in whole or in part by the railway companies.

710. (*Mr. Ayrton.*) You have spoken of the increase of rates being attributable to the fact of two competing lines having been established; are you quite sure that there is no other cause to which that increase of rates might be attributed, such as the increased expense of working the railways?—I have given you a most marked and very clear instance upon that matter; that when the two railways were constructed and parties could send their goods by either line between Liverpool and London or between Birmingham and Liverpool, then the rates were raised to 20*s.* a ton. Immediately upon the opening of the Great Western line, hardware goods were raised from 17*s.* to 20*s.* a ton.

711. (*Mr. Roebuck.*) I suppose that the increased expense of working a line would not affect the prices as between one town and another, say A. and B., on the same line more than between, say, C. and D.?—I should think not.

712. (*Lord Stanley.*) Do not the railway companies always charge rates that are most profitable to themselves?—It may be that they charge them to the limits frequently; they possibly do so in order that the trade may not be actually destroyed, but that makes it frequently unjust. We must send our goods from Birmingham to London, however high the rate is, and the company get the benefit of that, although they may have given a low rate in other districts, which may not have paid them, so that they get a dividend out of the higher rate which is charged between certain places and certain districts.

713. Would not the directors of the company be bound to charge those rates within the margin allowed them by Parliament which would return the greatest profit to the shareholders?—They cannot always tell that. The tendency, we find, is to increase the rates whenever they can do it, and wherever it can be done without positively destroying the trade.

714. That is the principle which every railway company acts upon, is it?—I am afraid that it is a principle common to all persons in trade.

715. That being the principle, how could two railway companies increase their rates so as to pay two dividends instead of one. I understand you to say that when two railways were established the reason why they increased the rates was because they had to pay two dividends instead of one?—It appears to me that if you take the instance between London and Birmingham we could have our goods carried it may be at 15*s.* or 20*s.* a ton, by the London and North-western Company, if there was only one line, and that would pay them a higher dividend than a rate of 27*s.* 6*d.* when there were two lines, because the two lines would, of course, have to be constructed, with all the contingent expenses, and the two lines must be worked. But supposing that one line could take all the goods that might be required to be sent, although they might advance the rates charged for carriage, they might not get so large a dividend as before. In the case of the Grand Junction line when its dividends were 10 per cent. the rates of carriage between Birmingham and Liverpool were only 13*s.* 4*d.* Neither the Great Western Company nor the London and North-western Company are making the same dividends now, although they charge 20*s.* a ton, and naturally they will look to increasing the rates upon the goods traffic, and passengers, where they can, if it does not disturb the amount of traffic, with the view of increasing their dividends. It is to an increase of the rates that they look for an increase of dividend.

716. (*Chairman.*) Have you ever inquired what the dividends of the London and North-western and Great Western Companies would be if they carried traffic now from Birmingham to Liverpool for 13*s.* 4*d.* per ton?—Undoubtedly they would receive a very much smaller dividend than they now get.

717. (*Mr. Roebuck.*) Supposing the traffic to increase?—Trade will increase from various causes, but it does not follow that a lower rate on any particular article of manufacture will immediately cause a large increase in the consumption or in the goods carried. In the case of grain we have been informed that it prevents the high rates, but in some cases of grain being carried from one town to another, there it might develop trade, but that would scarcely be so in the case of manufacturers.

718. You will probably remember the remarkable increase in the number of letters carried after lowering the rate of postage charged upon letters, but is there any analogy between that case and the case of trade?—There is, but to a much smaller extent. You can increase the quantity of writing at your pleasure, you can travel more at your pleasure, but you do not increase trade just in the same proportion.

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719. Supposing that a reduction of the rates increased the number of passengers, confining your attention to that first of all, do not you think that lowering the rates of transit for passengers would increase the number of travellers?—Very much no doubt.

720. Do you think that that effect would be less in in the case of goods?—It would take a longer time to develop, and it would certainly not be in so marked a way as in the case of letters, or in the case of travellers.

721. Take coals, for example, where the charge for transit enters very largely into the price, do you not think that a reduction in the price of coals, consequent upon lowering the price of transit, would very much increase the consumption of coals?—My remarks have been mainly directed to manufactures, but no doubt, in the instance that you have given, much larger quantities of coal would be consumed by lowering the price; parties are much more careful in small households with regard to the consumption of coal if they are at a high rate than if they are at a low one.

722. Do you not think that the same thing would happen in the case of grain?—I instanced grain as one of the cases in which the increase would probably be more marked than in the case of manufactures; but still, in the case of manufactures, heavy articles, such as copper, a large quantity of old copper is brought into this country, and is brought to Birmingham and made up; it is re-manufactured, and rolled into sheets, or made into a variety of things. That trade, however, will, we apprehend, leave Birmingham, and be carried on close to some sea port, which it might not do if there were a low rate of carriage to Birmingham. Again, in the case of iron wire, there is a very extensive manufacturer in Birmingham who formerly supplied his customers with that article at Hamburg and Amsterdam, but which trade he has entirely lost, in consequence of those parties being now supplied with iron from Liège, in Belgium.

723. Take the case of iron wire; supposing that the rate of carriage was very much lowered, would not that lead to a very great consumption of iron wire for fences and a variety of other purposes?—Lowering the rate would, as it has already done in other cases, tend to increase its consumption.

724. Applying that again to railways, would not the lowering of the rate increase the quantity of goods carried?—I have no doubt it would to some extent as to manufactures, but the increase would be less marked than in the case of passengers who can travel at their will.

725. (*Mr. Horsfall.*) I believe that some dissatisfaction is felt at Birmingham as to the charges which are made upon travellers' patterns?—Yes, travellers carry from Birmingham in the hardware trade a considerable weight of patterns, and they are charged as they consider too large an amount for the carriage of those patterns. They consider that they ought to be encouraged to carry patterns with them to the greatest extent, because that would tend to increase the trade. They have long felt this to be a hardship, and they have memorialized the railway companies, but without any result.

726. (*Lord Stanley.*) Will you explain what you include under those terms "travellers' patterns"?—I will. Suppose that a traveller from a hardware house goes out on his journey, he would take with him samples of knives or locks, or small hinges, or brass ornaments for blinds and things of that sort. and suppose that that traveller goes beyond a distance of 30 miles, upon some lines of railway he would pay a farthing a pound, for the excess of luggage, while upon other lines he would have to pay a halfpenny per pound for all patterns.

727. (*Mr. Lowe.*) They are charged, I suppose, as luggage?—Yes, and there are some curious anomalies which sometimes occur in that way. A short time since a traveller in Lancashire was charged from one station to another, they being only two miles distant, an excess for luggage amounting to 5*s.* 6*d.*; he inquired what the charge would be to the next station, which was six miles further on, and he found that it would be only 3*s.* 9*d.* to that station, although the distance was three times as great.

728. (*Mr. Roebuck.*) Can you suggest any reason for this charge being made?—The reason that the railway companies allege is, that the travellers require, when these patterns are sent separately to individuals, that they shall be more punctually delivered, and that they require to be taken care of.

729. Can you suggest any reason for the disproportion that existed in the two cases you have mentioned?—No.

730. Then it might possibly have been from inadvertence?—No, for the person to whom I have referred made strict inquiries as to the matter of the parties in charge, and they said that they had no power to alter the charge.

731. (*Chairman.*) Have not instances occurred in which travellers have brought actions against railway companies for the loss of their patterns, and in which they have recovered heavy damages?—I think it is possible that they would recover heavy damages for the loss of their patterns. The common law, I presume, would give them that power, that if a railway company loses anything they are responsible for it.

732. Is it not possible that these high charges for travellers' patterns are made in order to cover the risk?—Practically, the risk is nil. A case occurred to myself only the other day when sending a number of boxes of goods to Belfast; we wanted to have them delivered soon, that is, that there should be no unnecessary delay; my traveller was to follow the goods, but they charged us, on the plea that they were samples, 70*s.* per cwt., instead of the ordinary charge of 40*s.* as being common merchandise.

733. Did you send them by the same train?—Yes.

734. (*Mr. Roebuck.*) So that for what you call patterns, although they were not luggage, they charged the price for luggage?—They charged 70*s.* for the patterns, supposing that they were taken as samples, instead of the ordinary charge of 40*s.*, as if they were only ordinary goods.

735. They were not included in the traveller's luggage?—No; they were sent separately from him.

736. It was on the plea that they were patterns that the extra charge was made?—Yes.

737. (*Chairman.*) Were the goods invoiced to your customers?—No; they were sent on before my traveller, with the view of his selling them to my customers.

738. (*Sir R. Hill.*) Would the railway company have been required to deliver those patterns more rapidly than usual?—Yes; we wanted them to go without delay by the ordinary goods conveyance.

739. (*Mr. Horsfall.*) You probably have not sued the company, owing to the expense that you would have to incur in doing so?—The matter, in point of fact, is in abeyance. They have not yet allowed it; but I should mention that a large number of claims are abandoned in consequence of the disinclination of the parties to go to law with these companies. They feel that they would be placed at such a disadvantage, private individuals, as compared with a large company, that there are very few claims that are ever carried into a court of law.

740. (*Mr. Ayrton.*) What disadvantage would there be in taking a small claim into a county court, as between a railway company and an individual?—There is not any very great disadvantage in that, but there would be a great disadvantage in trying to recover a large claim.

741. (*Mr. Roebuck.*) Are not many actions brought under Lord Campbell's Act against railway companies? My information from the Birmingham trade is that we very rarely go to law with a railway company. We abandon small matters, and compromise our claims, when we consider that we have been treated unfairly, rather than go to law.

742. (*Mr. Roebuck.*) I suppose you do not want to incur the displeasure of the railway company?—That

might be one reason, but it is chiefly from a disinclination to go to law.

743. (*Sir R. Hill.*) Have there not been instances in which actions have been brought against railway companies, and verdicts obtained against railway companies, and yet they have pursued the same course, and actions have been brought against them again and again. I am referring now to packed parcels?—Yes. Action after action has been brought by the parties, and an enormous expense has been incurred by parties who considered that they had been aggrieved.

744. Although, in each instance, the verdict was in favour of the complaining party?—Yes.

745. (*Mr. Gower.*) Have you any remedy to suggest for this state of things?—No; I cannot say that I have. It has not occurred to me to suggest a remedy. My attention has been directed entirely to the trade and its grievances, and I have not considered what the remedy would be.

746. (*Chairman.*) You have mentioned that the railway companies are in the habit of shifting goods from one class to another. Have you any suggestions to make to the Commission as to any regulations which ought to be made in the classification of different articles?—We think that if there was some controlling power, and if there was a periodical revision of the rates charged, that would be a remedy, and that they should be prevented from changing from one class to another without the sanction of the controlling power.

747. (*Mr. Ayrton.*) And that they should only be allowed to shift within the limits of the permission given by their Act of Incorporation?—Yes; to be kept within those limits.

748. You mean that a railway company should not be allowed to shift goods from one class to another, in violation of their Act, but to exercise the discretion given to them by that Act in a satisfactory way to you?—Yes.

749. (*Mr. Roebuck.*) I think you complain of the Act as well as of the individuals?—Yes.

750. (*Mr. Ayrton.*) Has the Chamber of Commerce at Birmingham considered how this control which you have suggested is to be exercised?—No; that has not been discussed or considered by them.

751. (*Capt. Galton.*) Does the Chamber of Commerce at Birmingham ever make representations to the railway companies as to what they may consider a grievance?—I have already given you one instance.

752. But, as a rule, they do not make many representations, I suppose?—No.

753. (*Mr. Lowe.*) Are your railways very heavily burdened with traffic?—I can hardly answer that question relatively. There are large quantities of goods carried from Birmingham and the district. We have developed in Birmingham within the last 30 or 40 years a very large number of new trades, which has caused a very great increase in the amount of goods carried.

754. (*Mr. Horsfall.*) Do the lower rates which are charged to Hartlepool, in your opinion, divert the trade from any other places?—We believe that the rates charged to Hartlepool divert the trade from Hull to a very considerable extent, Hull being the port to which goods would go from Birmingham; but they can get the goods carried cheaper to Hartlepool, and from having that lower rate to and from Hartlepool, goods are diverted from Hull.

755. (*Chairman.*) You mean, I suppose, goods intended for the Baltic or the German ports?—Yes.

756. The lower rate to Hartlepool tempts traders to send their goods that way instead of *viâ* Hull?—Yes.

757. (*Mr. Ayrton.*) How far do the rates which you have mentioned include the shipping charges or dock dues?—In most cases, I believe, they deliver the goods alongside, except in Liverpool; then there is cartage and delivery, which are always charged separately.

758. Therefore the inequalities, to some extent, result from the different dock rates which are charged?—Liverpool is the only case in which there are separate charges for cartage and for delivery.

759. (*Sir R. Hill.*) As between Hull and Hartlepool that consideration does not apply, does it?—No. The charge made includes dock dues and cartage in Hartlepool, Hull, London, and Bristol; in fact, in all places except Liverpool.

760. (*Mr. Roebuck.*) They are called station charges, are they not?—I believe that there are not any station charges now; the rates at Liverpool continue for all the ordinary class of goods. There are special articles which are delivered from station to station, such as guano and manure, and perhaps timber, which are taken from station to station; but my observations have generally been confined to hardware goods; and, therefore, they are all placed upon the same level.

761. (*Chairman.*) Is there any other statement or remark which you wish to make to the Commissioners?—I think there is only one, and that is, as to classification. The classification itself is very imperfect with regard to certain articles. The classification is supposed to be based on the relative value of the articles, and that evidently needs revision; for instance, in the first class tin will be found, and in the second class, at a higher rate, brass will be found. tin being frequently, or as a rule, higher in value than brass. Again, there is nitrate of soda, and, I believe potash as well, going under the same head in the first class, while vegetable ivory, blacking, and similar things are in the second class. Then I may instance another article, currants, which are in the second class, while sugar is in the first class; sugar, in many instances, being of much higher value, quite as difficult to move about, and in many cases more difficult to move about than currants, and yet it is placed in a lower class. I think that these things are very unequal, and that they want revision and a classification of the different articles.

762. (*Mr. Ayrton.*) Do you consider that value is the only ground for classification—are there not several other elements to be taken into account?—I believe that value is the main element; there are other elements that would come in, such as the convenience of moving an article and the density of it.

763. (*Chairman.*) And the liability to damage?—That is so. I think that the value would be a ground for putting it in a higher classification, because it was more liable to damage.

764. (*Sir R. Hill.*) Must not bulk also be taken into account?—Yes.

765. (*Mr. Horsfall.*) Have representations been made to the railway companies as to the inequalities of their classification?—Remonstrances have been made to the railway companies from time to time by individual traders interested in the matter; but my own experience has been, and that of the various traders with whom I have conversed, that these representations are taken no notice of. You are told that it is a matter which is decided in common with other companies in London at the clearing house, and you get no remedy in the matter. With the exception of the one instance that I have given, I do not know that any modification that has been sought for has been obtained by the private traders.

766. (*Capt. Galton.*) You have stated that the value of glass is now much smaller than it used to be, that formerly it was worth 11*l.* a crate, but now it is only worth 2*l.* You also stated that the rate is the same, and that it is higher than when the glass was carried by canal. Is that so?—Yes.

767. May not that arise from the fact that the glass carried by the railway company is much more liable to be injured?—But they will not allow a claim, and they will not be responsible, unless you pay such a rate as is in point of fact prohibitive of the trade.

768. That is to say, unless you pay an extra insurance rate?—Yes; unless you turn it from a third-class to a fifth-class article, and then that difference

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in the rate would be prohibitive of the trade. Formerly persons engaged in the glass trade got their claims settled when it was taken by water carriage without difficulty, but they were not to any very large extent. Now the largest dealer in glass in Birmingham tells me that his breakages are somewhere about equal to 2½ per cent., but he never gets that allowed by the railway company. I refer to Messrs. Stoke, Brothers, and Taylor.

769. The railway company never allow for the breakages?—No, unless the articles have been put in the prohibitive clause.

770. (*Sir R. Hill.*) Does not the law, if appealed to, enforce the payment of damages on the part of railway companies?—One of our friends lost a case the other day, although he had already paid what he thought was a very high rate, and yet he did not recover the damages that were claimed.*

771. (*Mr. Ayrton.*) A railway company is allowed to charge a higher rate, and they agree to reduce it, provided no claims are made upon them for breakages? Yes; but still that rate is higher than it formerly was by the canal, and then we had the breakages allowed for. The case that I have referred to was a case in which a very thick sheet of glass having been raised up was let fall upon the ground, and consequently every square inch of the glass was broken; it was of very considerable weight, and the party got no damages. The ordinary mode of carrying it would never have injured it, and they lost their case.

772. (*Mr. Roebuck.*) Under the pretence of making reimbursement to persons who suffer in this way they increased the charge made; but when the misfortune happened they did not make that reimbursement?—That is the information I have received.

The witness withdrew.

Mr. C. D. Sturge.

Mr. Charles Dickinson Sturge examined.

773. (*Chairman.*) I believe you are a corn merchant at Birmingham?—Yes.

774. And you deal extensively in foreign grain?—Yes.

775. Have you found that your business from the various seaports is affected very much by the charges that are made by the different railway companies?—Yes, for the quantity of corn taken into the internal parts of the country almost entirely depends upon the railway rate that is charged; for instance, a person will buy or not buy according to the price. 6*d.* or 1*s.* advance in the price will prevent him from buying; 6*d.* a quarter would be equal to 2*s.* 3*d.* a ton, so that if a railway company add 2*s.* or 3*s.* to the rate, they will frequently prevent business being done.

776. They have it in their power to encourage the corn trade to particular seaports, and to discourage it from going to others?—Yes, completely so; our business is almost exclusively from Gloucester; our warehouses are there, and Gloucester being the nearest port to the South Staffordshire collieries and to the Midland districts, it is the natural port to import through. Our rate has usually been from 5*s.* to 7*s.* by railway from Gloucester to the collieries, where the consumption of grain is rather more than that in Birmingham; but in the month of January 1854 the London and North-western Railway Company raised the rate to 10*s.* a ton, making it the same as to Liverpoool, which shut us out from that district, Liverpool being the leading port is always rather the cheaper place of importation. A shipowner prefers to send his vessel to the principal port of the country at rather a lower freight than elsewhere.

777. (*Mr. Horsfall.*) They have diverted the trade from the natural port to Liverpool?—Yes; they have diverted it from Gloucester to Liverpool, and instead of importing foreign grain through Gloucester, that which is purchased in the collieries was for a time principally obtained from Liverpool.

778. (*Chairman.*) You allude I suppose to Dudley and that district?—Yes; Dudley, Wolverhampton, and that district.

779. (*Capt. Galton.*) Have not the Midland Railway Company the control of the line between Birmingham and Gloucester?—To Birmingham, but not for the delivery of goods into the collieries.

780. You say that London and the North-western Company charged a high rate?—Yes; they charged 10*s.* a ton; the rate from Gloucester to Birmingham was 5*s.* 6*d.*, but by charging 10*s.* they charged nearly equal to two local rates.

781. Could not the grain have been brought by canal?—The London and North-western Company guaranteed to the Birmingham Canal Company a dividend of 4 per cent., and consequently have a control over the canal, and they will not allow the rates to be reduced; they charge a penny per ton per mile, and it is a high rate for tonnage, as there are the expenses of the boat and the horse hire as well.

782. And that rate is prohibitory of your trade?—It checks it very much. We have two boats on the canals, but it makes delivery for any distance along the Old Birmingham canal very expensive.

783. (*Chairman.*) Has this alteration in the rate rendered your warehouse property at Gloucester much less useful to you?—It would have done so, but by the opening of the West Midland line soon afterwards the rates were reduced to the old level, and they have continued so ever since. The West Midland line, by an amalgamation with the Great Western Company, has now passed into the hands of the Great Western Company, who are also interested, like the London and North-western Company, in the Liverpool traffic, and they have it in their power to return to the old rate; but they have not yet done so. There is nothing to prevent them from doing so at any time, and send in the traffic of the colliery districts to Liverpool in place of Gloucester.

784. Your complaint is, that by the existing powers which railway companies have, they can, at their pleasure, divert the trade from the port to which it would naturally go to any port they please?—Yes, and to a more distant one, as has been done to a great extent in the West Hartlepool case in the north of England, and which renders our warehouse property of very uncertain value.

785. Can you give the Commission any evidence as to the effect produced upon the value of land in the neighbourhood of Birmingham by the facilities which

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* The following is the parties' own account of this case:—

"Glass and Lead Works,
"Gas Fitting and Plumbers Brass Foundry,
"Birmingham, April 12, 1865.

"We sent a case about eight feet square containing two panes of glass, called rough cast plate, and one inch thick.

"This went by the Great Western line, and was addressed to Wrexham, and forwarded at the senders' risk rate.

"Before it left Birmingham, from some cause, which we called *carelessness*, this heavy case was allowed to fall down and the glass smashed to small pieces, and while in the Company's care.

"The Company declined all liability to our claim, although the law had settled, in one or two similar cases, that for *carelessness* the Company were liable, and were made to pay.

"The non-liability rate only covering ordinary damage arising in the way of transit.

"We tried the case before the Judge of the County Court here, and the whole case was gone into fully, when the Judge proved that the damage arose by *accident* and not otherwise, while we maintained that it was the defective machinery employed for removing so large and heavy a case or the unfair way of handling it, otherwise the glass could not have been so smashed.

"For this and all glass so sent, we are charged at second class rate, and this higher rate for carriage we consider is to cover the risk, otherwise the extra rate becomes an imposition. The Judge seemed to take a very different view of the case when being tried to that of a jury, and we are convinced, had a jury tried it, we should have had a verdict.

"The first-class rate to Wrexham is 15*s.* a ton.

"The 2nd class ditto 20*s.* a ton, being one-fourth more."

have been afforded by the railway companies, or otherwise?—The Great Western Railway Company, since they opened their line into Birmingham, have given a good deal of attention to the local traffic, and at the three first stations on their line, Acock's Green, which is four miles, Solihull, which is seven miles, and Knowle, which is 11 miles, the land now sells as building land; but on the Midland line, at their first station, King's Norton, which is at a distance of seven miles, land was sold a year or two ago at 60*l.* an acre, and near the station, more recently, at 80*l.* an acre.

786. (*Capt. Galton.*) The Midland Company, I believe, give very little accommodation?—Very little. They have five trains running a day, which stop at King's Norton, and those are regulated by the through traffic.

787. (*Chairman.*) Do they run no special trains?—No.

788. And the consequence is that upon the Midland line the value of property has not been increased?—Not at all, I think. I think you could get land, if there was any for sale, within a quarter of a mile of the King's Norton station, at the same price as two or three miles off.

789. You do not think that it is part of the duty of a railway company to look after the interests of the owners of land, and so regulate their traffic that they shall raise the value of their land?—No; but of course, as a railway company takes land compulsorily, it is, I presume, on the understanding that the railway company shall do their best to develop the trade.

790. (*Mr. Ayrton.*) They pay for what they take, do they not?—Yes, they do; but still it is done under compulsion. The landowner has no alternative.

791. (*Capt. Galton.*) Is not this your view, that you think the railway company is bound to develop all the traffic it can, and to the utmost extent?—Yes.

792. Where land is not increased above the ordinary agricultural value at any station, it shows, does it not, that the arrangements for facilitating the traffic there are not in a satisfactory condition?—Yes.

793. (*Chairman.*) You confine your remarks to the stations within the neighbourhood of a great town like Birmingham?—Yes.

794. Do you not think that the directors of a railway company may fairly say that they are trustees for their shareholders, and that their principal duty is to make as large a dividend for them as they can?—I should have thought that they had some other duty, and that compulsory powers to take land are given on the understanding that they will perform some duty to the public, instead of increasing the rates to the public.

795. (*Lord Stanley.*) Are not those compulsory powers granted to the railway companies upon the understanding that they shall not be allowed to charge more than a certain rate for the goods they carry?—Yes, they are, certainly.

796. Is not that a consideration from which the public derive a benefit?—Yes, it is; but still, as the country progresses, and as railways become of more importance, they more depend upon the development of traffic.

797. (*Sir R. Hill.*) Do not the railway companies pay a much higher price for land in consequence of their having compulsory powers granted to them; and in determining the amount to be paid by a company for land required for stations and other purposes, is not the fact that the owner of land is obliged to sell his land invariably taken into account?—I suppose it is; but I think that that depends rather upon the surveyor, or the party with whom the settlement of the amount rests—the amount allotted to him.

798. Does it not follow that the landowner has no claim upon the company to cultivate traffic in his particular neighbourhood?—He has this claim, I think, that when the railway is once made no one is allowed to make another, or in the same direction.

799. (*Mr. Ayrton.*) Are there not circumstances which have induced people to set up works and build houses on one side of Birmingham and in one direction rather than in another?—I think that people are principally guided, referring now to manufactories, by the supply of coal.

800. And also with reference to building houses?—A person who is building a house generally selects the side opposite to the collieries.

801. Therefore there is a disposition in Birmingham to build residences on one side of the town rather than on the other?—Yes.

802. (*Capt. Galton.*) King's Norton, however, is removed from the smoky part of the district, is it not?—Yes.

803. And it affords a very good building site?—Yes.

804. The country is very picturesque is it not?—It is most picturesque, and very well calculated for building altogether.

805. (*Mr. Horsfall.*) As being interested in the trade between Birmingham and Gloucester you do not complain of the rates charged by the railway companies between those two towns?—We complain of the power which they possess to divert the traffic in another direction, if it suits the railway companies to do so.

806. Is it the fact that the railway companies divert the traffic from Gloucester to any other place?—Not at the present time, but in 1854 there was an attempt to do it, which was not carried out in consequence of the opening of the West Midland line.

807. You are not aware that other towns complain of the trade being diverted from those towns to Gloucester, from Birmingham?—I am aware that there was a memorial prepared by the Liverpool Corn Association on the subject.

808. Have you seen that memorial?—Yes, I have a copy of it here, and there is one important point. They approve of 2*s.* per ton for terminal charges, that is, 1*s.* a ton at each end, but they do not seem to be aware that in Gloucester the merchant loads the trucks, and they never go into the station at all, the whole of the loading is done by the merchant, and consequently there is a very slight terminal charge made.

809. Is that not so at Liverpool?—I believe it is all loaded in the station there; it is carted up and loaded in the station.

810. That is done by the merchant is it?—No, it is carted up and loaded by the railway company's servants in the station.

811. Where do you say the difference is?—The difference is this, that at Gloucester the trucks are sent down to the docks, the merchant loads the trucks, and the railway company has no further trouble or expense than sending the trucks down.

812. The merchant loads them?—Yes, at Gloucester, but not at Liverpool.

813. (*Mr. Ayrton.*) Are the delivery trucks fully laden on the line for transmission to Gloucester?—The railway companies send down the trucks by an engine, and then they have one or two horses which are used to move them to the warehouses; after which they have nothing further to do with them than to receive a consignment note.

814. (*Mr. Horsfall.*) Do you think that the mere expense of loading a truck constitutes the whole grievance of which the Liverpool corn merchants complain?—That constitutes part of the inequality. The London and North-western Company's rates are, as they think, much higher than the Midland Company's rates, and many of the London and North-western Company's rates from Liverpool certainly are very high.

815. (*Chairman.*) Have you had any experience of the expense of opposing bills promoted in Parliament by railway companies?—I cannot say that we have had any personal experience: but I may

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mention that the Great Western Amalgamation Bill was almost universally opposed by the merchants of the district, without having any effect or any restrictive clauses being inserted, except one about the per-centage of the dividend.

816. To what amalgamation bill do you refer?—I refer to the amalgamation of the West Midland Company with the Great Western Company. That was a circumstance that affected our district, because it gave the Great Western Company the control over both the South Wales lines and also the West Midland line running into the Midland districts.

817. It was opposed, was it not, by the Birmingham Chamber of Commerce?—Yes; they sent up witnesses; it was more particularly opposed by the merchants of Cardiff and Gloucester.

818. Did you take part in that opposition?—Yes, I did.

819. Did you not find that that was very onerous in point of expense?—There is no doubt that any opposition to be successful would be attended with very great expense, unless the parties were supported by some railway company. In a bill promoted by the Great Western Railway Company and the South Wales Company, it is proposed to cross the Rivern Severn below Gloucester, which will to a great extent impede the navigation of the river. It is opposed generally by the town of Gloucester, and we had occasion a few weeks ago to ask for a valuation of the property at Gloucester, and the answer that we received was, that at that present time no one would think of valuing or buying any property there until the result of this bill was known.

820. That, I presume, arises from a fear that the port of Gloucester would be injured by the proposed bridge?—Yes.

821. Does it not also arise from the fact that the through traffic from London to South Wales will be diverted across the bridge, and not go through the town of Gloucester?—No, that traffic only goes to the station, and I do not think that it affects the prosperity of the town at all.

822. (*Mr. Ayrton.*) If, on the one hand, you complain of the difficulty of opposing a railway company, is not that equally applicable to the parties who are interested in seeing a railway bill carried, and in supporting it till it is carried. Is not the difficulty equal on both sides?—That is, when a bill is supported not by an existing company but by a new one.

822. I presume that all the inhabitants of South Wales, along the Bristol Channel, may be supposed to be extremely interested in having the route to London shortened by the construction of a bridge over the Severn, excluding Gloucester. Is not it equally difficult on their part to support the line as for the inhabitants of Gloucester to oppose it?—But I suppose that it is supported by the funds of the Great Western Company.

824. (*Chairman.*) What you mean to say, I think, is, that when one of these projects is put forward by a powerful railway company, they have a great advantage over the scattered efforts of private opponents?—Yes. The railway company having the funds of the company which are derived from payments made for carriage to fall back upon.

825. (*Mr. Ayrton.*) Is not the property of the shareholders in a railway being spent on the one side just as it is by private individuals on the other, for their advantage, and what is the difference between the two?—In the one case the railway company has been established by law, and they have a monopoly, while the means and power of the private individual are only the result of his own exertions. The public has no choice as to how they will send their goods; they must send them by the railway or not at all.

826. Is it not the same thing with a number of shareholders? They tax themselves to meet the expenses of coming to Parliament, and a large number of the inhabitants of a town tax themselves by their municipal body to come to Parliament with an opposite view. Does not each party meet the expense out of its own private means?—It does; but I say that the public have no alternative but to send their goods by a particular railway.

827. Is there any difference between the shareholders of a company contributing a part of their dividend for the purpose of going to Parliament on the one side, and the occupants or owners of property at Gloucester contributing their funds on the other to oppose the application to Parliament? Cannot they oppose a Bill in Parliament, and, through their municipal body, levy a rate upon the inhabitants to meet the expense?—Would the municipal body have power to do that?

828. (*Mr. Roebuck.*) In the case of a railway company, is there not a large purse in the hands of a small number of persons?—Yes.

829. Whereas, in the case of a municipal body, there is no purse at all, but a very large number of persons to manage the matter?—Yes. I was not aware that there was a power in a corporation to levy rates for such a purpose.

830. (*Mr. Ayrton.*) Do you know that the City of London, by appearing in opposition, has very often exacted from railway companies very large concessions, which it would have been very difficult to justify?—Yes; but the Corporation of London has very different powers, if I am not mistaken, from those of ordinary corporations.

831. (*Mr. Roebuck.*) Does not a corporation come under the description which I gave as to a large purse being in the hands of a small number of persons?—Yes; decidedly.

832. (*Chairman.*) On the other hand, when local parties, for their own interests, wish to promote the making of a line which is opposed by one of the large railway companies, do they not find great difficulty in doing so?—I believe it was in the year 1848 that a railway was first proposed from Birmingham to Stourbridge. There is a railway being made now, but it is not completed; the Act was only recently obtained; as it was opposed by the London and North-western Company, and, at the same time, by the Great Western Company also.

833. So that it has taken 17 years to get that railway made?—Yes.

834. And that delay has been occasioned by the persistent opposition of those great railway companies?—Yes.

835. Are you able to state how many times that project came before Parliament?—I cannot at the moment state, but I remember hearing the particulars of the application made in 1848. The number of times that applications have been made since I cannot state distinctly.

836. Is the line to which you have referred being made by an independent company?—Yes. They first obtained an Act of Parliament for half of it as a mineral railway; then there was an extension of it; and they are working it by an arrangement with the Great Western Company now.

837. So that eventually it has been taken up by one of the parties who opposed it?—Yes. They first obtained an Act for half of it as a mineral railway.

838. Would they ever have succeeded if they had not been taken by the hand by the Great Western Company?—I should say that they were first taken by the hand by the West Midland Company, and I think that they would hardly have succeeded unless they had been so taken by the hand.

839. What are the remedies which you would propose, in order to meet the grievances of which you complain?—I think that there ought to be some general law by which a railway company should not have the power to give a preference to one port over another. When a railway company is interested in dock property, it is obviously to their interest to send all the traffic they can to those docks, but which, of course, is to the detriment of those owning property adjoining other docks, and near to or in another port; and I think that there should be some general power to prevent that.

840. Would not your objection also extend to railway companies being the proprietors of steamboats?—Yes, I think so; but perhaps more to docks than to steamboats, as the steamboats are changeable property, whereas when money is once invested in docks the company is always interested in sending business to those docks.

841. Are you aware that Parliament has, in many instances, granted powers to railway companies to own steamers and to run them from certain ports?—Yes.

842. Then suppose that the Midland Company had power to run steamboats from Bristol to Ireland, would not that be a great temptation to them to leave their rates untouched to Bristol, to increase the traffic from Birmingham to Ireland?—Yes?—There is no doubt that it would, and that is one of the things of which we complain. What we fear is, that some arrangement will be made for the Midland Company to take an interest in the proposed new docks at Bristol, and then of course it will be the interest of the directors to send all the trade they can to that port.

843. (*Mr. Horsfall.*) Which would not be just to other ports?—Certainly not, nor to those who had invested their property in their own ports, because of their being nearer to the consumers' market.

844. (*Chairman.*) I think you have stated that you have large warehouses in Gloucester. Can you give the Commission any information as to the through rates for grain from Gloucester to Ireland?—I do not think that there are any through rates from Gloucester to Ireland; though the Staffordshire and Worcester Canal Company have had recently steamers to Ireland, I am not aware that they have any through rates. I think that it would be charged for separately.

845. With respect to the rates, how do you propose that they should be regulated? Would you give the power of regulating them to a superintending authority in some department of the Government?—I think that there should be some body representing the public; for I think that if Parliament grants to railways a monopoly of the traffic, there should be some party to represent the public.

846. (*Mr. Ayrton.*) What should that party do?—I think there should be some power of appeal against any unfair preference being given to any particular port over another.

847. But how would the party act? What power would you invest him with?—If there was a general law requiring that a railway company should not give a preference to any particular port over another, and that there should be one uniform scale of rates, there would be the power of appealing if there was any infraction of that scale.

848. Do you mean that you would have one uniform maximum rate, or one absolute rate, from which there should be no deviation throughout the country, for the carriage of the same articles conveyed over the same distance?—Perhaps it would be rather difficult, as things are at present, to establish a rate for all railways; but I think that no railway company, over its own line, should be allowed to give a preference to one port over another. It would be, perhaps, very difficult to establish one rate for all companies.

849. You would have, if I understand you rightly, one uniform rate over all the lines of one company?—Yes.

850. Should that be an absolute rate, or only a maximum rate?—If it was only a maximum rate, of course there would be nothing to prevent them from charging a much lower rate, if they pleased, from one particular port.

851. Then you would have an absolute rate above or below which they should never make a charge?—Yes; a uniform rate.

852. A fixed rate that the company should neither increase nor diminish?—Yes; to any one particular place, but that it should be applicable to the whole.

853. (*Mr. Roebuck.*) I understand you to mean that a change made in any part of the line should be a change applicable to every other part of the line?—Yes; if there was no party who complained of that change.

854. (*Mr. Ayrton.*) You would have a uniform mileage rate for the carriage of the same article for the same distance over all parts of the country?—Yes; if no party could show that they were injured by the imposition of it.

855. That is what you would propose to do?—Yes.

856. And you would have a power of appeal to some authority if the railway company deviated from that rate?—Yes; but I think there might be some special cases that might be shown.

857. What discretion would you give to any railway company to deviate from that fixed rate, upon what principle should that be done?—I think that a railway company should not have the power of injuring the public, the public having invested their property in a particular port, by giving a preference to one port over another.

858. If there is to be a fixed rate, there would be no question about any preference, or do you mean that there is to be a fixed rate, with a discretion in somebody to modify it under certain circumstances?—I think that circumstances might arise in which it might be right to modify it.

859. But what would be the circumstances do you suppose that would justify a modification?—I think there might be an arrangement, for instance, as in the case as to Liverpool which I mentioned previously; the expense of the loading of the trucks being taken by the merchant, of course it would not be fair for a railway company to make the same charge in one place where they did not perform that service as in the place where they did load the trucks.

860. I am speaking of a uniform mileage rate along a line of railway, would you allow a railway company to deviate from that fixed mileage rate under any circumstances?—I am not aware at the moment of any circumstances in which it would be justifiable, but I cannot say that there might not be such circumstances.

861. Would you have a uniform terminal charge throughout the country?—As far as I know there might be circumstances that might lessen or increase the cost of terminals to a railway company, and I presume that that is a matter to be determined by the cost; there may be special circumstances.

862. But who should fix the terminal charge; would you invest the same person or persons with authority to do that?—Yes; if there was no reason why it should be greater in one case than in another, I presume that, generally speaking, the terminal charge would be uniform.

863. (*Chairman.*) You propose that fixed equal rates should not be carried beyond the lines belonging to one company?—Yes.

864. How would you get over the difficulty, as between Gloucester and Liverpool, the route from the mining district to which you say the grain is principally carried from Gloucester being in the hands of the Midland Company, while the line to Liverpool is in the hands of the London and North-western Company, so that even supposing your suggestion to be carried out, still it would be possible that there might be different rates as between Gloucester and Liverpool?—You mean that one company would be carrying at a lower rate than the other.

865. Yes, higher or lower as the case might be?—No doubt it would be better to have uniform mileage rates over all railways, but perhaps it would be difficult to carry it out, as things now exist.

866. Would not a uniform mileage rate over all railways be necessary, to secure the object that you have in view?—It would; but then, you see, where there are two railways going to the same place, the competition existing between them ensures to the parties using each of them that they shall have a fair opportunity of carrying on their business.

867. (*Mr. Ayrton.*) Your proposal was that the railway company should not reduce the rates. If I

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understand you rightly, you said that it was to be a fixed rate, therefore competition would have nothing to do with it?—That is to say, a uniform rate over the whole line.

868. I understood you to say that it was to be a fixed uniform rate and not a maximum rate?—I did not mean a fixed rate, I thought you meant that it should be the same for all parts of the line. I think that there should be an uniform rate over a line, and that a railway company should not have the power of charging more over the line per mile in one direction than in another.

869. Are they to have the power of diminishing or increasing the rate at their pleasure throughout the whole line, or is it to be a fixed rate from which they are not to be at liberty to depart?—I think that they should have the power to diminish the rate, for probably, as trade increased, the expense would be less to the company, and it might be to their interest to diminish it.

870. Then you would allow them to diminish the rate if they diminish it uniformly over the whole line?—Yes, and not to give a preference to one port over another.

871. Would you give that discretion to each railway company?—Yes.

872. Then you would have railway companies exercising that discretion and charging different rates, and if so, how would you then have the same rate from place to place for equal distances?—If railway companies charged a different mileage rate, different from each other, of course the charge would be higher on the one company's line than on the other, but still there would be no unfair preference to one port over another for the purpose of promoting the prosperity of the docks in that port in which the railway company was interested.

873. One might then get a preference to another?—It might; but still the company carrying from one dock would not be inclined to place their rates so high that business would be driven to another dock.

874. The distance by one railway differing very much from the direct distance by a different system, if you had an uniform mileage rate, would not that create a difference of charge from place to place?—No doubt it would; but of course there must be some allowance made for that, otherwise the roundabout railway would carry nothing.

875. Would you propose, if the rate is not to be a mileage rate to be measured by the direct distance from place to place, that it should be measured by the shortest route?—Yes. I think there would be hardly any reason why the roundabout railway should have power to carry at a higher rate than the direct one.

876. (*Chairman.*) Take, for example, two railways running from Birmingham to London; if the London and North-western Company was charging the same general mileage rate over the whole of its system as the Great Western Company, both companies being bound to charge the same mileage rate, the practical result would be, would it not, that the Great Western Company would not carry any of the permanent traffic from Birmingham to London?—I believe that there is a special clause in the Great Western Company's Act as to that. They may carry to Birmingham at the same rate as the London and North-western Company, but if they reduce their rates to Birmingham, they must do it over the whole of the line.

877. (*Mr. Ayrton.*) What you propose I think is to have a uniform mileage rate, and to alter the present state of things; but, if so, how would that be applicable to cases where the distance by one railway differed greatly from the direct distance by another?—I suppose that the fairest principle would be a mileage rate by railways, as a rule; but I think there might be exceptional cases, as, for instance, where two companies ran to the same place, one line being longer than the other.

878. Had you applied your mind to the consideration of these questions before you came here?—Yes. I think I had; but I think that there would be some exceptional cases arise under any system that might be adopted.

879. (*Mr. Horsfall.*) Without pretending to reconcile all the anomalies that might arise, you think that your suggestion would be a great improvement upon the present system?—Yes. I think that it would prevent any unfair preference being given to docks in which railway companies may be interested, and which is a great grievance now, for a railway company may obtain an Act giving it power to join other parties in making docks, and it is almost impossible then to prevent them giving a preference to those docks.

880. (*Chairman.*) Is there any other suggestion that you wish to make?—I think not.

The witness withdrew.

Adjourned *sine die*.

Friday, 28th April 1865.

PRESENT:

The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
The Right Hon. Robert Lowe, M.P.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
George Carr Glyn, Esq., M.P.
E. T. Hamilton, Esq.
J. R. McLean, Esq.
W. Pole, F.R.S., *Secretary*.

The Right Hon. LORD STANLEY in the Chair.

Mr. H. J. Atkinson.
28th Apr. 1865.

Mr. Henry John Atkinson (Mayor of Hull) examined.

881. (*Chairman.*) You are, I believe, President of the Hull Chamber of Commerce?—Yes, I am President of the Hull Chamber of Commerce, and also Mayor of the Borough at the present moment, and Chairman of the Parliamentary Committee of the Corporation. In these capacities I was requested to attend before the Commission to give evidence, and the principal point that we wish to put before the Commission is the manner in which we are treated by the North-eastern Railway Company. That company, as the Commission are aware, have all the ports from Berwick to Hull. They have Sunderland, and the Tyne Docks, where they have spent 500,000*l.* in docks, and they are therefore very much interested. They have old Hartlepool, and they have by traffic arrangements West Hartlepool, and they are now before the House of Commons with a Bill to amalgamate the West Hartlepool Company, both the harbour and the railway property, with their own system. They have also Middlesborough and Stockton, so that they have the whole of those ports, and the way in which they work them is to give us what they call equal treatment, and the equal treatment consists in carrying goods to Leeds and other places at the same rate from Hartlepool and from the Tyne Docks as from Hull. I will take Leeds as an example. The distance from Hull to Leeds is 50 miles; the distance from Hartlepool to Leeds is

72 miles; there is a difference of 22 miles further to carry the goods from Hartlepool to Leeds, yet they charge exactly the same rate per ton. From the Tyne Dock the distance is still further, 104 miles, making a difference as against Hull of 54 miles, in fact, more than doubling the mileage that the goods are carried, and the rate is still the same as from Hull.

882. As I understand you, your complaint is that they deprive you of the natural advantage which Hull possesses from being near those great inland towns?—Yes, that is our grievance; that the advantage of our geographical position is taken from us, and the great disadvantage of that is, that the north country ports have advantages of their own by being near the coals, and consequently the sea freight from the Baltic and other ports to their ports is less than it is to Hull. The consequence is that our Hull merchants are driven by this system of the North-eastern Railway Company to import a great quantity of goods that they have bought for the Hull market and intended to bring to Hull, and to send them down to Hartlepool, although in many cases they have no establishments there. With regard to the sea freight, I can give instances, as a shipowner and agent, in which there is a difference of 7*s.* 6*d.* per standard hundred of deals upon 45*s.*, that is, about 16⅔ per cent. difference in favour of Hartlepool upon the sea freight, and about five per cent. upon the value of the goods that are thus imported, which is in itself a profit. We have appealed again and again to the North-eastern Railway Company for satisfaction, and for some better treatment; and we have several times been before the House of Commons and the House of Lords. In one instance, about two or three years ago, the House of Lords turned out a Bill of the North-eastern Company upon this very evidence which we gave them. I think that about 100,000*l.* were spent by three companies and nothing was done in that session in consequence of this grievance of ours; and this session, before the North-eastern and West Hartlepool Amalgamation Bill was introduced, a deputation representing all the trading bodies of Hull waited upon the North-eastern Company again, and we saw the chairman. I was there as spokesman, being Mayor of Hull and President of the Chamber of Commerce; and the Steamship Owners' Association was represented also. The chairman of the North-eastern Company said that that was their fixed policy, and that it must continue to be so, as they had given some implied pledge when one of the northern lines was amalgamated with them that they would treat all parties alike; and he calls it treating them alike, carrying at the same rate per ton, instead of per ton per mile. Therefore the traders of Hull are intensely interested upon the point, and they did their part towards applying to Parliament and the Government again and again upon the subject; and they thought it was very desirable indeed that evidence should be given from Hull, and accordingly I am here to give it. The vice-president of the Chamber of Commerce, who is a timber merchant in a very extensive way of business, and does some business at Hartlepool by compulsion in this way, is also here, and he will, if necessary, put in some tabulated statements which will save the necessity for my going into the distinct rates as to many towns which I should otherwise have to do.

883. How long has this been the practice of the North-eastern Company?—It has been the practice of the North-eastern Company, I believe, since about 1854, when this amalgamation of which I have spoken took place. Prior to that, when the Hull and Selby line was amalgamated with their system, that is, the York and North Midland, as it was then called, a similar pledge to that which they rely upon for carrying on their present system was given to us. The people of Hull were very anxious about preserving what they called their birthright and the independence of the line, and great excitement took place as to its being merged into the system. The chairman of the York and North Midland Company declared, "Our "great object will be to render the port of Hull free "of access from all quarters of the kingdom, and that, "too, upon the most liberal and advantageous terms "possible; and if it comes to be a struggle between "Hull and any rival port, then this company will be "prepared to carry traffic to Hull at as low or lower "rates than any other company in England." We rely upon that as being a similar pledge to what they rely upon. This pledge they gave some nine years earlier; and although I read that to Mr. Thompson, the chairman, two or three months ago, it did not produce the desired effect.

884. (*Mr. Glyn.*) Did the York and North Midland Railway occupy the same district that the North-eastern Railway does?—Yes; the one that was merged into the North-eastern.

885. The York and North Midland Railway did not go to Newcastle?—No; but every station that the York and North Midland Company had is now the station of the North-eastern Company; they have it altogether now.

886. But the North-eastern district comprehends a much larger district, does it not?—Yes; a much larger district.

887. (*Mr. Horsfall.*) Before this amalgamation took place you had the advantage of competition, had you not?—I am not sure; but they were different companies then.

888. (*Chairman.*) The North-eastern Company act upon the principle acted upon in the Post Office; it charges equally for carriage whatever the distance is?—It seems to be something of that kind in some cases, but is not carried out.

889. Have you reason to think that they apply that rule generally, or is it exceptional and confined to the case of Hull?—They do not apply it generally. In some cases they depart from that principle when it suits them to do so; they do not seem to go upon the system any further than as it may suit their interests.

890. As I understand you, they have an interest in those other ports, and what they say to you is this: We will not place you at a positive disadvantage as compared with those ports, but we will place them upon an equality with you notwithstanding the greater distance?—Yes, that is what they say; and their interest in one port especially is doubled, having spent 500,000*l.* upon the Tyne Docks. If vessels go there instead of to Hull, they get not only the dock dues, but also the rates of carriage and the labour; whereas in Hull there are two companies, the North-eastern Company for the railway and the Hull Dock Company for the dock dues; they have an extra interest to that extent.

891. What other railway companies have access to Hull besides the North-eastern Company?—We have the Manchester, Sheffield, and Lincolnshire Company, but on the other side of the water; the station is at New Holland; but the fear is that the North-eastern Company have made the same traffic arrangements with them for the purpose of preventing a competing route even for the Manchester traffic. They have what they call the Humber agreement, which gives the Manchester, Sheffield, and Lincolnshire a certain amount of the profit of the traffic whether they carry it or not, and consequently they do not carry it. They did carry, I think, about a sixth, and they were paid about a third of the profit; that was the last agreement. They do not compete under such circumstances; they know that they will have their agreed share of it.

892. (*Mr. Glyn.*) Is that the only company there?—Yes, that is the only one; we have only one railway into Hull, viz., the North-eastern.

893. Do not the Lancashire and Yorkshire Company work over the North-eastern Railway?—They work in connexion with them; they are parties to the Humber agreement, and they get their share of the traffic; they do not come in. They brought in a Bill three years ago to make a line into Hull, but the North-eastern Company defeated them in the Commons, and made an arrangement afterwards.

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894. (*Mr. Horsfall.*) You consider that the preference given to Hartlepool by the railway company is owing to the interest which the railway company has in the docks at Hartlepool?—I should say that it is partly so at the Tyne, and will be so at Hartlepool, but I think that their mode of arguing is this, that as long as the traffic comes upon their system at all, being in possession of all the ports, they will be satisfied; I believe that that is the consideration that weighs with them, besides which they get a longer mileage out of the through rates for goods taken north.

895. (*Mr. Hamilton.*) Do the charges per ton include terminal charges?—Yes; they include the terminal rates. The Board of Trade report of this year expressly notices the point of the natural flow of traffic, and gives an opportunity to appear before any Committee where an Amalgamation Bill is brought forward, consequently we are all appearing or shall appear next week before a Committee of the House of Commons upon this very Hartlepool Bill. But I wish to mention to the Commission that it is very hard upon us as the corporation of the town, as private traders, and as a chamber of commerce without funds, to have to come up year after year upon this point and oppose a wealthy company who can spend 75,000*l.*, and simply pay to their shareholders 5*s.* per cent. dividend less in a year, while on the other hand we have to collect the money from door to door to meet these expenses.

896. (*Chairman.*) What is the practice that you complain of? Do you say that your own charges by this line are too high, or that the charges to the rival ports are unduly reduced?—We complain that we are put upon an inequality with them; we do not say that the charges are too high, but we take this view of it, that we are put upon an inequality, and we therefore think that Parliament ought to give us redress.

897. But inequality may be produced in two ways, either by making your charges high, or making the other charges low. Assuming that your charges are only the ordinary market rates for carriage of goods for the distance represented, do you consider that you have a right to complain of a railway company if it thinks fit to incur a loss by running traffic at a lower rate in another direction?—Yes; when it drags trade from us which legitimately belongs to us. If the rate was fair, as you have put it, that we pay, it must be unfair for another port competing for the same class of business, in fact getting away some of our business at double the distance, to have the goods carried for the same rate, that cannot be fair. If our rate is too high, let it be reduced; but if our rate is the proper one, let the other ports pay something more.

898. (*Mr. Glyn.*) You object, as I understand you to being charged a penny when the other ports are charged only a halfpenny?—Yes.

899. (*Mr. Hamilton*) What you want is a uniform mileage rate?—Upon their system I should say that it must be a fair thing, and I think I might go further than that; but I ought to say that the mercantile community are rather divided upon it; they all agree that the rate ought to be a uniform one so far as this one system is concerned when it is the like sort of traffic to each place; but the other point we did not come to any determination upon, as we did not consider it before us.

900. What other point do you refer to?—As to whether that system should be carried out throughout the country.

901. I meant throughout the North-eastern system?—We think that throughout the North-eastern system it would be fair.

902. (*Chairman.*) When you speak of a uniform mileage rate, do you put out of consideration the question whether one line or part of a line has cost much more than another?—No, we look at it as one system, and I give my opinion here as the opinion of the people of Hull as to this system. We say that the whole cost would be so much, and that would amount, of course, to so much per mile.

903. Take, for example, two lines of railway belonging to the same company, each line being 50 miles in length, but one of them passing through a very difficult country with frequent tunnels, in cuttings, or on embankments, while the other line passes along a dead flat, and has cost as little as a line could cost for engineering works, would it be fair, in your opinion, that an equal mileage rate should be charged in each of those cases?—Taking it as one system, it would be fair, taking the cost of the railway right through. They would reduce the average cost per mile by throwing together the difficult and easy parts, and saying that the whole of the railway averaged in cost so much per mile.

904. Although the railway system might have been extended from one end of England to the other?—Yes, I should consider that fair.

905. (*Mr. Hamilton.*) Were there any greater facilities for construction in one part of the line than in the other; for example, between Hull and Leeds, as compared with the country between Hartlepool and Leeds?—I think it would have been much the same thing; any difference would be in favour of Hull.

906. (*Mr. Horsfall.*) You contend, in point of fact, that Parliament having given a monopoly of route to certain railway companies, it is the duty of Parliament to see that those railway companies make equitable charges, not only to individuals, but in the different localities?—Yes.

907. (*Mr. Glyn.*) Can you state what the charges are between Hull and Leeds, taking any place short of Leeds, or does the same system of charges with reference to the three ports you have mentioned apply to any other place besides Leeds?—Short of Leeds there are variations in the charges; but to Leeds and the manufacturing places this system applies, where the great traffic is done. Short of Leeds, where the traffic is small, and not of the same importance, the rates vary.

908. Otherwise the charge is a common one as you have described?—Yes, in the cases I have mentioned it is not the same rate for each.

909. It would be a higher rate of course?—Yes.

910. To any point to which the distance was shorter?—Yes; that is the case in some instances. We also have to complain that the railway company are quite irresponsible, so far as bringing our demands to bear upon them goes. We cannot bring them to bear at all. They treat our representations with what amounts to contempt, and we think that if some system of audit or overlooking of their accounts and transactions was adopted, the trade of the country might be protected in a much better way than it is at the present time.

911. (*Chairman.*) Beyond the establishment of a uniform mileage rate by the company with which you are more immediately concerned, have you any other suggestion to offer to the Commissioners?—No other; I think that that would be a solution of the difficulty.

912. (*Mr. Horsfall.*) What would be the controlling power that you would suggest should be placed over railway companies?—I feel that it would be almost presumptuous in me to suggest anything to such a body as this Commission, but I should have thought that some department in the Board of Trade, or some other department might be created that would be able to make the railway companies more responsible than they are at the present moment, for they do just as they like now.

913. (*Mr. Hamilton.*) To whom do you think they ought to be made responsible?—To the public and to the Government.

914. (*Mr. Horsfall.*) You think it is desirable that there should be some court of appeal?—Yes.

915. (*Mr. Glyn.*) They are governed by their maximum toll, are they not?—No doubt; but they do many things which they would not dare to do if there was any proper system of check exercised over them; I am certain of that; whether they ever exceed the maximum I should doubt.

916. (*Mr. Hamilton.*) You say that they do many things, can you give any instances?—They make exceptional arrangements with individuals sometimes for a similar sort of traffic; and the greatest grievance is this, that they carry goods double the distance for the same rate.

917. (*Mr. Glyn.*) Can you give any instance of such an arrangement having been made with individuals?—I have heard of such, and I know that such have existed, but the cases have not come within my own knowledge, because I am engaged in business as a shipowner and agent; I am not so much concerned with goods, and therefore I should prefer not going into a matter that I could not follow out into all its details.

918. (*Mr. Gower.*) I did not quite understand an answer that you gave before. Apart from possessing docks in those northern ports, has the railway company any interest in carrying goods for 83 miles for the same charge as they make for carrying goods 55 miles?—Yes, they had a little interest further, so far as the Humber agreement is concerned. Three years ago, I think, when we were before Parliament upon this same subject, Mr. Hawkshaw, who was present as the representative of the Lancashire and Yorkshire Railway Company, brought that out in his cross-examination, that is, that if goods were carried to Hartlepool from a given point, the Lancashire and Yorkshire Company did not participate under the Humber agreement, but if they came to Hull they did participate. If even this is altered, still the Company would get more mileage out of the gross rate by the goods going the longest distance. That would be a direct advantage to the North-eastern Company, in addition to any advantage they might get from the labour and dock dues.

919. You are opposed to railway companies making those arrangements which are most profitable to themselves?—No; I am not at all opposed to that; I am quite ready to allow them to carry on their business as I would carry on my own; but if I tried to do an injustice to any one I think I ought to be checked. What I desire is, that they should not do an injustice to one port, because it pays them better to drag away the trade to another. They enjoy a monopoly, and therefore I think that they ought to be held responsible to treat all the ports alike.

920. When you state that they have a monopoly, it is open, is it not, to any set of capitalists to propose any new scheme from Hull?—Yes, and they have tried that, but we have to strive against a company which possesses a capital of 30,000,000*l.*, and supposing that they pay a dividend of 5 per cent. per annum, and they pay their shareholders only $4\frac{3}{4}$ per cent. for one year, there will be 75,000*l.*, with which they may crush any number of men who attempt to oppose them. We could not in a place like Hull, with 117,000 inhabitants, find persons who would put down the money to enable us to contend against the North-eastern Company with their 30,000,000*l.* of capital.

921. When you say that you have tried it, has any scheme been started?—Yes; a scheme was lodged about three years ago, and there was a contractor in London who was ready to find the greater part of the capital. The Parliamentary Committee of the corporation at that time approved of the scheme and decided in favour of it, considering that it would be a great advantage to us if we could get an independent line, and so hold the system of which we complain in check, but we could not get the public generally to come forward with their money, and the scheme fell through, to a great extent for want of public spirit.

922. I suppose on account of its being considered that such an additional line would not be profitable?—No; I think it fell through from want of public spirit, and also because the North-eastern Company, having held their position so long, naturally exercised a very great influence over many persons with whom they did business, and some of them were probably afraid to stand out prominently against the company, and for one reason and another the thing was stifled. It was before the public for about three months, and 2,000*l.* or 3,000*l.* was spent upon it; the line was surveyed, and plans deposited, and so on.

923. (*Mr. Hamilton.*) To what part of the North-eastern system does the Humber agreement apply?—It applies to the traffic from Liverpool and Manchester, Ashton and Staleybridge.

924. Can you state shortly the terms of that Humber agreement?—The terms of it are that certain companies shall divide the profit made upon the traffic however it is carried, and, as I stated before, in consequence of that, the Manchester, Sheffield, and Lincolnshire Company, although they carry but a small proportion of it, get paid for a larger proportion.

925. The effect of which has been, I suppose, to do away with competition?—Yes, that was the aim of it and the result of it.

926. (*Mr. Glyn.*) Did you say, when you alluded to the Humber agreement, that the Lancashire and Yorkshire Company did not participate in any profit upon the traffic going to Hartlepool?—Yes, they lost that formerly. Now they lose the difference caused by the increased proportion of North-eastern mileage.

927. And therefore they have an interest in carrying all their traffic to Hull?—Yes, that was the evidence given by Mr. Hawkshaw.

928. (*Mr. Horsfall.*) You are aware, I presume, that a private individual can run private carriages and trucks upon a railway?—Yes, but that is not a thing that is much done so far as we are concerned.

929. But a private individual has a right to do so by law?—Yes, but it is inoperative.

930. Is that owing to the high tolls which are charged?—Yes, and from having to provide carriages, and the difficulties that would be thrown in their way; I should think in a flush of trade that they would be left behind occasionally, and no man would like to risk it; I have not known it tried within my knowledge.

931. The right to do so, however, shows the intention of Parliament that there should be competition?—Yes, I think so.

932. (*Chairman.*) In practice it is found, is it not, that the use of the road, and the property in the road, are most conveniently vested in the same hands?—Yes; I should say so, decidedly.

933. With the great increase of traffic that there is, and the great frequency of trains running upon a line, you would probably think that it could not well be otherwise?—I do not think that it could be safely altered.

934. (*Mr. Hamilton.*) Where does the Lancashire and Yorkshire system run into the North-eastern system?—At Normanton.

935. (*Chairman.*) You have spoken of exceptional arrangements being made with individuals, do you mean arrangements to carry goods sent in large quantities by some person at a lower rate than the usual one?—Yes, at a much lower rate, I have heard in some cases.

936. Is not that a common practice upon all railways?—I think it is done, but I do not think it is commonly understood that it should be done.

937. Is it not simply done upon the principle which makes wholesale purchases cheaper than retail purchases?—I do not think that the public understood it in that way.

938. You think that it is a matter of individual preference and favour?—Yes, and also the keenness of the persons who get the advantage by going a step further than those people would who fancy that railways are a sort of public institution, and that the prices which are issued by railway companies are prices which will not be departed from.

939. (*Mr. Glyn.*) Quantity is generally the governing element, is it not?—Yes; I think so.

940. And in the case that you have put, the quantity must be a large one?—Yes.

941. (*Mr. Horsfall.*) If a person offered you a freight of 300 tons, would you not, as a shipowner, take it at a lower freight than you would four or five or six tons?—I do not think that that is a parallel

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case. As a shipowner, if I had my ship on the berth for any particular place, and a man came and made it worth my while, and gave me half a cargo instead of five or six tons, that would make me ready the sooner to sail, and therefore I should get value received. In the other case the trains are constantly going, and therefore there is no consideration of that sort, they have only to put another carriage or two on.

942. Suppose that a party lives at an intermediate station, a small one, and he can give the company a truck full of goods, that truck will be sent directly and immediately from that particular station?—Yes.

943. If, on the other hand, he can only send a few packages, those few packages will be transferred from one truck to another at the different stations?—They have what they call pick-up trains, which pick up and put down those small affairs as they occur—once or twice a day—or once, for those bye-stations; and, therefore, any small parcels of that sort would go by the pick-up train. Some particular trains stop at every station, while other trains run through. In the case that you put of the shipowner, he has no monopoly, but he goes into the market and takes whatever the public will bargain to give him; in the other case the railway company have it all to themselves, and I think, therefore, that they ought to be more strictly controlled.

944. (*Mr. Gower.*) Are you of opinion that the directors and managers, by allowing of these exceptional arrangements, deprive the shareholders of their just profits?—I think that the shareholders get their just profits generally.

945. Supposing that in certain cases they allow individuals to send goods for a smaller charge than they need do, the shareholders then would be by so much the sufferers, would they not?—Yes. I believe that in some cases they do work for less than they ought to do.

946. (*Chairman.*) You have spoken very strongly in favour of a uniform mileage rate, would you go so far as to say that where it is an object to create and develop new traffic, which is only just beginning, you would not allow a railway company to carry goods at a lower rate than their ordinary rate.?—That depends upon what would be called developing traffic; for instance, some managers consider that it is developing traffic to drag traffic from another line to their line to run by another route, that is, on their line, but that does not increase the traffic at all. On the North-eastern system, the same quantity of stuff would be landed at Hull, and go along the railway from Hull to Leeds; the only difference is, that it is landed at the port of Hartlepool, and goes from Hartlepool to Leeds; and then you will see a paragraph saying how immensely the trade of Hartlepool has increased, and that is done by the Hull merchants often, and to their cost in hundreds of cases. My firm have chartered ships with Hull merchants for cargoes that they have tried week after week to get tonnage for to Hull, and which they intended to bring to Hull, and yet solely on account of this system pursued by the railway company, they have had at last to allow those cargoes to be diverted to Hartlepool.

947. (*Mr. Glyn.*) Is there not a large export trade in coals from Hartlepool?—Yes, there is a large coal trade there, and that is their advantage.

948. (*Mr. Hamilton.*) Between which places is there the largest trade, between Hull and Leeds or between Hartlepool and Leeds?—Between Hull and Leeds.

949. Very considerably greater?—I should think it is; but not having seen the accounts of the railway companies, I cannot speak positively as to the number of tons going from each of those places, but I think it is so even yet.

950. If the trade is larger, that would be a reason, would it not, why there should not be higher rates between Hull and Leeds as compared with Hartlepool and Leeds?—We ask for higher rates between Hartlepool and Leeds, because between Hull and Leeds the distance is the shortest.

951. (*Mr. Horsfall.*) Your complaint is not so much as to the charges where there is a difference in the quantity of goods carried, 100 tons in one case and five tons in another, but that the railway companies charge the same rate for carrying 100 tons of goods, say, 50 miles, as for carrying them 100 miles?—Yes, that is my complaint. I have not made any complaint upon the other point at all. What we ask for is, to have like treatment under like circumstances, that is what we want.

952. (*Mr. Dalglish.*) Is there any difference of opinion as to the facts between the shipowners at Hull and the shipowners at Hartlepool?—I think that the Hartlepool people would say, "Let us con-"tinue to have this great advantage that we now "have."

953. Does it not give the shippers of goods from Leeds also the advantage of competition?—Yes, it gives them the advantage of sending twice the distance, if they like, for the same rate.

954. It gives them the advantage of competition as between shipping at Hartlepool and shipping at Hull?—In many instances the shipping has to change from Hull and go to the northern ports.

955. But take this fact, the railway company charging only the same price to Hartlepool, a distance of only 72 miles, and to Hull, a distance of 50 miles, does not that give the shippers of goods the advantage of competition?—Yes; certainly, it gives them two or three ports to choose from, but that is greatly to the injustice of those ports which are nearer to them.

956. You mean that it is unjust to Hull because it brings Hartlepool into competition with Hull with regard to shipping?—Yes; it brings it unfairly into competition with Hull; that is our case.

957. Do the people of Hull complain that it has an injurious effect upon them; does it touch them?—Yes; in cases where the Hull merchants, who intend to import into Hull, are compelled by this pressure of circumstances to send their vessels to the north, the result is that the Hull people never see the ships at all, although it is Hull business, and done by Hull merchants. The ships go into Hartlepool and discharge there, and all the money is spent there for labour, and their bakers' bills, and butchers' bills, and ropemakers' bills; all that money is spent in Hartlepool and not at Hull.

958. I meant to exclude the shipping interest altogether, and to ask you whether this diversion of the trade has any effect upon the population of Hull not connected with the shipping?—It has the greatest effect upon them, because we consider ourselves a port of transit, and dependent almost entirely upon our business in that way, and therefore it attacks us in the most vital part; but I can answer your question in a practical way, probably, by just mentioning another circumstance; and that is, that the Guardian Society, the merchants' and traders' association—which is like a chamber of commerce so far as the shopkeepers are concerned—consists of 750 persons, and they have petitioned against the company again and again. They are petitioners this year, and they are contributing as well as they can for the express purpose of having this injustice remedied, for they all feel it from one end of the town to the other; the owners of property, of houses, and shopkeepers, and any one who has any property in Hull.

959. Would the population of Hull be benefited to any material extent, provided the railway traffic was so arranged that the articles of sugar and tea were carried at mileage rates in the proportion of 50 to 72?—I do not think that that case would arise. The amount calculated upon sugar and tea would be so infinitesimally small that I do not think there would be any difference at all.

960. The principal complaint from Hull appears to be that the state of things which you have described interferes with the shipping interest?—No, not that; it interferes with the interests of every inhabitant of Hull. There are very few people in Hull who are

not thoroughly immersed in business, and therefore I may say that every one in Hull is interested, because they all feel it; the Chamber of Commerce, the Steamship Association, the Guardian Society, and the Corporation. If you were to call a town's meeting, I do not think you would find three or four people who were not enthusiastic in favour of getting what they think is justice to Hull.

961. (*Mr. Horsfall.*) The labouring population of Hull being chiefly employed in the shipping, whatever affects the shipping interests must affect the working classes?—Yes, throughout.

962. (*Mr. Glyn.*) Are the dock dues at Hull high or low?—They were high, but they have been somewhat reduced.

963. Was that in consequence of the competition by the other ports?—Partly. It was not in consequence of this railway system, but it was in consequence of a movement that we made in Hull. We all subscribed, and tried to get up an opposition dock company at Hull.

964. Still I suppose the dock dues are considerably higher than in the other northern ports to which you have alluded?—Yes, they are higher, but not so much so as they were.

965. (*Chairman.*) There is another matter, I understand, to which you wish to call the attention of the Commissioners; namely, the running of steamboats by railway companies?—Yes, that is another point. The circular which has been issued asks whether any means can be suggested for the purpose of lessening the cost of land traffic. We think that the cost of land traffic could be lessened, if the railway companies were kept to their own business, and were not allowed to interfere with the sea carriage; and we think that that is borne out by experience, for all that we have seen do so fail. I believe that the last powers that were given were given to the directors of the Eastern Counties Railway to run steamers from Harwich to Rotterdam, &c., and their reports since that time have shown that they have lost money by carrying on that traffic. Then again, the Hartlepool Company lost greatly by irregularly dabbling in steamboats and collieries, and so on. Then again, in the case of the South Yorkshire Company. I heard one of their representatives cross-examined about two years ago in Parliament, and he admitted to a Committee in the House of Commons, that without any parliamentary powers they had lost 20,000*l.* in subsidizing a steamboat line, and he justified it by saying that traffic had by that means been brought upon their line, which would have gone some other way. But we say that that 20,000*l.* so lost was a dead loss; it might not be a dead loss to the shareholders of the South Yorkshire Company, because they got the same traffic upon their line, which would have gone over the line of some opposition railway company; but we say that if that 20,000*l.* had not been spent in that way, the railway carriage by land, which we consider is the legitimate trade of railway companies, would have been carried on at so much less than it was carried on. Again, the Manchester, Sheffield, and Lincolnshire Railway Company have obtained powers to run steamboats, they have not bought any steamboats, and therefore we cannot refer to any loss on that score, but we can refer to the fact of their having spent a million of money unprofitably in the docks.

966. (*Mr. Glyn.*) You mean to run steamers from Grimsby to places on the Continent?—Yes, and in the Baltic too. The money expended has been very unproductive, and it only enables them to drag away business from Hull by sundry arrangements of theirs, which they have made, such as sometimes giving up their dock dues; and the same system will no doubt be carried on when the railway companies, if they are allowed to do so, engage in water traffic. They have plenty of opportunities of disguising the losses upon the steamboats by charging one through rate, which includes both the land and the sea rate, and by having such large capitals that they can run the private shipowners off the lines altogether.

967. Has the company which you have mentioned obtained Parliamentary powers?—Yes, the Manchester, Sheffield, and Lincolnshire Company have.

968. But they have not exercised them?—No.

969. (*Chairman.*) I believe you appeared before a Committee in the House of Commons last year, or the year before?—Yes, I did; I may state that it requires a special knowledge of shipowning before parties engage in that business. I do not think there is anything more dangerous for any one without experience to touch than shipowning, and we do not very soon thoroughly attain the necessary knowledge. I have seen many instances of men who have made more money than they could well use in their own business, and they have become shipowners, and I have seen the most disastrous results follow. I consider that it is like playing with edged tools when railway companies touch these things, for they generally lose by it; and I feel certain that it will always be attended with loss.

970. (*Mr. Horsfall.*) When the railway companies lose, do not the public gain?—I think not; I think that there has been no want of that private enterprise which will supply everything that is wanted in the way of shipping, and if railway companies will only make out a clear case, and say: Here is this traffic, and we shall be glad if you will give us some steamers to carry it, they will always find people ready to supply the public with all the necessary facilities, because it pays them to do so; I consider that it does not pay to let anybody lose money that can be avoided. I do not see why they should lose money. I believe that they are greatly fleeced.

971. (*Mr. Hamilton.*) If the experience of railway companies has been what you represent it, it might naturally be supposed that they would very soon cease to meddle with steamboats?—But they seem to be inclined to carry it on. They think that it helps them to drag traffic away from the lines of rival companies, and they consider it a great success if they get the traffic on to their lines.

972. (*Chairman.*) Your complaint, as I understand it, is that the public get the conveyance below cost price?—No; my complaint is that money is wasted by allowing railway companies to dabble in sea conveyance, whereas they ought to be confined to their own legitimate functions, that is my complaint; and I rest that upon the circular which has been issued. I think that the Royal Commission would save money and cause the land carriage to be done cheaper to the public if they would prevent railway companies travelling out of their own vocation.

973. Do you see any great incompatibility between carrying passengers and goods by land and carrying them by sea?—Yes; I think the latter is quite another thing, and that it requires a different sort of management in every way.

974. Take the case of a company in England working in connexion with a company on the Continent with a comparatively narrow channel between, do you see no advantage in having both the railway and the steamer in one hand?—When you come to that which I should define as a mere ferry passage, of course that is a different thing from what I was referring to; for instance, seven hours on land, and then immediately afterwards perhaps, seven days on the water, which railway companies are getting leave now to do.

975. (*Mr. Hamilton.*) I thought the objection to giving railway companies power to become the owners of steamboats was, that it was injurious to the public by increasing the rates?—It increases the rates in this way, that if you waste money, that money must be repaid in some way or another.

976. Surely it is not in the province of Parliament to teach people how to make prudent investments?—I think that in important interests, like railway interests, if you see that they are not only going wrong, but they are doing that which it does not belong to them to do, it is not beyond the power of Parliament to stop them.

977. Not if the public is injured, but you say that

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the shareholders are injured?—Yes; but I consider that the public will be injured, and that the natural ultimate result of it will be to drive private enterprise out of the field, and to allow the railway companies to repay themselves if they can hold on long enough.

978. (*Mr. Gower.*) Do you not think that the railway companies themselves are the best judges whether running steamers is profitable or not?—No, because I consider that they judge upon fallacious grounds, viz., that if they get, I will say, 25,000 or 50,000 tons on to their line which would have gone by another line, it increases their trade. I say that that traffic would have gone by the other line, and that it does not increase the trade of the country. I therefore think that it is a disadvantage.

979. (*Chairman.*) I believe that you laid the whole case before a Committee of the House of Commons last year?—Yes.

980. And your object was to obtain what you are now seeking, a prohibition to railway companies from connecting themselves with steamships?—Yes.

981. The decision of the Committee, I believe, was adverse to that?—I rather think it did not come to that, but I think it was debated in the House afterwards, and nothing was decided upon it. I think it was left to the individual Committees to decide in every case. It was considered that it should not be decided upon the principle I have mentioned.

982. Did it not stand in this way, that it was left ultimately to the decision of the House as before, and to each Committee to settle, you having desired that the Committee should be prohibited from granting those powers?—Yes; that was our object.

983. Is there any other matter that you wish to lay before the Commission?—No.

The witness withdrew.

Mr. S. West.

Mr. Stephen West examined.

984. (*Chairman.*) You are Vice-President of the Chamber of Commerce at Hull?—Yes.

985. You are also, I believe, a timber merchant?—Yes.

986. Mr. Atkinson, the Mayor of Hull, has just given us evidence as to the complaints which are made in Hull of the charges made by the North-eastern Company, and we understand it is alleged that preference is given to Hartlepool and other ports to the disadvantage of Hull. Have you any statement to make in support of that complaint?—Yes. The distance from Hartlepool to places in the West Riding of Yorkshire and Lancashire, and also to the Midland counties, is about 36 miles greater than from Hull. Those are the districts upon which our trade chiefly depends, and we complain that the distance being so much greater, the railway companies carry the goods at the same rate per ton. The evil is felt the more, inasmuch as Hartlepool, from its local position, possesses an advantage over Hull in respect of its over-sea freight, the freight to Hartlepool being considerably less than it is to Hull, owing to its local position and its command of the coal trade, and in addition has lower port charges. These circumstances create a difference of from 15 to 20 per cent. in the freight as against Hull, and the consequence is, that the advantage which Hull possesses in its local position, from its greater contiguity to the districts of the West Riding of Yorkshire and Lancashire, and all places south of the Humber, is neutralized; and we are deprived of the means that we should otherwise have of competing against the advantages with which Hartlepool commences. Had the case been the reverse, and had Hartlepool suffered under the disadvantage of a high over-sea freight, no complaint, perhaps, might have originated, because that which we gain on the one side might be neutralized on the other by the cheaper sea freight, and if it was as little as the inland freight, it would not be of much consequence; but the North-eastern Company, as we conceive, act very unfairly towards us, as Hartlepool, having the advantage which I have mentioned, to begin with, adds to that the advantage of having its goods taken a greater distance for the same money. The effect of that has been, speaking now of the timber merchants, that we have been compelled, in self-defence, to transfer a very large portion of our trade, that we wished to continue at Hull, to Hartlepool, and some of the Hull timber merchants have already got regular establishments there in consequence of this arrangement, and they are doing pretty nearly one-half of their business at Hartlepool, although they are Hull merchants. The grievance, therefore, is rendered very palpable by the circumstance, that these are not merchants who have sprung up in Hartlepool in a spirit of fair competition, but the inequality of the charges has so completely turned the scale against Hull, that the Hull merchants have in self-defence been obliged to transfer their business, to a certain extent, to Hartlepool. We have sent many cargoes into Hartlepool, and that, of course, deprives Hull of the advantages which it should possess. Hull is situated so advantageously for the north of Europe trade, that we do not fear any competition in that trade if we were fairly dealt with in respect of our internal communications. Hull has risen entirely from its peculiar situation, and the local facilities which it affords for the north of Europe trade, having also a large command of river and canal communications, but that is now to a great extent neutralized. Hartlepool has sprung up, a port which was never heard of until about a dozen years ago, and it has since that time taken the trade out of our hands; but this we should not complain of if it were owing entirely to the natural advantage which Hartlepool possessed; it is only so in respect to the sea freight, and the advantage which we possessed, in our greater contiguity to the consuming districts, and which would otherwise have counter-vailed against it, that we have lost, by what we deem to be the unfair rates charged by the North-eastern Company. I have a list here of 10 of the principal towns in the West Riding of Yorkshire, upon which our trade chiefly depends, the average distance of those towns from Hull is 63 miles. The average rate of carriage that we pay to the railway company is 9*s.* 3*d.* per ton. The distance from Hartlepool is 99 miles, and from Hartlepool they pay the same. The distance from Newcastle is 123 miles (I am now giving the averages), and the rate is still 9*s.* 3*d.* per ton. I should inform the Commission that the docks at Newcastle belong to the North-eastern Railway Company, and they have now a Bill in Parliament for purchasing the port of Hartlepool, and this of course would greatly aggravate the evil of which we complain. The average rate per ton per mile is $1\frac{3}{4}d.$ within a very small fraction from Hull, and when the same goods are sent from Hartlepool, it is a $1\frac{1}{2}d.$ per ton per mile, and from Newcastle it is eleven-twelfths of a penny. The railway company say that they can afford to carry for the greater distance at the lower rate, but I have taken out some places in order to give an illustration of their charges when the distance is increased: for instance, Hartlepool pays for a distance, on the average, of 99 miles, which is in the list I last referred to, 9*s.* 3*d.* per ton; Newcastle for 123 miles pays the same; Hull pays, for an average distance of 36 miles less than the rest, 12*s.* 6*d.* per ton. I have taken out six principal towns whose distance from Hull shall correspond, as nearly as I can find them, with the Hartlepool distance, for example, Bury, which is 96 miles; Rochdale, which is 88 miles; Todmorden, 79 miles; Oldham, 92 miles, Manchester, 98 miles; Bolton, 102 miles, giving an average distance for those places of 93 miles, and the uniform rate is 12*s.* 6*d.* per ton from Hull to those places, whose distances average 93 miles. Then I find that the places in the first list from Hartlepool average 99 miles distant, and the rate of charge for

99 miles from Hartlepool is 9*s.* 3*d.* per ton. Hartlepool pays, therefore, 9*s.* 3*d.* per ton for the longest distance, that is, 99 miles on the average, while Hull pays 12*s.* 6*d.* per ton for places at an average distance of 93 miles.

987. (*Mr. Glyn.*) Have you not been speaking of two different systems of railway in the statement which you have made?—No, that is our position.

988. It is not, I think, all the North-eastern line that you have been speaking of?—Yes.

989. For instance, Todmorden is not on the North-eastern Company's line?—The terminus is not on the North-eastern line.

990. But you have mentioned several towns in connexion with that part of Lancashire and Yorkshire to which you have referred, and none of them are on the North-eastern system, but they are on different lines of railway altogether?—I should explain that Normanton is the focal point where the North-eastern Railway terminates. I first instance Leeds and Normanton, and I then show that it is carried out to the more distant places, because they give to Hartlepool the benefit to all places of increased distance.

991. The rates on the North-eastern line to Normanton from Hull, from Hartlepool, and from Newcastle are the same, are they not?—Precisely.

992. When you get to those towns which you have mentioned in Lancashire and Yorkshire, then a higher rate prevails?—Yes.

993. Charged by a different company?—I carry the calculation to the more distant places in order to show that the disparity is continued as against Hull to all other places. If we want to send our goods to Manchester, we must pay the same rate for the shorter distance. The rate from Hull to Normanton is the same as from Hartlepool to Normanton. I give you the termini of the places on other systems of railways to show that the traffic of Hull is made to pay for all places beyond even the reach of the North-eastern Railway Company. The North-eastern Railway Company have a monopoly of all the coast from Berwick-upon-Tweed to the Humber, and we have no other means of conveyance; they are the only railway company by which we can send, with a small exception, and that is the Manchester, Sheffield, and Lincolnshire Company. They have a station across the Humber, and they take goods across from Hull; but by an arrangement with the North-eastern Company their rates are made the same, so that we derive practically no advantage from that. The North-eastern Company is the only company which has access to Hull, and from Berwick-upon-Tweed to Hull, with the exception of some short branches to Hartlepool, is all in the possession of the North-eastern Railway Company. These differences have been telling very seriously indeed upon the trade in the port of Hull, and we conceive that the case is much aggravated by the district being entirely in the hands of the North-eastern Railway Company.

994. (*Chairman.*) If I understand you rightly, what you complain of is, that you are in the hands of a single company; but the remedy for that is competition, is it not?—Not only that, but we complain that the same company having command of both the ports should deal unequally with them, and that they should say to Newcastle, although you are 120 miles distant, and Hull only 60 odd miles distant, we will carry your goods 120 miles at the same rate as for a Hull merchant, whose distance is not more than one-half; and that they should say to Hartlepool, we will carry your goods, although you are 36 miles more distant than Hull is, at the same rate. That is what we complain of; and we say to the North-eastern Company this,—fix your rate per mile; we are willing to pay the same as others; but do not make us pay for a small service that which you charge to others for a greater service.

995. (*Mr. Hamilton.*) What do they say to that?—Their reply is this: that it is the policy which they have pursued for seven or eight years, and it is the policy which they intend to continue. I went with the Mayor and two other gentlemen from Hull as a deputation to the North-eastern Company upon this subject about a month ago, and we stated our case to them. It was not new to them, for they had heard it before on similar occasions, and their answer was that that was the policy which they had adopted, and that was the policy which they intended to pursue. They offered no justification, and gave us nothing in abatement, neither did they point out any advantages that we had to compensate for the great disadvantage which I have mentioned. The reply was simply in the words I have repeated.

996. (*Mr. Glyn.*) Did you say that your firm had opened a branch house at Hartlepool, and that the chief reason for doing that was the difference in the railway charges from Hartlepool and from Hull?—We have sent many cargoes into Hartlepool, but we have not had an establishment there, because the Hartlepool Dock Company will by their agents do all our business for us at the Custom House, and besides that, settle the freights without any charge.

997. In fact, they are carrying on a very severe competition with Hull in those respects, and also as to dock charges, charges for freight, and charges of all sorts?—Just so; but we do not complain so much of that. Hartlepool has a natural advantage, and of course we do not seek for legislative interference to neutralize the advantage which Hartlepool possesses, but we do seek for legislative interference to protect us in the natural advantages that we possess at Hull, and which are neutralized by this unfair mode of proceeding. For instance, as to Leeds and Bradford, which I can speak of particularly, we have had branch establishments there ourselves. Leeds is 50 miles from Hull, and it is about 72 miles from Hartlepool; Bradford is 64 miles from Hull, and it is about 90 miles from Hartlepool, where we have had a very large establishment, almost the entire demand is supplied from Hartlepool, in consequence of the unequal rating of which we complain. The saving commences with a saving of sea freight, for the sea freight to Hartlepool being less, and the inland carriage being the same, it clearly makes the port of Hartlepool the cheaper port of entry.

998. (*Mr. Glyn.*) The smaller sea freight is the commencement of the advantage which Hartlepool possesses?—Yes; and that we cannot, of course, complain of. But what we say is that Hull has its advantages from its greater contiguity to the place of consumption, while Hartlepool is nearer to the place of production. Hull has always been the chief port of entry for the West Riding of Yorkshire; it is situated on the east coast, and possesses an advantage in its local position.

999. (*Mr. Hamilton.*) Did you say that the North-eastern Company offered no justification of the policy which they stated they intended to persevere in?—Yes; not any.

1000. Can you give the Commissioners any explanation of that?—None whatever. Perhaps I may add this, that when the North-eastern Company take the goods to or from Hartlepool, they get the full benefit of 84 miles of carriage, which has to be divided with other companies. In going from Hartlepool to Birmingham, for instance, they get 84 miles of carriage out of the entire distance; but from Hull they only get the mileage upon 48 miles. It is manifestly their interest, therefore, to send as much as they can from Hartlepool; and the same remark will apply as to exports. If the North-eastern Company, as I believe they are now trying to do, possess themselves of the docks at Hartlepool, and pay to the Hartlepool Company 4 per cent., they will make a purchase there of something like four millions in amount, from a Company which was said to be in the very lowest state of insolvency. The North-eastern Company have taken up Hartlepool, and they are going to guarantee to the parties a dividend of 4 per cent., which is much beyond that which its present revenue will support. They state in their published report that the amount which the North-eastern Company are going to give to the Hartlepool Company in the shape of 4 per cent. upon

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their capital will require a very considerable increase to their revenue, and also a further increase of accommodation. It therefore appears that the North-eastern Company will be boundby a very strong tie to favour the port of Hartlepool as against the port of Hull. I have accompanied two deputations to the North-eastern Company upon this subject; and upon the first occasion the North-eastern Company told us that they had entered into an arrangement with the Leeds and Thirsk Railway Company, and that they had engaged that it should be in perpetuity; that the rates should be charged as much from Hull as from Hartlepool; that they had engaged to do that, and that they should not deviate from it. That was the first answer that we received. I then inquired of them whether it was their intention to give us at Hull the benefit of a shortened distance, by making a new line to Doncaster, which would have the effect of bringing Hull 18 miles nearer to the Midland counties. To that they declined to give me any reply. The last interview that we had with them was a month ago, when they said that they had adopted a policy from which they would not depart.

1001. (*Mr. Dalglish.*) Have you an establishment both at Hull and at Hartlepool?—We send cargoes to Hartlepool.

1002. What is the centre point between Hull and Hartlepool on the North-eastern line?—The halfway distance I cannot give you, but Normanton is the focal point.

1003. I am assuming that you hold a stock of timber at Hartlepool and a stock of timber at Hull?—Yes.

1004. There is, of course, a central point on the railway system between Hull and Hartlepool?—Yes.

1005. From which of those two ports, if you received an order from that central point, would you send your timber?—From Hartlepool, if we had it there, because it would cost us less.

1006. From Hartlepool to the central point it would cost less than from Hull to the same central point, the distance either way being the same?—Yes, it would.

1007. Upon what principle would you do that?—it costs us less at Hartlepool we would send it from Hartlepool, or, as it would cost no more carriage to the place of delivery.

1008. (*Mr. Glyn.*) Take any place short of Leeds, would the charge from Hartlepool and from Hull be the same with regard to the docks?—Yes, precisely; I may explain that it operates in this way; our buyers inquire the price of any particular article in our line; we send them the price, and then they say, I cannot give you so much as this, because I can get the article for so much less at Hartlepool, which is just the difference that the goods have cost us.

1009. (*Mr. Dalglish.*) I want to ascertain what the rate on the railway is between Hull and the supposed central point, and also from Hartlepool to the central point?—I do not clearly understand what is meant by central point. Normanton is the point where the traffic from Hull and from Hartlepool converges.

1010. (*Mr. Glyn.*) Suppose you wanted to supply a customer at York, would the North-eastern Company charge you the same railway rates from Hull as from Hartlepool to York?—I think they would; York is rather peculiarly situated, we have a cheap water conveyance to York; the rates are somewhat lower. The distance from Hull to York is only about 40 miles, while from York to Hartlepool the distance is 80 miles; but if you take Leeds or Wakefield, or any of the principal manufacturing towns of Yorkshire, then the question would apply.

1011. I understand from you that what you have stated applies to all the towns beyond Normanton, but that short of Normanton, upon the North-eastern system, there is a varying charge. Is there not as between Hartlepool and Hull?—None; Normanton is upon the North-eastern system, and the rate from Hull to Normanton is the same as from Hartlepool to Normanton.

1012. Take York. What would the rate from Hartlepool to York be?—I do not think I have the rate here from York to Hartlepool.

1013. Would it be the same rate as they would charge you from Hull to York?—I am not certain about it.

1014. You do not know whether, upon their own system, they have a uniform rate, or whether it is a varying rate?—There is a uniform rate; take Leeds, for example. Upon their own line they go direct there. I think there is a difference of a few pence in the case of York in favour of Hull, as compared with Hartlepool. York is a place which is always supplied by water, and we therefore take very little notice of the railway rates.

1015. (*Mr. Horsfall.*) Does the water carriage compete with the railway carriage?—Yes; and they have not been able to supply York. The rate from Hull to York, I think, is something like 6*s.* or 7*s.*, and we can send goods by water for between 4*s.* and 5*s.*, and therefore the railway charge does not affect the question. Leeds is on the North-eastern system, both from Hull and from Hartlepool. The distance is about 22 miles greater from Hartlepool, but the rate of carriage is the same to Leeds.

1016. (*Chairman.*) Your objection, I think, amounts to this, that there is not a uniform mileage rate established over the North-eastern system?—Just so.

1017. You do not complain, as I understand you, that your own goods are carried at too high a price from Hull inland, or *vice versâ*, but that on other parts of the line the scale of charges adopted is too low?—Just so, and that the disparity amounts to an extra charge of 3*s.* a ton. If the railway company charged us at the same mileage rate as to Hartlepool it would make 3*s.* a ton difference.

1018. What you wish for is, that the rate to Hartlepool should be raised, so as to place you upon an equality with them?—Either the one or the other. I think that the Hartlepool rate, as compared with the charges made on other lines of railway, is about a fair average rate, 1½*d.* per ton per mile, while we pay 1¾*d.*

1019. The railway company having an interest of their own at Hartlepool, think it best to carry goods there at a very low rate?—No doubt.

1020. (*Mr. Hamilton.*) If the North-eastern Company obtains possession of the docks at Hartlepool they will have a still further interest in prejudicing Hull for the benefit of Hartlepool?—Unquestionably.

1021. (*Mr. Gower.*) Is the trade of Hull increasing?—I think it is somewhat increasing, but not in proportion to the generally increased trade of the country.

1022. It has not increased in the same proportion as in other places?—No. I have before me a return of the imports of timber into Hartlepool for the last four or five years, and it appears from that, that in the year 1861 there were 57,250 loads; in 1862, 85,724 loads; in 1863, 121,625 loads; and in 1864, 136,005 loads. And from my knowledge of the timber trade I have no hesitation in saying that four-fifths, if not nine-tenths of the 136,005 loads sent to Hartlepool last year, were sent in by Hull merchants, for their own trade, and not for local consumption at Hartlepool. I further believe that if it was not for these unequal rates the Hull merchants would bring all their timber into Hull.

1023. Supposing that your policy was adopted by the railway company, would the Hull merchants withdraw their establishments from Hartlepool?—I should say that they would generally do so.

1024. Would you do so?—I should certainly do so.

1025. Whatever benefit from the change of policy would be derived by Hull would be lost by the other ports, would it not?—Yes, of course the same traffic would not go to two ports.

1026. (*Mr. Horsfall.*) The traffic to which you have referred is traffic which entirely belonged to Hull, and which has been driven to Hartlepool by the exorbitant charges of the railway company?—Unquestionably.

1027. (*Mr. Dalglish.*) Is the sea freight to Hartlepool not lower than to Hull?—Yes, it is, and that was the origin of all the evil. That arises, not only from the low port charges, but from their being able to obtain a cheaper supply of coal. At the present time we are trying to charter ships for Hull, but the ship-owners say, No, we will go to Hartlepool because it will cost us so much less. I have had conversation with some of the principal ship-brokers in Hull, who say that they are chartering two ships for Hull merchants to go to Hartlepool when they are chartering only one to Hull.

1028. (*Mr. Glyn.*) The freights are lower at Hull, are they not?—No, higher.

1029. (*Mr. Hamilton.*) Are the dock dues higher at Hull?—I think they are higher at Hull.

1030. (*Mr. Lowe.*) Very much higher?—I think from the Baltic the rate is 6*d.* per ton at Hartlepool and 1*s.* at Hull.

1031. And the dues of the dock company?—Yes.

1032. Are there not other dues, is there anything to pay now to the Hull Trinity House?—Yes; they still receive a charge of 3½*d.* on the timber per load.

1033. Are there any town dues at Hull now?—No; they are abolished.

1034. (*Mr. Glyn.*) The dock dues are double at Hull, are they not?—Yes; I may mention that some years ago, I think it was in the year 1852, when I was a dock director and a member of the corporation, an effort was made by the town of Hull to enable it better to compete with Hartlepool, and the three corporations, viz., the corporation of the town, the dock company, and the Trinity House agreed to make simultaneous reductions in their dues. The dock company gave about 20 per cent., which was 3*d.* a ton; the corporation gave up a charge of 4*d.* per load upon timber, and the Trinity House gave up about 2½*d.* or 3*d.* also, making together a reduction in the local charges in the port of Hull of between 10*d.* and 1*s.* a load, in order that the merchants of Hull might be able the better to compete with other ports. Now, as timber merchants, we see that that 1*s.* which was sacrificed or given up by the corporations for the benefit of the trade of the town is more than neutralized by our having to pay 3*s.* a ton, or something equivalent to that, for railway carriage more than Hartlepool.

1035. (*Mr. Dalglish.*) If you charter a vessel to go out for timber, can she not get a cargo at Hartlepool much cheaper than she can at Hull?—Yes; she can.

1036. (*Mr. Hamilton.*) And then you say that the railway charges aggravate that?—Yes.

1037. (*Mr. Horsfall.*) Are the docks at Hull private property?—Yes, they are.

1038. What dividend do they pay?—The dividend has been regulated by their last Act of Parliament, and at the present time they pay 5 per cent. dividend upon a reduced amount.

1039. Then I presume that there is no room for further reduction in the dock charges?—I think that the outlay by the Dock Company now is so great, for they are laying out a very large sum of money in extending one dock and in making another, that it would be a very great point indeed if they can make their revenue equal to their charge. I should like to point out to the Commission just how our trade at Hull is affected. Our customers say, We can purchase at such a price at Hartlepool, suppose a standard hundred, say 5*s.* or 10*s.*, less than at Hull. The consequence is that we are obliged to take the Hartlepool price and sacrifice our profit, or lose the sale, and the order goes to Hartlepool. The same will apply to the corn trade. A case came under my own notice. I have seen a letter from one of the largest corn merchants in the kingdom; he wrote to the Chamber of Commerce to inquire about this disparity of rates, and he pointed out that he was getting corn through Hartlepool at 6*d.* a quarter less than he could obtain it through Hull; he wanted it to be sent to the centre of the kingdom, and that it was a saving of 6*d.* to him, as it cost the same from Hartlepool as it did from Hull by railway, and that therefore of course he should order it through Hartlepool. This was an instance of one of the largest merchants in the kingdom adopting that course; but as I have stated, he wrote to the Chamber of Commerce for information on the subject, and pointed out how unfair it was to the port of Hull, that Hull, being so much nearer to the centre of the kingdom, should pay the same rate. Of course it was a matter of indifference to him, as he said, which way it came, but 6*d.* a quarter was a profit, and the goods are therefore going into Hartlepool.

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1040. (*Mr. Glyn.*) Did it not arise from the freight from the Baltic being less to Hartlepool than to Hull?—Yes; but if we want to send the same distance, then we pay a higher rate. I have already pointed out to the Commission what we pay; when we go 93 miles from Hull our rate is 12*s.* 6*d.*, but when they send from Hartlepool, 99 miles, the rate is 9*s.* 3*d.* We say to the Company, If you will take goods a distance of 99 miles for 9*s.* 3*d.*, surely we ought not to pay more for 93 miles.

1041. (*Chairman.*) I think we understand your desire to be that there should be a uniform mileage rate for carriage to all large towns, and that the railway company should not have the power to deviate from that?—Just so; that is as to the North-eastern Company, for we have confined our attention to our own grievance.

1042. But I presume the arrangement which you think desirable as to your own district would apply equally to any other?—Decidedly, I think so.

1043. Have you anything to add to what Mr. Atkinson has already stated upon the next point, viz., the running of steamboats by railway companies?—The Manchester, Sheffield, and Lincolnshire Railway Company have obtained powers to become proprietors of steamboats, and we are apprehensive that the North-eastern Company may succeed in doing the same. If the North-eastern Company become proprietors of steamboats, and run them to their own port of Hartlepool, supposing that they obtain their bill for amalgamation, they might do that to an unlimited extent, and the town of Hull in that branch of trade would be ruined.

1044. (*Mr. Glyn.*) Have the North-eastern Company applied to Parliament for powers to that effect?—They have applied for an amalgamation.

1045. But have they applied for powers to run steamboats?—No, they have not.

1046. (*Chairman.*) Is there anything else that you would wish to state?—There is only one other point which I think is worth notice, which is, that the gradients upon the Hull and Selby line, or the line from Hull to Normanton, are very easy; the line is upon a dead level; there is no tunnel and very little cutting; it is almost on a dead level for the whole distance. I believe that the gradients from Newcastle and from Hartlepool are of a much more serious character, and if there were any reason why a difference in the charge should be made, in consequence of the greater cost of the line, it would be all in favour of the Port of Hull.

The witness withdrew.

Adjourned to Wednesday next at 12 o'clock.

Friday, 5th May 1865.

PRESENT:

The Right Hon. the Earl of Donoughmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
J. A. Roebuck, Esq., M.P.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
E. T. Hamilton, Esq.
J. R. M'Clean, Esq., Pres. Inst., C.E.
William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. W. T. Mulvaney.

5th May 1865.

Mr. William Thomas Mulvaney examined.

1047. (*Chairman.*) You were formerly, I believe, a Commissioner of Public Works in Ireland?—Yes.

1048. For a considerable period of time?—I was in the Government service altogether about 27 years.

1049. How long is it since you ceased to be a Commissioner of Public Works?—Since the year 1852.

1050. Since that time, I believe, you have been resident in Prussia?—Yes, since 1855.

1051. How have you been occupied there; what was your object in going there?—I was owner of a part of two large colliery concessions there, and had the sole management for my partners and myself.

1052. In what part of Prussia were those collieries?—Westphalia is where the collieries lie, but I live in Dusseldorf.

1053. Has your attention been called, both in Ireland and in Prussia, to the railway system generally?—In Ireland it was constantly, in my early official capacity, not directly with the original Railway Commission, but the members of the Railway Commission were at that time Sir John Burgoyne and others with whom I was connected in office, and subsequently Sir John Burgoyne became Chairman of the Board of Public Works, of which I was a member, and we therefore had very much to do in connexion with the question of railways generally in Ireland. Afterwards I proposed the construction of the Midland Great Western of Ireland Railway, and recommended to the Government the granting of a loan for that portion of the line which extends from Athlone to Galway, with a view to develop the resources of the west of Ireland, which at that time contained about three millions of inhabitants, but now considerably less.

1054. In what capacity did you recommend that?—As a Commissioner of Public Works.

1055. What was that commission on Irish railways of which you have spoken?—A railway commission appointed by the Government before the construction of railways in Ireland to investigate the best system on which railways should be constructed. Mr. Drummond, who was then Secretary of State for Ireland, was, I believe, the chairman of that commission, in 1837 or 1838, I think. I had afterwards, following your Grace's question, to give evidence on Lord Granville's commission as to the packet stations in Ireland, and on that occasion I devoted much attention to the railway systems in Ireland, and the connexion of the railways with each other and with the harbours, especially in Dublin.

1056. Your attention has been also called to the railway systems in Germany?—Yes; and there it was called to them in my own interest in connexion with the collieries which I have mentioned. My partners and I being strangers in the country, and having commenced the working of the collieries in the midst of 200 or 300 existing collieries, the necessity arose to find markets for our produce, and we resolved at an early period to seek the most distant markets, where we would come least in competition with the existing collieries. At that time, owing to the high rates for the transport of coal, coal did not go by rail much more than about 10 German miles, which is about 47 or 50 English miles, taking a radius from the centre of the coal district of Westphalia.

1057. Was no coal carried further than 50 miles?—Not much by railway, the prices were so high, but by water; it did go by the Rhine. Afterwards, in consequence of a reduction of the fares, obtained after a long struggle, we were able to send it, and the coal goes at present about 100 German miles, or rather over 100 German miles, something more than 500 English miles.

1058. Was that entirely owing to a reduction of the charge that had previously been made?—Quite so; it was impossible before; the rates were so high that the coal from Westphalia could not reach those distant districts; the price exceeded what the coal was worth, and it could not compete with the English coal on the sea coast, or with the coals, and wood, and turf in other districts. The agitation or struggle that was made for this reduction I believe will be a matter of interest to the Commission, inasmuch as the difficulties existing in Germany even surpassed those which might be supposed to exist in Ireland. The various number of small states and governments existing in Germany, in addition to the various number of railway companies, rendered any co-operative action for a common object excessively difficult. The arguments that I was enabled to bring forward were chiefly from England, where, in the matter of mineral traffic, they had made a very considerable advance as compared with that the Continent had made. I visited most of the governments and the ministers of commerce of each of them, in conjunction with a deputation of the coal owners, for the purpose of arguing with them and convincing them of the advantages that would result to the railway companies themselves from a reduction in the freights, and especially for fuel. We were met constantly with the argument, that the circumstances in Germany were different from what they could be in England; and there was a disbelief, in fact, on the part of the ministers of Prussia that such rates, that is, a halfpenny per ton per mile, could exist in England. I was compelled, in consequence of this, to collect from our blue books and from friends the actual state of facts, and I wrote a small *brochure*, which was handed about, and at last, with the assistance of professional men in Germany, we were able to state to most of the railway boards, that the original cost to them of the carriage of coal could not materially exceed a farthing a ton per mile, and therefore if they assented to the proposition which we made (it would be in German money one pfennig per centner a German mile), which is somewhat less than a halfpenny a ton per English mile, they would have a fair profit. Having made these statements, and sustained them by proofs from England and by communications from the German authorities, there was a disposition to go into the matter, but I should have failed had it not been for the assistance afforded to me by the manager of the Dutch-Rhenish Railway, from Amsterdam and Rotterdam to Germany. This gentleman was an Englishman, Mr. Forbes, now general manager of the London, Chatham, and Dover Railway, and the company being for the greater part English, the majority of them were more open to conviction on such a matter. Their shares were at a very great discount, they had no coal trade, but they had a number of coal waggons. Mr. Forbes entered with a full and liberal spirit into an arrangement with me, and placed the waggons of their company at my disposal, provided that we sent regularly given

quantities into Holland at our own risk, and at the low rate that I have mentioned. We had a difficulty still; our collieries were on the side of a German railway, and the coals had about 50 miles to travel before they reached the Dutch-Rhenish Railway. Owing to the Dutch-Rhenish Railway Company giving their waggons and entering into such an arrangement with me, we temporarily got a rate from the Cologne and Minden Railway on which our collieries lie to make an experiment, and we ran for a year or two.

1059. (*Mr. Roebuck.*) Those 50 miles which you have mentioned were German miles, I suppose?—No.

1060. Your coals had to run 50 miles before they reached the Dutch-Rhenish Railway; were those 50 German miles?—Fifty English miles, about 10 German miles; the whole distance to Amsterdam was about 125 English miles, and the distance to Rotterdam (the sea ports and termini of the Dutch-Rhenish system) was 136 miles, I think. So far we made the experiment. I brought these facts before the North German union of railways. I may explain to the Commission that some of the difficulties in Germany with regard to the various governments and various railway directions are got over by forming a union of railways for the common through traffic. We failed in succeeding for a year or two to convince the North German union, which included the kingdom of Hanover and Brunswick, which lie between the two divisions of Prussia, until we finally effected the object in this way. Thirty-two collieries entered into a guarantee to deliver, I think, 25,000 tons within one year at Magdeburg on the Elbe, at the rate that we had proposed, subject to a penalty, in case we failed in sending that quantity regularly, of a very heavy fine, I believe equivalent to the original freight, and I may state that the original freight was very high.

1061. (*Chairman.*) What was that original freight?—I cannot give you the figures at the present moment. For experiment I sent two waggons of 10 tons each of our best coals from our own colliery to Magdeburg; it was allowed to be fully equal to and was purchased at the same price as the English coal, but instead of my receiving anything back for the two waggons, I had to pay 2*l.* in addition for the freight: the original freight I have not got.

1062. It was very much higher I presume?—Yes, it was quite prohibitive. We succeeded in the experiment, but mainly by the fact of our collieries supplying the quantities at a risk when many of my German neighbours fell off in their deliveries, and the burden fell for the greater part on our own shoulders. We succeeded from that day forth, and the advantage of a low freight was proved in North Germany, and it has worked with extraordinary success since. But to illustrate the difficulties, the kingdom of Hanover which has railways chiefly managed by the State, and at the same time is the owner of collieries, interposed, at least on the part of the State, more than on the part of their railway board, very considerable difficulties, and for a full year all that Hanover would concede was to allow the coal to run through the kingdom to the opposite side of Prussia, but it would not allow any to be delivered in Hanover itself.

1063. (*Lord Donoughmore.*) Can you say when these low rates were introduced?—It was in the year 1860. In the middle of 1858 I commenced to produce coal, and our agitation began immediately, and I think the experiment was made in the year 1860.

1064. (*Mr. Horsfall.*) For what distance can you now run at the low rates?—To Munich, to Switzerland, and to Berlin, about from 75 to nearly 100 German miles.

1065. (*Chairman.*) That is about 500 English miles?—Yes.

1066. (*Mr. Horsfall.*) Did all the railway companies agree to take it at the same rate?—That was the very difficulty which is not yet overcome. The various branches of the railway systems in Germany have not yet come fully into the arrangement. There are various state jealousies and various jealousies between the various railway companies which have prevented it.

1067. (*Mr. Glyn.*) The rate is rather less than a halfpenny per ton per mile, is it not?—It is. The halfpenny per ton per mile would be a fraction more than one pfennig per centner per German mile.

1068. Did you find your own waggons?—No; the waggons are found by the railway companies.

1069. That is rather less than the English rate, is it not?—Yes; but I should observe, if you wish to go into detail, that they also charged for terminals, in some cases 3*s.* a waggon of five tons at each end of the system, whatever it was. This was a fruitful source of jealousy, because the station from which the mineral went, or the railway from which it went, to the railway on which it arrived had more benefit from the transport than the country through which it passed without stopping.

1070. (*Chairman.*) Are you still working your coal over the Dutch-Rhenish line?—Extensively.

1071. Can you state whether the result has been satisfactory to the railway companies as well as to you?—The result to the Dutch-Rhenish has been extraordinarily good. The Dutch-Rhenish line was formerly supplied from England, and as Rotterdam and Amsterdam are the nearest ports to England, they received a supply; they commenced, however, encouraging the system of taking the coal from Germany for their locomotives, by which they at once got a steady supply and a regular supply, weekly or daily, as they required it, and they were enabled to save a large outlay in storing up coals that should arrive by ship; they used coal instead of coke, and they effected a great saving in locomotive power thereby; and from having no trade whatever in coal over their line they arrived last year at 147,000 tons from Germany alone over their line.

1072. (*Mr. Glyn.*) All these contracts were founded upon quantity, I suppose?—They were founded upon the regular through running of trains with a minimum quantity of 200 tons in Holland, and we can load or send 400 tons in Germany.

1073. (*Lord Stanley.*) You have given us the actual rate charged, but you have not given us the amount of reduction which took place?—I have stated that I am at a loss to give you the precise tariff, but all that can be supplied to you.

1074. Can you tell us roughly what it was?—It was prohibitive, and where no coal then went there is now a very large trade.

1075. What we wish to know is, what was the amount of the tariff which was prohibitory?—I will take Berlin as it is now. To reach Berlin with this new tariff and with the two terminals we could not compete with England, so that the 3*s.* that was charged for terminals at Berlin was obliged to be given up. I have already stated the fact of the coal that I sent to Magdeburg returning the coal owners nothing, and having to pay in addition.

1076. (*Mr. Dalglish.*) What is the distance from the colliery to Magdeburg?—About 54 German miles, or about 250 English miles.

1077. (*Chairman.*) Should you imagine that the old charge was three or four times as high as the present one?—I will supply the facts; I do not remember.*

1078. (*Mr. Dalglish.*) You stated, I think, that you sent two waggons with 10 tons each?—Yes.

1079. Do you know what they sold for at Magdeburg?—No; it is several years ago.

1080. (*Captain Galton.*) You said that English coal could compete with you at Berlin. How does

* The rate, I have since ascertained, was 30 thalers 10 silver groschen for five tons, or about 18*s.* 3*d.* per ton, being rather more than the selling price of the coal there in former seasons.

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the English coal reach Berlin?—It reaches Berlin through Hamburg and through Stettin.

1081. From Hamburg how does it go to Berlin?—By water, by canal; it could go by railway, but it goes chiefly by water.

1082. (*Mr. Hamilton.*) Are the present rates still conditional upon your supplying a certain quantity to the railways?—Yes; they are still conditional upon our sending full trains to run through from station to station. That was my own proposal founded upon the English practice, as I knew thereby that the railway could have a very large profit at a low freight.

1083. (*Mr. Glyn.*) When you say through trains, can you tell us the number of tons or thereabouts?—A train load is 200 tons; that was the minimum for each train.

1084. (*Sir R. Hill.*) To whom do the railways in question in Germany belong?—In Prussia a number of them belong to the State; part of them belong to the different states. Most of them through Hanover belong to the Government of Hanover, and in Brunswick to the Government of Brunswick. The Prussian railways in that line are all private.

1085. (*Chairman.*) The Dutch Rhenish Railway is private, is it?—Yes, it is chiefly English.

1086. (*Mr. Glyn.*) In this union of railways in North Germany who fixes the rates, does the union fix them, or is there a committee that fixes the rates, or do they make their own separate rates?—The union consists of various boards united together, and they have frequent meetings—I think monthly—and general meetings of the deputies from each board, and one great meeting yearly.

1087. Do they fix the rates?—Yes; they fix every through rate.

1088. Irrespective of the boards themselves?—Yes; they are deputed by the boards.

1089. They can fix the rates?—Yes, for through traffic.

1090. For the whole of the Union?—Yes.

1091. (*Chairman.*) Are you still proceeding in extending the system, and carrying your coal at low rates over the other German railways?—It is itself spreading; since the seed was sown the fruit has been obtained, and large profits direct and indirect arising to the railways, they have themselves extended the system.

1092. Is the German Union satisfied with the results?—I have only, as yet, spoken of one; there are several German Unions, and there are classifications of railways in unions according to local circumstances.

1093. Those systems, now that the experiment has been tried, are satisfied with the result?—They are so important to the country; first to the trade, and, secondly, to the railways, that you will, perhaps, permit me to give you the figures. In the year 1859, taking the Westphalia coal districts, when the low fares first came into operation at all, the Westphalian districts produced 3,800,000 tons of coal. In the year 1864 they produced 7,500,000 in round numbers, and a totally new life has been infused into the industry of all the countries, agricultural and manufacturing, through which this cheap coal has been brought. The coal owners had reduced the price of coal at the pit's mouth to the lowest that it could bear. We asked the railway companies to join us as the natural means of attaining markets by reducing their freights, and when they did agree factories grew up in Brunswick, in Hanover itself, and numerous other districts, and the consumption of coal has increased enormously, so that this doubled increase of production cannot now meet the demand.

1094. Are the collieries in Westphalia capable of producing a larger amount than they do at present?—The Westphalian district, I think, contains as much coal nearly as all England; it is very rich, there are a great number of workable beds lying under each other, but the collieries, are not capable at present, of producing the quantity which is required.

1095. (*Sir R. Hill.*) Why so; what is the reason of that?—Their mode of production is not quite equal to ours as to quantity; they are satisfied with producing 300 or 400 tons, or much less per colliery; they do not do as they do in England, or as we do there; we produce 600 or 700 tons per colliery.

1096. (*Mr. Glyn.*) Do not they apply capital enough?—I do not think it is a question of capital so much as it is a question of exertion and the kind of demand that has been exacted for superior preparation of the coal; there is also a deficient supply of coal labour.

1097. (*Mr. Horsfall.*) Do you mean 600 or 700 tons per day or per week?—Per day. We produce from our two collieries and sell over 300,000 tons in a year.

1098. (*Chairman.*) Have the railway companies also adopted the sytem of lowering the rate on other articles of merchandise as well as coal?—Yes, considerably in other articles since the result in the case of the coals has been seen, and progress is still making, for they are very much pressed by the iron manufacturers to do so; they have not yet advanced in the reduction upon the raw iron itself so much as they feel convinced they must do; they are going very slowly forward, but they have reduced the rates considerably. The results, I have no doubt, will be very interesting to the Commission when I lay them before them, especially with regard to the increase of income which has been derived from these reductions to the railway companies. I will take a report, which is rather an extensive one; the yearly report of the Cologne and Minden railway. They have furnished a chronological table since the commencement of the railway in 1848, and the report to which I am about to refer terminates with 1863; at the end of each year's report they give this chronological table. Their income has very much increased since the establishment of these low fares. In 1859 their income amounted altogether to 4,600,000 thalers. It has increased up to the year 1863 to 8,300,000 thalers.

1099. Is there any greater mileage at the present time than there was in the first year?—There is. The mileage has increased from 46 to 71; that was, however, chiefly in 1862 and 1863.

1100. (*Sir R. Hill.*) Are you about to give us the gross receipts?—Yes, at this moment; but the greater portion of that income has been derived from the carriage of goods; the increase in goods has been from 2,900,000 thalers to 5,300,000; whereas the passenger traffic, which soon reaches its maximum, notwithstanding the increase which has taken place in the mileage, you will see has not very importantly increased; but it has increased from 1,300,000 thalers to 1,640.000. and those figures of 1,640,000 occur first in 1862, when the greater length of the line was opened.

1101. (*Mr. Roebuck.*) There has been no diminution in the fares for passengers, I suppose?—None; but when I come to the case of the passengers I shall show you that the passenger fares in Germany upon this line are very low.

1102. (*Captain Galton.*) The increase that you have given as in the goods, is not much more than the proportion due to the increased mileage; you said from about 3,000,000 to 5,000,000?—Yes; but from my local knowledge I am aware that the new mileage which has been opened had not been a great source of increased income in goods; it is now only commencing to develop the goods traffic upon the line; it is a line from Deutz to Giessen in the direction of Frankfort. The main point which I wish to show is this, that the great increase, as admitted in their own report in distinct terms, has been derived from minerals, since the reduction they made in the rates. The two stations which have most contributed to that increase have been the two stations near to which our collieries are situate, and

where our works were expressly constructed for the purpose of affording to us the means of filling those express coal trains rapidly, and despatching them to the various parts of the North of Europe.

1103. (*Chairman.*) What has been the result in the shape of dividends?—Every reduction of the rates, whether in the passenger traffic or in the goods traffic, appears from this table at which I am looking to have been accompanied with an increase of dividend. I will take the extremes as regards the traffic to which we are now referring. Their rate in 1848 was 4·34 pfennigs. The next year it was 4·60. The rate for the carriage of goods is taken here per centner, and per German mile. If you will take the figures as comparative, they will convey the idea. In 1863 the rate was 2·29, therefore it was very nearly a half. Of course we cannot speak of the profits in the first year of the opening of a railway, but in that year the profit upon the capital expended 4·17 per cent. That which they divided among the shareholders was 3½ per cent. in the year 1848. The total sum that they earned on all their capital in 1863 was 7·65 per cent., and they paid their shareholders 12 and 1½ths per cent., and this year they will pay them 15 per cent. probably.

1104. (*Lord Donoughmore.*) Do you say that they earn 7 per cent. and pay 12 per cent.?—Yes, and that is an interesting matter to which I will call the attention of the Commissioners with regard to part of the policy of the German railway companies. The proportion of the loan and priority shares, the amortissement of which is partly paid off every year is very much larger than it is in England, their mode of financing is very different from ours. The chief increase in profits I find has taken place from the year 1859. At that time they paid 7 ⅞ths per cent. to their shareholders, and in 1863 they paid, as I have already stated, 12 1½ths per cent. With regard to the money earned upon the whole capital, which was expended in 1859, they made 7·94 per cent., and they made 9·80 in 1860, when the traffic in coals came to be very considerable, through the low rates, and in 1861 they made 11·27 per cent. Then suddenly during the two years when the new extended line came in, which was very large, they fell down in their earnings to 8 per cent. and 7·65 per cent. upon their whole expenditure, because before that time they were making their new line out of capital, and the charges did not come into play.

1105. (*Sir Rowland Hill.*) Are you now giving the net earnings?—Yes, the words are expressly the net earnings per cent. on the expended capital.

1106. (*Chairman.*) Do you know what the extended mileage of that railway is?—I do, it is 71 German miles. For the Cologne and Minden Railway the total capital expended has been 9,341,000*l.*

1107. (*Capt. Galton.*) What is the length of the line?—The length of the line is 218 and 113 English miles. The cost of the first 218 miles will be interesting to the Commissioners to know with reference to the subsequent matters. It was 22,680*l.* a mile, and for the 113 miles the cost was 34,608*l.* a mile, but that includes the bridge at Cologne.

1108. (*Chairman.*) Does that include the rolling stock?—Yes, and all other expenditure; which shows that after all this has been a very expensive line. I have already stated that they divided in 1862 12 1½ths per cent among the shareholders, but to illustrate their mode of finance I may repeat that their total capital was 9,341,175, but the proportion of that upon which they paid dividends is only 1,950,000*l.*, or say 2,000,000*l.* in round numbers. That principle also applies to many other German railways, as they take a very large portion of capital up in loans and priority shares, or, as we call them in England, preference shares, which are, however, payable off in the course of a certain number of years at a moderate rate of interest and sinking fund, so that in the end the railways are becoming more valuable every year.

1109. (*Mr. Glyn.*) Is that sinking fund formed out of the receipts of every year?—Yes.

1110. (*Chairman.*) And the capital, in the case to which you have been referring, will ultimately be reduced to something under two millions?—Yes, but the Government subscribed largely to the Cologne and Minden Railway, and guaranteed interest, in consequence of which they are entitled to receive back the railway after a certain given period or years.

1111. Are the priority shares and the money which is borrowed on the lines at very low rates?—I have the exact rates here, and I believe they are 3½, 4, and 4½; they very rarely go up to 5.

1112. (*Mr. Hamilton.*) Is it in preferential stock or in debentures?—I am not quite certain about that, I think they are in debentures; but they are amortissable, or may be paid off.

1113. (*Mr. Horsfall.*) What do you mean by annuity shares?—I mean that they may be paid off in the way of terminable annuities; they pay off a certain sum of money, with, say 5 per cent., 1 per cent. sinking fund and 4 per cent. interest, till all is paid off.

1114. (*Sir Rowland Hill.*) It would be like what we call terminable annuities?—Yes. But in addition to this it is complicated in this case with the fact of the Government having given a very large subvention, they being part owners of the railway, and having certain powers to become owners of the railway by purchasing shares it at par from year to year.

1115. (*Mr. Glyn.*) As I understand you, the redemption fund is made up from the annual earnings on the railway?—Yes, always, and they distinguish that in their report. I may inform the Commission that there is scarcely a fact which they may desire to know as to some of these German railways that is not to be found in their annual reports. Of course I have not got them all in my head, because they do not interest me more than for the purpose of seeing what the general policy is.

1116. What is the system pursued by the German railway companies as to passenger traffic; are the fares high or low compared with the passenger fares in England?—The fares are considerably lower than they are in Ireland, at least upon those railways to which I have particularly addressed myself. They are about one-half. The fare for a first-class passenger in Germany is 1½*d.* per mile. The fare for a second-class passenger is 1*d.* per mile, for a third-class passenger ¾*d.* and for a fourth-class passenger ⅜ths of a penny per English mile.

1117. Has there been any reduction made in the rates, or have they always worked at those rates?—There have been some slight reductions made which are perceivable by the averages in the statistics for the whole of Germany.

1118. But there has been no such reduction in the passenger fares as in the rates charged upon coals?—No; I have now before me the annual statistical statement which was published for the year 1862 by the house of Parliament, and I may observe that in the whole of the Prussian system of railways, the income derived from passengers and what belongs to passengers is 30 per cent., from goods and cattle 63 per cent., and from other sources 7 per cent. The proportions of the receipts from passengers over the whole of the Prussian system of railways, divided into classes, is as follows:—From the first class only 19/10ths per cent., from the second-class 17 per cent., from the third-class 49 per cent., and from the fourth-class 32 per cent. These are the facts over the whole of the Prussian system relating to the year 1862.

1119. (*Mr. Gower.*) Has there been any reduction made in the rates charged for the conveyance of other goods and merchandise besides coals?—A considerable reduction has been made in what they call their reduced class of goods; they are iron ores chiefly, and earths, limestone, and matters essential for the production of iron.

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1120. With regard to manufactured commodities, has there been any reduction made ?—I am not prepared to state that at present, but I can furnish that information for the Commission. I know for through rates and in competition with water carriage and foreign railways, considerable reduction has been made.

1121. (*Sir R. Hill.*) You have given us the rates charged for passengers upon the German railways. Are any return tickets issued, or are there any arrangements like those in England as to return tickets ?—Very few, excepting in particular districts. In the private railway companies they are getting into that practice.

1122. Do they issue season tickets ?—No.

1123. Do they make reduced charges for excursion trains ?—They have done so on the Rhine—on the Rhenish railway.

1124. If you take those matters into account, how would the rates charged upon the German railways compare with the rates charged upon the Irish railways ?—I should think that they would tell considerably against the Irish system, because the average of all the railway traffic in Prussia for all classes of persons is only 8/10ths of a penny per mile.

1125. Can you tell us the average charge in Ireland, taking into account the return tickets and the excursion trains ?—I have not got the statistics here, neither are they in my possession, but from the information that I have obtained I understand that the fare for a first-class passenger in Ireland is about $2\frac{2}{10}d.$ per mile, for second-class passenger $1\frac{1}{2}d.$ and 10 per cent. added, and for a third-class passenger $1d.$ If the Commissioners will allow me I will take 100 miles in both countries, reminding you at the same time that the greater part of Ireland, taking, as the guide, the standard of wages, is much poorer than at least the portion of Germany to which I have alluded. To travel 100 miles in Ireland first class would cost 18*s.* 4*d.*, in Germany 12*s.* 6*d.*

1126. (*Lord Donoughmore.*) How do you obtain that figure, as the fares vary upon the different lines of railway ?—I am calculating a rate of $2\frac{2}{10}d.$ per mile, which I believe is about the rate in Ireland.

1127. That is the rate upon the Southern and Western, but upon some of the northern lines the rates are different ?—Yes, and to the west of Ireland the rates are still higher, I believe ; from Dublin to Galway the rate is, first class, 22*s.*, I think it is more than $2\frac{2}{10}d.$ But the second class in Germany, which is fully equal to the first class in Ireland, and almost beyond the first class in England, is only a penny, which would amount to only 8*s.* 4*d.* for the same distance. The third-class fare in Ireland is 8*s.* 4*d.* for that distance, whereas the third-class fare in Germany would be but 6*s.* 3*d.*, which class might be compared with the second class in Ireland. The fourth-class in Germany, with regard to the class of persons who travel, can be compared with the third-class in Ireland, and the fare would be 3*s.* $1\frac{1}{2}d.$ for 100 miles.

1128. (*Sir R. Hill.*) Are not the fourth-class carriages in Germany open carriages ?—Yes, some of them are open, but some of them are closed, they have hangings in cold weather, and the climate in winter is more severe than in Ireland.

1129. What kind of carriages are used in Ireland for that class ?—They have no fourth class there, I believe, except to the west.

1130. Then take the third-class passengers ?—The third-class carriages are mostly closed as far as I recollect.

1131. (*Capt. Galton.*) With regard to the rates charged for goods ; you have stated that the German Union of railways fix the rates for the goods ?—Yes.

1132. Do they permit the general managers of the different lines to give special rates to individuals ?—No ; everything there is done bureaucratically.

1133. Is everything published, so that any person can ascertain the tariff at which he can send goods, either per train load, or per waggon load, or per ton ?—Always, all that information is to be obtained.

1134. You have no doubt that it does not rest with the general managers to fix the rates ?—No ; but I think they have made a great mistake as to the inflexibility of their rates ; for variable rates, in order to carry on railway traffic properly, are almost a necessity of the system as it appears to me.

1135. (*Lord Stanley.*) Will you be good enough to explain that a little ?—They made an arbitrary rule, to come back to the question of coal, to make a certain charge per mile and two terminals, but it was very soon found that if they adhered to the terminals they would shut out from themselves and the coal owners a very large trade to Bremen, to Hamburg, and to Berlin, in which places the competition of England was considerable. Therefore, after a great deal of consideration, the German Union itself of that system of railways resolved, upon the representations made by the coal owners, to reduce the rate, and they did so accordingly. I could perhaps illustrate the facts better by referring to a very interesting map which has been made by the Prussian Government, showing the production, consumption, and circulation of the various fuels in Prussia. The dark squares upon the map represent the quantities and places and quantity of production of the coal. The map was made very much upon my suggestion to the minister to show how a reduction of the rates would lead to an extension of the trade. Before the year 1860 none of the Westphalian coal reached Magdeburg, but in consequence of the reduction that was made in the rate, it has now reached it, and much further (*explaining the map to the Commissioners*).

1136. (*Capt. Galton.*) Does the Government fix the rate ?—Upon any of the railways in which they have an interest they approve of the rates which are charged, for instance upon the Cologne and Minden railway.

1137. Where they have no interest in the railway do they interfere ?—No, they cannot interfere directly.

1138. They do not interfere any more than they do in England ?—They do not.

1139. (*Chairman.*) You have not given a full answer to the question put to you by Lord Stanley as to the reason why you objected to fixed rates ?—I have put the map before the Commissioners in order to show that the coal owners could not have sent, and the railway companies could not have carried, coal in any large quantities to Bremen and Hamburg were it not (with regard to those ports where competition was to take place, with England, for instance,) that a reduction to those places took place for that purpose by taking off the terminal charge of 3*s.* per waggon load in order to enable it to be done. The railway companies themselves were convinced of the necessity for it and they abandoned it, and in the same way they did so at Berlin.

1140. Has there been any agitation in the intermediate towns with respect to a reduction in the terminal charges in consequence of their having been taken off in Berlin and in Hamburg ?—Yes, and it is a constant subject of agitation. The principle of the thing seems not to be justified at all ; I mean making these terminal charges where such an article as coal is loaded by the producers and is unloaded by the consumers without cost to the railway company.

1141. (*Lord Donoughmore.*) If a large quantity of coals is to be unloaded at a station, must not the company who are the owners of that station provide sidings for the purpose ?—They should do so, and they have found it to be their interest to do so, and they have extended the stations very considerably. In Hanover it is a subject which is constantly brought before the Parliament to grant additional sums of money to increase the stations in consequence of the new increase of trade which has come to the railways from these very coal trains which I have already mentioned.

1142. Does it not appear just and reasonable that the company which provides the siding accommoda-

tion should receive something beyond mere mileage rate for conveying the coal?—It was upon that ground that the terminal was proposed to cover the expense of keeping books and so forth; but these sidings, we contend, are for the benefit of the railway company, because they bring to the company trade which they would not have, if they did not provide that accommodation.

1143. Take the case of two railway companies; one of them carries the coal, say for 10 German miles, the coal then passes off that line on to the line of the next company, who also carry it for 10 German miles. The coal is then discharged at a station belonging to the second company, at which station the second company must have provided siding accommodation. In that case would it not be fair that the second company should receive something more than half the total charge for the carriage of the coal, the siding having been provided at their cost?—Yes, in the abstract it appears to be so, but when you recollect that the other railway company has also its stations at which coals, I may almost say certainly stop, and they have similar things to take into account, it equalizes itself, I think, all over the system; they obtain the advantages resulting from encouraging the trade and bringing into use the first necessity for manufactures; the collateral and indirect advantages have been generally found by liberal minded thinkers upon the subject, to balance any of the little questions of debtor and creditor account at the commencement of the trade arising from these causes.

1144. I will suppose that a train of coals is carried for a certain distance over different railways, and the distance so carried over I will divide into three equal parts. Suppose that each of those three parts belongs to a separate company, that the coals are loaded at the station of one company and pass along the line on to the line of another company without being unloaded, and that they are discharged at a station belonging to a third company. Would it not be fair that the companies which have provided accommodation for loading and unloading should receive more than the intermediate company which had not, and would it not be manifestly unjust to give a full third to the company which had incurred no expense for the loading and the unloading?—Clearly in the particular case that is put, but I believe that most of the large railway companies in London provide vast accommodation for the coals, even storage room and so forth, at very moderate rates indeed, whereas the German railway companies which I have spoken of provided nothing but a siding. Following the advice that I gave to the railway directors in Hanover, founded upon the example which is furnished by the railway companies in London, they have had a harbour constructed, and they have provided means for delivering the coals off the railway into the ships, feeling that thereby they brought new traffic over their system which otherwise would not have come.

1145. (*Mr. Glyn.*) As I understand you they do not stack the coals upon the railway stations at all?—As little as possible.

1146. Do they do so sometimes?—Yes. The railway companies let to the coal owners a place for their accommodation.

1147. For which they have to pay a rent, I suppose?—Yes; the charge is not included in the terminals I have been speaking of.

1148. (*Sir Rowland Hill.*) You have compared the fares charged on the German railways with the fares charged on the Irish railways. Can you say anything as to the comparative speed of the trains in Germany and in Ireland, referring now to the passenger trains?—I cannot speak exactly to that point, but from the experience I have had in travelling I think there is very little difference between them; the quick trains in Germany are very good indeed.

1149. Are they so quick as the quick trains in Ireland?—I should think there is very little difference between them; it is something like 35 miles an hour, I think, and by the courier trains in Germany the accommodation is unquestionably better.

1150. Is the speed in Germany equal to the speed in Ireland?—I cannot say, but I may say this, that whilst the Irish railways are so depressed, many other railways in Germany, besides the Cologne and Minden, are also paying very large dividends, and some of them along this very North German Union to which I have referred.

1151. (*Chairman.*) Is there any competition between the different systems in Germany?—Competition is by law prohibited in Prussia, but they are feeling the error of their ways, and with reference to that the government itself is at the present time very liberal minded. Statesmen in Germany, who take large views of the subject, are disposed to do away with the law which prohibits competition, and in Prussia the government itself are absolutely changing the law and promoting lines in order to produce competition.

1152. (*Lord Stanley.*) In what manner can competition be prohibited by law?—By an express enactment in the original law on the subject, whereby a line cannot be conceded by the minister which should be deemed to be a competitive line. They wish to reform the law in that respect.

1153. Then the laws have guaranteed to railway companies a monopoly of a certain district?—So far as the question of what is a competing line goes, but there have been found openings for evasion, for instance if a line does not go from end point to end point of its competition, it is tried to be evaded. The Government think that it is wrong, and they are promoting state lines, and they wish to have the law changed; they are also promoting canals for the purpose of making a reduction in the rates charged.

1154. (*Lord Donoughmore.*) They are promoting state lines in competition with lines which have been made at the expense of private companies?—Yes, they are, for instance the Bergish Markish Railway; and with the full consent of all parties in Parliament who see that there has been a palpable error committed, and that competition is the sole means of keeping down the rates. The Germans are now pretty well convinced that low rates will produce high dividends, and that they have committed an error in limiting the dividends to a certain figure and then reducing the rates for the purpose of keeping the dividend down. That is a matter which is better understood at present.

1155. (*Lord Stanley.*) If a line of railway has been made upon an understanding with the Government that the promoters of the line shall have a monopoly of a certain district, how can the Government break through that understanding without incurring the reproach of committing a breach of faith, or making in some form or other compensation to the railway company whose privilege they take away?—They seek to make compensation in some other form by conceding to them certain privileges which they had not before. The Commission are aware that legislation in Prussia is totally different from legislation in this country, and this is a subject to which I meant to advert; for instance the preliminary expenses attendant upon the passing of a railway bill, or rather obtaining a concession, there are very low indeed. I believe I am right in saying that the various expenses of one class and another accompanying the passing of railway bills in this country before a sod was dug would amount to something very nearly like the cost of the whole of the Prussian railway system.

1156. (*Mr. Hamilton.*) With what department does it rest to authorize the construction of a railway in Prussia?—It rests with the Minister of Commerce and Public Works I believe.

1157. Then the restrictive Act to which you have alluded would be an Act restricting his discretion?—Precisely, as I understand the case.

1158. (*Mr. Horsfall.*) Is not the guarantee you have spoken of as being given to certain railway com-

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panies limited to a certain term of years ?—I cannot speak with certainty upon that, but it is generally so. A concession is generally limited to 50 years with the power of increasing its duration upon the application of the whole company, and with the sanction of the State.

1159. The question is, whether these concessions are not made to certain railway companies upon the understanding that after the termination of a certain period, say 15 or 20 years, the Government shall have power to take possession of the railway ?—That is only in the case where the Government has given a subvention at the commencement. I know that that exists in the case of the Cologne and Minden railway. I believe that it does not exist in the case of the Rhenish railway, nor in the case of various other private companies.

1160. Is it not also the case in France that the Government has power to take possession of a railway after a certain term ?—I am not aware.

1161. (*Mr. Glyn.*) You have alluded to the large dividend which some of the companies in Germany are paying ?—Yes.

1162. I suppose that in those cases the capital of the company is based upon the same principle as that to which you have alluded before—there being a very small real capital, the rest of the money having been borrowed ?—I will give you the facts. I have already quoted the Cologne and Minden Railway. The Rhenish Railway, with a capital of 6½ millions, has only three millions of original shares. It is 227 miles long, and it has cost 21,749*l.* a mile. That company paid in 1863 six per cent.

1163. Do you mean upon its own capital ?—Yes ; after paying off all the interest and the sinking funds and its loan charges for the year. The Bergish Markish Railway, which is under the management of the Government, and which I believe was originally a private company, has cost four millions of money, and it has 1,900,000*l.* of original share capital. It is 158 miles long, it cost 22,000*l.* per English mile, and it has paid 6½ per cent., or it did so in 1863. The Berlin and Potsdam Railway, from the Elbe to Berlin, cost 2,200,000*l.*, it has only 750,000*l.* of share capital, it cost 22,484*l.* a mile, and it paid 14 per cent. in 1863.

1164. (*Sir Rowland Hill.*) Is not the same principle adopted by many, if not by most, of the English railways—paying up a certain amount of capital and then borrowing what may be wanted beyond that ?—The proportion in Ireland is a very much smaller proportion of loans. I believe it is from a third to a half. I believe it does not exceed one third. I may mention one more—the Magdeburg and Halbertstadt Railway cost 735,000*l.* and the share capital amounted to 255,000*l.* ; it cost 13,360*l.* a mile, and they have paid 22⅜ per cent.

1165. (*Chairman.*) Has the Government in all cases a voice in settling the tariff on the Prussian railways ?—Only on those which are under the Government control, or receiving Government loans.

1166. Are the other railway companies at perfect liberty to charge what they like, and is there no restriction ?—I am not aware.

1167. (*Mr. Glyn.*) Is there no fixed tariff ?—Yes. A tariff is published by every railway company.

1168. Is it fixed by the same body ?—I think I had better not answer that question, for I might mislead the Commission. I will ascertain how that is; it is probably defined in the original concession.

1169. (*Mr. Gower.*) On the Government lines do they in practice interfere as to fixing the rates, or do they leave that to the discretion of the managers of the railways ?—The Government departments manage everything themselves. Everything must be approved, every stage of it, every change of any kind that is made as to rates, or putting on trains, and so forth, must be approved, of course on the suggestions of the local managers.

1170. Are they supposed to fix the rates with reference to the interests of the public, or with reference to the interests of the railway companies ?—The principle propounded by almost all the various States which I have visited—Hanover, Brunswick, and Bavaria—is to fix the rates more with reference to the interests of the public, keeping their interests in view, than the interests of the railway company ; but then, taking Brunswick, for instance, and Hanover too, the gentlemen who are at the heads of those departments have been there from the very commencement, and are very clever men, and the chairmen of the Government Boards, and they have devoted in those two cases the most enthusiastic attention to the subject, and generally their representations are accepted by the Government of the State. In Prussia everything is submitted with the greatest formality, and it has to go through all the stages that it is possible to pass through before anything is done.

1171. In your efforts to persuade the Governments that a reduction of the rates would be beneficial, did you not put forward, as a chief inducement, that it would be profitable to the railway companies themselves ?—I put forward a double inducement that it was essential, in order to raise the interests of the trade of the country, that it was the very lever by which the whole trade of the country could be raised, and that it would, instead of being an injury, absolutely be a profit to the railway companies. I wrote in those terms, and I laid particular stress upon my opinion that it was essentially the duty of the Government to set the example on the State lines.

1172. Was it not part of your case that it would be no loss to the railway companies ?—Certainly. I showed that the cost was about a farthing a ton per mile, while they would receive nearly a halfpenny, and therefore that it would be a profitable concern ; that if the mass of the business done was large it would justify their putting on additional rolling stock, and it has turned out to be so.

1173. Do you think that they would have sanctioned it if it had been a loss to the railway companies ?—No.

1174. You do not think that they would have sanctioned it if it had not been for benefit of the companies ?—I do not think that the department would have felt justified in doing so.

1175. (*Chairman.*) Are you of opinion that the Irish railways could be managed more advantageously for the country than they are ?—The management seems to me to be an exceedingly difficult question. I believe that competition is essential to success in almost all great commercial matters, I believe that it is totally foreign to the office of the Government to manage railways, and I say so, because I have spent the greater part of my life in the Government service. I think it is peculiarly so in this country and with our constitution. It succeeds in some of the districts of Germany tolerably well. In Hanover nearly all the railways belong to the State, and in Brunswick it is so also ; but then, as I have already stated, there are men there who are really masters of the position in each of those cases, and who have been there since the birth of the system, and who carry it out with the zeal of originators, but the difficulties which arise from delays before anything can be done are excessive. With regard to Ireland the consolidation of the management, as it has been pressed upon me by some friends of mine, and putting the whole of the system of Irish railways under one management, however tempting, I fear would only lead to a monopoly, whilst at the same time the present state of affairs there is greatly to be deprecated. The railways are not joined together, and they have remained in that unconnected state for very many years. Of the railway systems which come into Dublin none of them go down to the harbour ; they approach it, but they are not connected with the harbour or the shipping. The Midland Railway within the last two years has done what was proposed to be done very nearly 18 years ago, namely, to connect itself with the harbour, and that is the only exception, the difficulty of passing from one system to another still re-

mains. The northern system is in a great number of hands, and I have no doubt that that creates many difficulties in the management. The late manager of the Midland system has explained to me that goods passing through the centre of Ireland owing to the want of meeting trains, say, from Cork to Belfast will take very nearly a week, in the ordinary course of things, from various stoppages and delays which occur, whereas we know that if a suitable connexion were made—for instance in Dublin—they might go through in ten hours.

1176. What is your view as to what ought to be done in the case of the Irish railways?—I confess that I am greatly at a loss to know. I cannot reconcile to my mind the principle of the Government managing such things, and the question is, what can be done. Unquestionably, if capitalists in this country were to take up the whole system, and to reduce the rates —for I look upon a reduction of the rates to one half as essential—it would lead immediately to a loss, and they would not recover from it for two, three, or perhaps, four years. Then we come to the development of traffic, and that has been hitherto, I may almost say, prevented. But, if the difficulty of that period of loss could be got over, I would still say that the system of management by the companies, keeping up the separate interests by competition, would be the best, if a control could be got over them, to induce them to carry out a reduction of the rates. If, however, they cannot be convinced, like the Germans, and persuaded to reduce them voluntarily, then the question will remain, for the interests of the country, whether those gentlemen can be met in anything like the way in which we, the coal owners in Germany, met the railway companies, by giving them a guarantee during the time of the experiment.

1177. Do you believe that a great deal of traffic might be developed in Ireland which has now no existence if it could be carried on at much lower rates?—I am convinced of it; but I do not take the exaggerated view that many persons do upon this subject, and who seem to think that people will travel who have no business to travel; for instance, I do not believe that to run trains from London to Ramsgate in the winter season, at low rates, would induce passengers to go as they do in the summer time, or that it would fill the trains. People would not go even from London, and *à fortiori* they would not go in the agricultural districts of Ireland. But I believe that a reduction in the rates to something like the German standard would unquestionably develop, both in passengers and in goods, but still more in goods, a very large traffic. I believe that the goods traffic in Ireland is very small indeed, in comparison with what it ought to be, and would be. Upon most well developed systems of railways, the income from the goods traffic greatly exceeds that which is obtained from the passenger traffic; but taking the great systems in Ireland, the Great Southern and Western, and the Midland (until the last two years), and the Northern, when they approached Dublin there was a break in the communication for goods, and there was cartage through the City of Dublin, and all those difficulties, which no doubt had the effect of preventing a large or increasing goods traffic. I have found it to be the same in Bremen, Hamburg, and Rotterdam, and other places, with the coal traffic, that unless we went alongside the ship, and discharged the coals out of the railway waggon into the ship, it was quite enough to cause us to lose the markets we sought to open.

1178. (*Mr. Glyn.*) You have given, as an illustration, goods sent from Cork to Belfast, and you state that there was great delay; does that delay chiefly arise from the want of local accommodation as between the different railways, or from a want of harmony and system between the respective boards?—I believe that it does not arise from a want of harmony, but, as I understand it, it arises from this:—that, upon each little branch upon which a waggon may come, it must remain until the next train arrives which is going in the direction required, so that in that way a waggon sleeps, as I may say, many nights at various stations along the way before it reaches its destination.

1179. Does not that show a want of concert between the respective boards?—If there is not a through traffic organized to enable them to send on trains, that might account for it.

1180. Would not that be remedied by making proper through traffic arrangements?—Then there must be a sufficient traffic to justify the owners of the little branches to put on a train for that express place; for example, if it were desired to send a waggon, or two, laden with flax goods to the north of Ireland from the south, to be manufactured, say in Belfast, unless they could make up a train-load there would be a difficulty in a quick transit by cross lines, whilst, if the main trunks were joined in Dublin, these two waggons could run through with the ordinary trains.

1181. Would not the object be attained if the trains of all the companies were allowed, as a matter of course, to run over that small railway?—Clearly; running powers ought to be given.

1182. Would not that considerably tend to cure the evil?—Yes; if the traffic was there, but I am not aware that it is there. I do not believe it is developed.

1183. (*Lord Donoughmore.*) The illustration that you have given refers to goods being brought to Dublin by railway, but have they not an additional difficulty to contend with, viz., the competition by sea?—As far as my experience has gone there is nothing to be feared from that. Take the coal traffic from the north to London, the railway competes with the sea; and the traffic from the north to London by railway has slightly, as far as my experience has gone, increased on the railways, and is decreasing in the shipping. I believe that most classes of goods and particularly the low priced goods, will not bear the cost of transshipment and cartage, say to the ship in Cork, and again taking them out of the ship at Cork, and then cartage again to the store in Belfast. If a waggon, as a principle, can run from the producer to the consumer, that will put down every competition.

1184. (*Mr. Glyn.*) What is the rate per mile for the carriage of coals in Ireland?—As far as I have been informed, the rates for coal in Ireland are about a penny per ton; ¾ths of a penny is the lowest I have heard of.

1185. (*Chairman.*) Is that nearly about the rate charged on all the lines?—I am told so.

1186. (*Mr. Glyn.*) Do the companies find the waggons, or do the owners find them?—There are no private owners of waggons in Ireland, I believe.

1187. (*Lord Stanley.*) You are of opinion that if the railway fares in Ireland were generally reduced to the extent of something like one-third of what they are now, the success of the experiment, after a certain number of years, would be certain; but that a loss during that time would be equally certain?—Yes.

1188. Who will have to make up that loss?—It is perfectly certain that there would be a loss in Ireland, and that the recovery of it would be slow; but I believe it would be perfectly certain. The doctrine propounded by some of the chairmen of the railway systems in Ireland, was, that there existed only a limited supply, and that it was useless to suppose that that supply would be increased. I believe that that is a complete begging of the question; but I heard the same arguments constantly used when we first commenced our attempts in procuring reduction in the rates in Germany. The parties are now convinced that production has gone on step by step with the facilities which have been afforded for transport.

1189. (*Lord Donoughmore.*) You stated, I think, that the district with which you are connected in Prussia is a vast coal field, and that it has enormous capabilities of production, which are not yet developed?—Yes.

1190. I wish you to compare the chances of traffic in Ireland, which as you are aware, is not a coal producing country, with the chances of increased traffic

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from the lines of railway running through Westphalia; and do you think it is reasonable to hope, supposing that the rates for the carriage of goods in Ireland were reduced, that there will be such an increase of the traffic in Ireland as in Westphalia?—No, I do not believe, without reference to the matters which I have alluded to in my evidence, that Ireland would produce it, but I may say that I look to the introduction of coal into Ireland as the lever and the means of improving that country, coupled with low rates for the transport of goods, beyond anything else; and I propose to show that it is practicable. Dublin is at present the very centre of the various railway systems in Ireland, it has been so for a long time, and when I was in office, it was an object of interest to me to draw attention to the necessity of forming connexions between the various railways in that country and the ports of Dublin and Kingstown. After many years this was not carried out, but recently an Act has been passed through Parliament for the purpose of effecting this connexion. I was consulted upon it at a very early stage, they sent out to me in Prussia the designs. I advocated the matter, and encouraged it in every way, but I suggested that special reference ought to be had to the development of the coal trade, and the importance of certain docks, called the Grand Canal Docks, whereby a branch being laid down to them, a through system of communication, which is so successful here, for example, at the Victoria docks, might, with the greatest facility, be established there. As far as my experience has gone on the Continent, and everywhere else, I have seen no manufactories, nor any great industry successful, where there has not been a regular supply of coal, even where there has been water power, wood, and turf in abundance. I believe that it would be quite practicable to deliver coals in the interior of Ireland 100 miles from Dublin, at a cost varying from 14*s.* to 16*s.* a ton, and to have it regularly supplied there, so that manufacturers and other persons requiring it should feel satisfied that they would be quite safe and secure in commencing operations there. That is only to be accomplished by bringing coal in vessels, or I will say steamers, from the English coast, right alongside the railway in the harbour; for the present moment, I will say in Dublin, which is the centre of the railway system. There it could be unloaded from an 800 ton ship, or a 600 ton ship or steamer. She could come in, if suitable arrangements were made, and discharge her coals in a space of twelve or fourteen hours into railway trucks, and the railway trucks could go off into the interior of the country, to the places of consumption. I am assuming that the coal would be put on board the vessel on the coast of England, it is done frequently at Newcastle, and places thereabouts, for 6*s.* a ton, and I take it that about 4*s.* a ton, on a large trade, would pay for the carriage of it, assuming that suitable arrangements were made to carry the trade on, and that the railway companies would deal with the matter in hundreds of thousands of tons, and that the same company would provide depôts at the various internal stations of Ireland (as the advantages of the system developed themselves), and in the places in which it might be necessary to furnish coal. The coal would then be carried at the same rate as in England and in Germany, and in waggons going from the harbour to the interior of the country. It could be carried 100 miles for 4*s.* 2*d*, which added to 4*s.* would make 8*s.* 2*d.*, and 6*s.* would make 14*s.* 2*d.*, then adding 1*s.* for unloading, 15*s.* 2*d.* would be the cost of the coal carried to a distance of 100 miles from Dublin. I have a very strong belief that that is practicable, and a proposition has been already made for the purpose arising from my suggestion. I have conversed with an engineer in London, Mr. Mallet, who is well acquainted with the metallurgical productions of Ireland, and a proposition has been made for the purpose of utilizing the docks to which I have referred. I believe that a very important return trade is to be had from Ireland. To my knowledge there are numerous ores in Ireland which lie and must lie perfectly useless unless either coal is taken to them or they are brought to the coal, the former being the most natural and certain course. The same railway truck that would take the coal into the interior of the country could bring back not only those ores, but many other raw products, such as marble and fine earths, pottery earths, and so forth, and various other articles of a very cheap class. They could bring them back with advantage at half the price that the coal was carried at, and those same train loads might be put into the coal ships and returned to England (supposing that the arrangements were completed, it would of course take some years before that would be the case), but in that way the coal ships would be able to go back in a second or third tide, and sail away from the harbour to the English coast. In this way the railways would carry the fuel into the remotest parts of Ireland at the cheapest rate, affording a means for the steady development of the industry of all classes. There is a great want of railway facilities in this respect. For instance, Ireland produces a large quantity of wool, and it all comes away, I believe, in a raw state to be manufactured; it is not manufactured there. Although water-power is cheap, yet it does not appear in the end to be adopted, and in fact the result of any observations which I have been able to make in other parts of the world has been this, that manufactures themselves do not thrive without the assistance of the coal, regularly and cheaply supplied. I believe that coal would in this way be in many parts of Ireland as cheap as in many parts of England.

1191. (*Lord Stanley.*) You are probably aware that there has been a great increase in the consumption of coal, especially in the southern parts of Ireland?—Yes; since the establishment on a similar principle to that I speak of by a gentleman at Cork, who is a large shareholder in the Dutch-Rhenish railway, and who has been introducing coal into Cork as I understand, and into the interior, is sending it by railway.

1192. (*Mr. Hamilton.*) I suppose that even if lower rates had not the effect of introducing manufactures, which you seem to be sanguine about, into Ireland, you would have no doubt that those lower rates would materially develop the resources of Ireland in every way?—Unquestionably that would be so. I have alluded to the development of manufactures, mainly by the introduction of coal; but a reduction of the rates for travelling, and for the carriage of agricultural produce, for instance, from the purely agricultural districts, like the western parts of Ireland, and some of the southern parts would be most beneficial. I may ask what can be more absurd than the idea, for instance, as I find is the case, that a penny per ton per mile is charged for the carriage of dung, as it is reported to be in Ireland. They charge such high rates there, that there can be little or no traffic, for one would scarcely think of loading such articles at such rates.

1193. On what railways in Ireland is that rate charged?—I understood it to be the general rate; I had that from Mr. Forbes.

1194. Can you compare that with the rate charged on the English railways?—No; I cannot.

1195. (*Chairman.*) You think that the traffic might be greatly increased in Ireland by charging low rates for the carriage of purely agricultural produce?—Yes; I think that the mission of railways is to diffuse the benefits which they are capable of conferring equally from the manufacturing into the agricultural districts, and to raise the character of the whole in Ireland, and it is particularly practicable to do so in Ireland, because the island after all is small, and the railways in the greater part go through agricultural districts. At their termini they are generally connected with harbours on the sea coast, and other places, from which traffic may be developed. I have heard facts stated, connected for instance with potatoes, which are produced on the coast of

Galway, and are brought all round a dangerous coast to Dublin, in consequence of the high rates charged by the railway companies, which prevent them from being sent across the country. I may mention that in Germany lately a project has been started, which has been partly carried out, to carry corn, wheat, &c. from Hungary, and take it the whole way to the coast opposite to England, running down through the whole of the Continent, in preference to sending it to Trieste, to come round by sea, it being carried at the favoured rate which we have introduced, one pfennig per centner a German mile; the railway companies agreeing to take it in full railway trains. In the late difficulties, about a year ago, in Prussia, the Government did interfere about rates, and from the eastern or agricultural provinces of Prussia, partly by its influence, and partly from the position of those provinces, the railway companies were induced to carry potatoes, corn, and agricultural produce from those agricultural districts into the manufacturing districts of Westphalia and the Rhine at very low rates similar to the coal rates, but attaching the same condition that they did in our case, that the train should be full, and should run through.

1196. (*Capt. Galton.*) That is to say, full train loads?—Yes.

1197. (*Mr. Glyn.*) Are they acting upon that full train system upon the French coast with regard to the produce sent from Hungary?—I am not aware whether it is now in operation.

1198. (*Chairman.*) From your knowledge of Ireland, do you believe that there are numerous resources in that country undeveloped?—I am perfectly sure that there are.

1199. Are there any ores which are sufficiently rich to pay for working them at present?—Yes, quite rich enough to pay for working, if they are only brought to the coal, or the coal is taken to them. I have referred to Mr. Mallet, who is a metallurgist, and is thoroughly acquainted with the mineral wealth of Ireland, and which are the positions where it is best available to be developed by railways. I have myself seen quantities of minerals lying about in Galway, which have been brought down to the harbour, but which could not be sent away on account of the expensive carriage; and in many other districts iron ore is very abundant and of a superior quality, but there it lies.

1200. (*Lord Donoughmore.*) There is coal there too, is there not?—Yes; but unfortunately it is not as free to work as our coal is in Prussia, and it is often embarrassed with some difficulty as to the title.

1201. You are so familiar with Ireland that I need scarcely remind you of the Kilkenny and Tipperary coal districts; you are aware of them?—Yes.

1202. Is it not an extraordinary fact that, although those mines have been worked for many years, no railway company has ever thought it worth its while to run a branch into either of those districts?—Yes; but I assume that the coal could not be obtained in sufficient quantities to pay, by its transit over the line, the interest upon the money expended. I know that the coal is of the anthracite kind, and that it is difficult to get out cheaply in large quantities.

1203. The beds, I believe, are not thick?—No; I believe that, at the present time, the whole of the collieries in Ireland do not produce so much coal as one of our collieries does in Germany, which I have worked myself. But I do not assume from that, that they could not produce vastly more than they do, and the first essential is what you have referred to, a connexion with a railway. Without that connexion—without the waggon goes to the coal pit—it is impossible to send coal to any distance at a cheap rate. Coal is a very low priced article, and it must be so; therefore it will not bear the cost of transhipment except where it is taken in large quantities, and on a well organized system, as I propose to send coal to the centre of Ireland itself.

1204. If it is not worth while to make branch railways to develop the Irish coal trade, what reasonable ground is there for hoping that a reduction of the rate for the carriage of coals would very much increase the English coal trade?—Because that English coal trade is already developed; you can have any quantities that you wish to have from England over to Dublin. Ireland imports at the present time about two millions of tons, and I understand that about 600,000 tons of the gross quantity go into Dublin, and this, without any connexion of the railways with the harbour, or with each other at Dublin, so as to facilitate the passage of this cheap article throughout the country. If, then, you can go and buy coals largely on the coast of Whitehaven and Lancashire, the coal owners will deliver their coals into the ships at the average price which I have stated. I do not mean all screened coals, but I mean the coals that come from the pits, for the Irish could consume the slack as well as the large coal, at anything like 6*s.*, and if you deal with hundreds of thousands of tons, I believe there is no question that that coal would be taken cheaper into Kilkenny than you would get the Kilkenny coal for. I have been making arrangements to run coals to Paris from Westphalia through the middle of the Belgian coal field, and I can do it to-morrow with the same advantage to myself as to Berlin, if one link in a branch of the railways will agree to the same rate for the through trains.

1205. (*Capt. Galton.*) At what rate?—At less than a halfpenny a ton per mile.

1206. (*Chairman.*) Can you raise coal in Prussia better than they can in the Belgian coal fields?—Yes, our coal beds are from 4 to 6 and 7 and 8 feet thick, whereas the coal beds in Belgium are by no means so thick, they are not more than three feet thick. In addition to which, they have combinations amongst the coal owners, (which practice, however, no doubt will find its level,) by which they keep up the price of coal in Belgium.

1207. (*Sir Rowland Hill.*) Are the wants of Ireland, in respect to coal, now supplied in abundance at Belfast, Cork, or Dublin?—At Cork I am told that it is increasing very much. I understand that they have made arrangements for effecting a communication between the railway and the harbour.

1208. Is coal cheap in the different ports of Ireland?—In the eastern ports it generally is.

1209. Cheap and abundant?—It is very irregular. In Dublin the supply is very irregular, the coals running up to a very high price if there is stormy weather, for instance, because Dublin is supplied by small sailing colliers that come into the port and there sell their coals in bags out of the holds of the vessels, which is taken away in carts, but there is no organized coal trade there except supplies for gas works, &c.

1210. Is it used in any of the ports largely for the purposes of manufactures?—Very largely for the manufacture of gas, and for any manufactures that may exist; in Belfast, for instance, it is used extensively for manufactures.

1211. As I understood you, you expect that if communication with the interior parts of Ireland is made very cheap, coal will be very largely used for manufacturing purposes?—Yes, for private consumption and for manufactures.

1212. Of course the supply to the ports of Ireland is quite independent of the internal communications, and I should like to know whether the ports are now supplied cheaply and abundantly with coal, and whether it is in the ports or in the neighbourhood of the ports applied largely to manufacturing purposes?—It is so applied in the ports of Belfast, Dundalk, and Newry; and with regard to what manufactures there are in Dublin, what they want is a connexion between the ship and the rail, which I consider would originate a greatly increased demand, and almost a new trade.

1213. (*Capt. Galton.*) At the present time, there are no facilities for unloading coal in a cheap manner from the ships in any of those ports?—I will not

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say, in any of the ports. I have not been in Belfast for some years.

1214. (*Sir Rowland Hill.*) Can you explain why those facilities have not been afforded ?—That would be to explain an anomaly which exists, not only in Ireland, but in many other countries, which advance slowly. These facilities have only as yet been recently afforded in London, and they are not yet afforded to the fullest extent. You unloaded the coal up to a few years ago into barges, and brought it up the river, but now you have got an improved system at the Victoria Docks ; they have there erected hydraulic cranes, and they unload coal extensively, and put it into the railway trains, weighing the coal and discharging very large cargoes within the space of a day.

1215. All that is the result of private enterprise, is it not ?—I believe it is, and nothing else does in England. There is a very great want of enterprise in Ireland ; take, as an example, the question of the connexion of the railways. There is the Great Southern and Western ; the Midland Company are the first who have done anything, but the Great Southern and Western and the Drogheda lines come very near to the port, but not to it, and there they have remained for many years in the same state, the lines were constructed without giving that connexion, and when the matter was suggested to some of the parties, what they said was, "How can we do anything with it, we are only making a small rate of interest on our money ; instead of improving, everything in Ireland is going down, so that we had better let matters remain as they are." There is a want of enterprise ; but I should suppose that there is no want of capital if a right policy were adopted.

1216. (*Capt. Galton.*) Do you know the present price of coals at the stations in Ireland in the centre of the country or at Belfast ?—I do not ; but I have recently heard that in Kildare Mr. More O'Ferrall gets his coal at 14*s.* or 15*s.* a ton at a place not very far from Dublin.

1217. (*Lord Donoughmore.*) But that coal is taken by canal ?—Yes ; and there is Mr. Monsell also, who informed me, by shipping at a suitable season he had coal at a cheaper rate in the south-west.

1218. (*Capt. Galton.*) Do you know at what price coal is delivered in Limerick ?—No ; but I know that years ago it varied immensely in price.

1219. (*Chairman.*) Are you of opinion that the freights on railways ought to vary according to the time of the year ?—No. What I say is that you cannot make a rigid rule, and that to propose fixed rates as a rigid rule, per mile or per ton, is inconsistent with the very nature of the trade itself, because it must vary with the circumstances of the locality, and must vary even with the times and seasons. I illustrated that by referring to Ramsgate, which, in the summer season, will pay the railway company well with very low rates, but of course in the winter time no one will go there.

1220. Are you not in favour of imposing very strict restrictions on the liberty of railway companies as to fixing tolls ?—I should be disposed to fix a very much lower maximum than at present exists, but to allow the greatest possible liberty to railway companies to go below that maximum.

1221. If they reduced their maximum in certain cases, you would not allow them to reduce it in all ?—No. I believe that the management of railways is a profession, a science in itself, which requires the deepest study, great powers of combination, and a great knowledge of the country, and of the traffic to be carried,—and I do not believe it is wise to fix arbitrary rules, and to prevent that gradual development of knowledge that railways themselves at this time are only just unfolding. How far one may go in either a reduction or overcharge, in the rates of freight is the great question for the public. The passenger traffic, after it has reached to a certain amount, as far as I have observed in almost every country that I have visited, varies very little therefrom, whereas, on the other hand, as to the rates for the carriage of goods, of cattle, of agricultural produce and mineral produce, no one has, I verily believe, as yet arrived at the boundary to which one may go with profit to the railways by a reduction of the rates and affording facilities for carrying traffic through a country. I take it that the mission of railways is not merely to carry the traffic that exists in a country at the time they are formed, but to seek out and make new traffic altogether in the country as I have already pointed out that we did in the particular case I mentioned. Markets were only available by railway for 10 miles when we began, and we have made them available now, with enormous advantage to the railway companies, for nearly 100 German miles.

1222. You do not think there is much probability that the present railway companies in Ireland will fulfil that mission ?—I do not believe they will, they have not the courage, and, considering how they stand as to their shareholders, perhaps it is impossible to expect it. They see a certain loss before them, and they will not study nor consider the question of the future gain which they might make, and perhaps they cannot. Their argument is, we have here a certain traffic in the country,—that is what we have to carry,—and we must make the most out of that. I believe that to be a complete fallacy in railway management, and I believe it to be a begging of the question too ; and it has been proved elsewhere where a reduction of the rates has been steadily carried out for a sufficient time. They also say, and you will hear railway managers say it every day, that an article must come to a certain railway. We had the same difficulty to deal with in Germany ; they said, Our line is there, that article must come to it. But they made a very great mistake, because only so much of that article would go as could not help going—no increase of that article would go on it as long as the rate was nearly prohibitive or even discouraging.

1223. (*Lord Donoughmore.*) Are you aware that of late years the profits on Irish railways have gone on decreasing very much in the last year or two ?—Yes, and I attribute that to the fact of their absolutely driving traffic away from them.

1224. You think that they have starved the traffic by maintaining high rates ?—Clearly.

1225. You do not think that this depreciation is to be attributed to the emigration of the population, or to the sufferings of the agricultural classes in that country ?—The more the population has decreased of course the fewer they will have to carry ; but I think the error which has been committed by railway directors in Ireland has been in assuming too much that railways are constructed for passenger instead of for goods traffic, for the goods traffic would serve more to develop, at low rates, the resources of the country and to pay railway companies than the passenger traffic. The German labourer gets about from 1*s.* 4*d.* to 1*s.* 6*d.* a day, and the Irish labourer does not get 1*s.*, I dare say that is the case in the western districts even now. Formerly it was not more than 6*d.*, and in Germany you see the labourers travelling by railways. You see the German women coming in with their large baskets of vegetables or fruit a distance of 10 or 15 miles into a market town at a cost of 3-8ths of a penny per mile, and they make their marketing before 12 o'clock in the day, and go away in crowds. That is not so in Ireland, except in the neighbourhood of Belfast, where it does partly exist. The third-class passengers in Ireland are charged the same fare as the rich part of the people are charged in Germany who travel in upholstered second-class carriages, and the anomaly to any one who frequently visits both countries is so striking as to remove every shadow of doubt as to the impropriety of the rates which exist in Ireland, and the want of accommodation, especially for the poorer classes. I have here facts to show how much the third and fourth class passengers pay in Germany in comparison with the first.

1226. (*Lord Stanley.*) How do you propose to get over this difficulty, that there must inevitably be at first

considerable temporary loss, and that that temporary loss will have to be borne by the shareholders, many of whom have not, and do not intend to retain any permanent interest in the railways, who buy one day and sell the next?—I can see no remedy but an analogous one, just to compare great things with small, to that which we have done in the coal agitation in Germany, to guarantee the railway companies against the loss.

1227. But who do you propose should do that?—I do not think it is practicable in Ireland for any one but the Government or the public, but I think it would be just as to the public.

1228. It is the case of Ireland with which we are now dealing, and what can you suggest that would meet the case?—I think it would be desirable to run the risk of guaranteeing the loss, provided the Government took care to control the carrying out of the experiment.

1229. How do you propose, inasmuch as the loss for a certain number of years will be a certainty, that the Government should recover that which they would sacrifice, for I do not suppose you intend that the Government should grant a subsidy to Irish trade in the form of a guarantee upon which there must be a loss?—I am afraid it would end in their doing so, but I cannot reconcile with any system of sound policy the Government retaining the railways after they had yielded more than a given per-centage in order to recoup the public. If a private company or great capitalist could undertake the management of affairs in Ireland and carry them out firmly, I believe it would pay them right well to lease all the railways in Ireland for 10 or 15 years, and to make experiments in reducing the rates; but I dread the monopoly that would arise from that private company being in sole possession, for they would still be a company with their naturally monopolizing tendencies, and they would probably allow certain lines to get out of repair, and not keep others up.

1230. (*Capt. Galton.*) Why should they let certain lines get out of repair?—Because they could work the traffic cheaper over the others, but in that way the benefits of competition would be lost to the public.

1231. (*Lord Stanley.*) What I understand you to suggest is this, that the Government for a certain number of years, as many as might be necessary, should vote out of the taxes of the United Kingdom what would in effect be a subsidy for Irish trade?—I see no other means of compelling the railway companies to reduce their rates, for they are not open to conviction, and if they were, their shareholders would not allow them to do so for an experiment, otherwise I am totally opposed to the principle that the Government should do so, and there is but one justification of it, which is, that the whole system has been forced upon Ireland by the Government. When the first Railway Commission was brought forward, the late Sir Robert Peel, I remember at the time very well, contended on very large, general, and sound principles, that it was private enterprise, and that private enterprise should be left to have its way, and it would rectify itself; but, unfortunately, the circumstances of Ireland were totally different from those of England. The railway directions that were formed started with tariffs and rates upon the principle of the whole English system, instead of starting with rates which were suited to the country, and I believe that those high rates have tended materially to increase from the very commencement the embarrassments arising out of the state of Ireland.

1232. (*Capt. Galton.*) In what way do you mean that it was forced upon Ireland by the Government?—Because the Government did not accede to the proposition of its own Commission, which was, to have the railways laid out, and executed, in the first instance, by the Government of that day.

1233. (*Lord Donoughmore.*) You have referred to Sir Richard Griffith's Commission, have you not?—No; it was Mr. Drummond's Commission. What I state is, that State management is wrong, or at least it is not the best—that private management is the best—and if I look at the peculiar case of Ireland, and see that the material development of that country is retarded and prevented by the want of a development of its internal resources by a cheap means of transport, which is the very lever by which the improvement of the country could be effected, one finds it difficult to suggest a remedy consistent with sound principle, when the railway companies themselves will not apply one.

1234. (*Lord Stanley.*) Suppose that the Irish railway companies were amalgamated to a certain extent, were in fewer hands and under at the most two or three separate directions, do you not think that a lower scale of fares might be introduced in this way by a gradual reduction first upon one part of an extended line and then upon another part of the line, so that the loss in each instance being spread over the whole line, would be comparatively small?—I do think that amalgamation might effect much, and I have got that down in my notes. My object in bringing before the Commission the question of the German Unions, was to show that many kinds of benefits are accomplished by the union of certain great districts, even though private companies remained in what were called unions of railways; the same idea struck me as to Ireland, that certain great districts of Ireland might be brought into unions, or the whole of them might be brought into a union. But your Lordship's question goes to the effect of consolidating various small companies in that union, and that is a different view of the question. If one could take the whole of the northern system and the whole of the western system, and the whole of the south-western system, and put them each into one company, I believe that that would be the nearest approach to accomplishing the object, and which, in so small a country as Ireland, would be the most suitable for management. It would thereby save expense in rolling stock, and would give facilities that would be of great importance, whilst it would enable the wealthy parts of a line to make up for the deficiencies that existed on the others.

1235. Suppose an arrangement of this kind, say that a company possesses 1,000 miles of railway, and suppose also, as you contend, that the reduction of the fares to one half or to one third would be ultimately profitable, although involving present loss, might you not accomplish the object gradually by lowering the fares upon 1/10th part of the line each year, so that the loss would not be so heavy at any one time as if the reduction had been made over the whole line?—I fear that a reduction on a certain part of a line would attain but little, and I believe that the experiment, whenever it is made in Ireland, should be made rather over the whole line, and if it is desirable to proceed progressively as to amount, I should advocate a reduction to a half, and not to a third at present. The same view would be carried out by making a reduction over the whole line, but not to the whole amount of half at once, although I think you will find that the most experienced railway managers would recommend a quick development of traffic, and in order to quicken the development of traffic and make a certainty of it at once, a reduction to the scale you mean to go to would be expedient, because that would at once give a certainty to every one living in the district. Many people would say, I will start my manufactures now, because I am sure of this state of things, and it will not be changed; whereas, if there was any uncertainty in the matter, a man would wait. I think that every day that this material and simple question as to Ireland is delayed, the chances of improvement in the country are delayed also; that is how it appears to me, quite independently of politics and mercantile vexed questions. I have followed the improvements going on in Ireland during the last few years, and it has always struck me that this is the great lever that is requisite in order to improve the state of that country.

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1236. (*Capt. Galton.*) Has not the reduction in the rates on the German railways taken place chiefly in the case of new traffic; for instance, the traffic which they carry now at those low rates did not exist before, did it?—Yes, there were 200 collieries in the same district, but they could not get the material to or carried by the railways.

1237. (*Mr. Glyn.*) When you went to the German Unions you pointed out to them the certainty of increased traffic, and directly upon that they granted your application for a reduction of the rates?—I could not show them the certainty, as it was then problematical, and depended of course upon the consumption; but I showed them that if certain quantities were carried, if they began with one express train a week, for instance, that that train could go and the waggons return empty, without any back loading, for a farthing per ton per mile, and that during the time they would receive for that train a half-penny per ton per mile; we had to run a risk, and we had to guarantee to the North German Union their full rate for 25,000 tons to Magdeburg.

1238. They did not agree to decrease the rate until you had entered into that guarantee?—No.

1239. (*Mr. M'Clean.*) Did you find your own waggons?—No; the railway companies find them, and we have reduced it very much to that principle now, that the country that wants the coal sends its waggons into the coal-producing country.

1240. If the Government guaranteed the mortgage debt in Ireland so as to enable the companies to borrow money at a low rate, would they undertake to give a low maximum rate for the carriage of minerals?—I do not know how the circumstances stand as to the mortgage debt.

1241. (*Sir Rowland Hill.*) A large portion of the debt has already been advanced by the Government, has it not?—I do not know.

1242. (*Lord Stanley.*) Assuming, as you have done before, that upon a large reduction of the rates a temporary loss and an ultimate gain are equally certain, do you think that the railway companies would be justified in covering that temporary loss by a loan returnable by means of a sinking fund at the end of a few years, the proceeds from the line being applied to keep the returns up to the average at which they had been before?—With the strong convictions that I have as to the ultimate success of the measure I do not hesitate to say that they would be justified to carry out the policy boldly and efficiently. I believe that any railway company would be justified in taking a loan on the terms of repaying it out of future profits, and the profits to arise in the meantime while passing over the period of difficulty.

1243. Making up the deficit in their income by means of a loan?—Yes.

1244. Do you think that might be done without Government help, or Government interference?—Clearly, in the way of a common commercial transaction, but the difficulty that strikes me in the matter is this, how you are to enforce the carrying out of the system, for, of course, it would require a legislative enactment to oblige them to reduce the maximum rates.

1245. And a legislative enactment to authorize them to borrow for that purpose?—Yes, on the condition of their reducing their rates.

1246. Not compelling them?—No.

1247. (*Sir Rowland Hill.*) If the Government guaranteed the railway companies against the temporary loss arising from the diminished charges, would not that have the effect of neutralizing the efforts of the directors to cultivate the traffic for a considerable time?—I am precisely of that opinion, and I have noted that down, that they would go to sleep on the question, and therefore it is that one objects to the circumstance of the Government being the medium by which this should be carried out. But I think the question of the noble Lord would meet the difficulty by leaving it optional to the parties to borrow the money in the open market, in order that they might pass over the critical period.

1248. Should you be prepared to recommend in lieu of your own proposition a guarantee from the Government?—As I have already stated, I should feel the greatest difficulty in advocating any guarantee from the Government.

1249. (*Chairman.*) But you do not see anything else for it?—No, except the leasing or borrowing before referred to.

1250. Do you think that any effect might be produced by lowering the present rates to the extent of one-sixth, or one-fourth at a time?—I think not, after all the consideration that I have been able to give to the question that we have been dealing with. I think it would fail, and in fact it has been tried in a neighbouring union, it certainly has produced some effect, as it has brought some trade by a sort of half measure, but a half measure with such an object in view, I fear is not to be relied upon.

1251. (*Lord Donoughmore.*) I think you have said that on the German railways special or exceptional rates do not exist; that there is a general tariff settled and determined upon by the railway authorities, which tariff the officers of a company have no power to depart from?—None; that is the general principle, there are special rates for Government purposes and special rates for their own service; but for the public in general, everything is fixed and published.

1252. The officers of the company cannot depart from that tariff?—No, speaking of Germany; but in Holland the management was under an Englishman, Mr. Forbes.

1253. I believe you are aware that on both the English and Irish railways the general managers of companies have authority to make special bargains with individuals for the carriage of their goods?—Yes.

1254. And that at points where two companies enter into competition with each other, or where there are two independent routes—say from A. to B.—the managers are constantly in the habit of bidding against each other in the market for the traffic?—I take that for granted, from similar cases that have come under my own observation; but I am not aware of that in Ireland.

1255. How do you think that that practice affects the profits of the railway companies?—I think it has been attended, in one instance at least, with the greatest possible advantage; that is, having various rates to suit the circumstances. For instance, to recur to the Dutch-Rhenish Railway, that system was pursued throughout, but in Germany it does not exist, as I have already stated, that I know of, except in the case of very large arrangements which have been made by me with the companies, and in which, however, they always say, "We will give the same "to any one else; we will do the same for others as "for yourself;" but that was not done by the managers, and not either by the whole board, for I think we had to obtain the sanction of the minister to it. But in Holland they admit of that on the Dutch-Rhenish Railway, which was managed by Mr. Forbes, and the success of that railway originated in that freedom on the part of the manager of which I have spoken. He worked for the interests of the concern. The railway shares, when he commenced with it, were at a very low discount, and they are now paying nine per cent. The 16*l.* shares are at 7*l.* premium.

1256. Has Mr. Forbes's railway to compete with other lines?—It had to compete with a line of navigation, the Rhine, and it also had to compete between Rotterdam and Amsterdam with a line of railway that goes by the Hague.

1257. I suppose that if Mr. Forbes hears that there are 100 tons of goods at Cologne waiting to be taken to Amsterdam, he will endeavour to get the carriage of them?—He will send his messengers without delay to try to get those goods to carry.

1258. He would try to underbid the river conveyance ?—Yes, he makes every exertion through his agents to get the traffic for that railway in that way. People soon began to find the advantage of using the railway, and profits quickly flowed into the treasury of the railway.

1259. (*Mr. M'Clean.*) Do not you think that Mr. Forbes is right in endeavouring to get the traffic at low rates ?—Yes, he is perfectly right in the interests of the railway company.

1260. (*Capt. Galton.*) And in the interests of the public ?—Yes, the result was shown directly, by having cheaper means of transport for the benefit of the public.

1261. (*Mr. Dalglish.*) When you established a coal traffic between your collieries and Magdeburg, I suppose you paid to the railway company a rate which was just the difference between what was the value of your coal at the colliery and the value of the coal which came from England ?—You have stated very nearly the principle.

1262. What fixed the principle ?—It was this. Here was an article to be sold at a certain place ; how was it to be sold there ; there was no previously established market for it, so the producer, the carrier, and the seller or the consumer, must agree upon terms, and it was obliged to be an equalized arrangement between them openly carried out, by which the article could be offered at a price it could sell for, and the three parties should participate equally in the profits. On the other hand, however, I may say that where that has not been done openly, very great injustice has been done, and it has prevented railway companies sometimes from carrying out their mission. In the case of a Government railway, in Bavaria, they gave a great reduction of the rates, and the coal owners took a large benefit from that reduction to themselves, whereas in those arrangements in North Germany, the price of the coal at the colliery was fixed and known to the railway companies in treating for a reduction of the rates.

1263. Do they carry all the other produce of the district to Magdeburg at the same rate per ton ?—They take all other coals, but not all other produce.

1264. There would be a special rate for coal ?—Yes, simply a special rate for coal.

1265. They would not carry agricultural produce at the same rate per ton ?—No ; but the experience which they gained in the case of the coal, has induced them to bring agricultural produce from the eastern provinces to the western at very nearly the same rates, I believe.

1266. Why should not the same principle be applied to Ireland. If the coal masters in England, in Wales, or in Scotland could see their way to establishing a large coal trade to Ireland, why should they not say to the railway companies, If you will deliver our coals at a certain rate, we will send the coals to you ?—In the first place, the railway people will say, We are not buyers of coal ; you must organize a system. What was done in Germany was this—we were forced to be not only the coal owners, but the coal merchants in the distant markets, and organized the system, working hand in hand with the carriers or railway companies for a common benefit in establishing a new trade.

1267. You know that at Magdeburg there was a coal trade ?—There was an English coal trade.

1268. In Ireland, do you know that there is a large demand for coal at any particular point ?—In parts of Ireland there is, but not in the interior, to a large amount ; it has to be created by degrees.

1269. The railways do take coal into the interior, do they not ?—They do ; but it is chiefly for their own consumption, and some small quantities for the country ; for instance, in 1863 the receipts of the Great Southern and Western for coal were 9,430*l.*, over the whole line ; on the Dublin and Dundalk nothing ; and on the Midland Great Western 2,000*l.*, so that there is but a small trade at present. On the Dublin and Wicklow they have only just begun, the receipt has been only 170*l.* ; but they are beginning to carry mineral traffic.

1270. (*Lord Donoughmore.*) Have you got a return of the quantity carried to Limerick ?—No, I have not.

1271. (*Chairman.*) Have you stated most of the principal facts which you desire to lay before the Commission ?—Yes.

1272. Is there any back carriage in the trucks which carry your coals on the North German Union lines ?—Scarcely ever. I have read, in the report of a recent debate in the House of Commons, that the Chancellor of the Exchequer referred to the necessity of a back traffic, and I wish to correct it, and to say that neither in England, nor in Germany, nor in fact in any country where there is a large coal traffic, is there any back traffic, because the waggons could not wait for it, and you would require an enormous rolling stock in the shape of waggons to wait for a reloading at the far end, unless arrangements are made to reload similar articles, such as ores; wherever we have them and organize a quick reloading, it is progressing well, and will progress rapidly in Germany. In England, I believe, there is no back traffic, and the regulations have been made on the supposition that there was no back traffic, and that the waggons go back empty.

1273. With regard to the nature of the German unions of railways, they do not amalgamate, do they? —No ; they only unite for the purposes of the through traffic, and they run their rolling stock, but not their locomotives, over the lines. There are scarcely any running powers in Prussia, at least for one railway company to go over another, with a very small exception, near Minden.

1274. The principle is not uniform rates and tolls? —Only for the through traffic; all the domestic or internal traffic is entirely under the control of each separate company.

1275. (*Mr. Glyn.*) For the through traffic are there uniform rates throughout ?—Yes, generally, not always, I believe ; and those rates are settled between the various members of the union.

1276. (*Chairman.*) As to passenger trains in Germany, are they as frequent as is usually the case on most of the railways in this country ?—They are very frequent in the district with which I am best acquainted. There are courier trains, quick trains, and what are called "personnel" trains, which stop at every station ; they are in both directions increasing yearly on every line, and the fullest possible amount of accommodation is given to the passengers there. A matter of the deepest interest, in comparison with Ireland, is the accommodation which is afforded to the 3rd and 4th class passengers, the persons who can pay the least, the low rates at which they are carried, and the amount that these low rates yield towards the profits of the railway companies.

1277. I understood you to say that there is a general feeling now springing up in favour of a system of competition instead of the present system in which there is none ?—Both on the part of the public and on the part of the Government of Prussia. I do not allude to small Governments which have their own interests involved in their own little state lines.

1278. (*Capt. Galton.*) Has not the Government of Prussia several state lines ?—Yes, and they have the exact state of the case, the cost, and everything yearly published in a report which I have here, and which I can leave with the Commissioners ; it gives the statistics of the railways in Germany, showing which are the state railways and which are the private railways, managed by the State, and which are the private railways managed by themselves, the profits obtained, and the cost of working, and every item of general interest connected with them.

1279. Is that for the year 1863 ?—No, it is for 1862 ; the report for 1863 is not yet published for the whole of Germany.

1280. You have stated that you had coal carried from your colliery to Paris ; what is the distance ?—

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I have been misunderstood; I said that we could have had it carried; the distance is about the same as the distance to Berlin, to which place we do send it.

1281. What is that distance?—I think that is 75 German miles.

1282. What is the total charge for the carriage of the coal per ton?—I can tell you what the cost is presently—the distance to Paris is about 350 English miles.

1283. Cannot English coal be laid down at Paris cheaper than you could lay it down there?—I do not think so. For the best coals I believe they are prepared to pay 1*l.* a ton in Paris as well as I recollect.

1284. That would give you 5*s.* for the price at the pit's mouth?—Much more. Our average price at the pit's mouth has been down to 5*s.* 7*d.* for all classes of coal, but that class of coal would come to 7*s.* or 8*s.* a ton, screened coal, and the railway freight would be about 12*s.* 6*d.* per ton.

1285. (*Chairman.*) Are there any documents that you would like to hand in?—I will hand in the published statistical account (*handing in the same*).*

1286. Have you any written papers of your own that you would like to hand in?—No.

1287. If there are any questions which have been put to you, and which you have not completely answered, you can add to them when you correct your evidence?—I will do so.

The witness withdrew.

Mr. J. Blackburn.

Mr. James Blackburn examined.

1288. (*Chairman.*) You are the president of the Rochdale Merchants' and Tradesmen's Association?—Yes.

1289. Do you complain of the great disparity in the railway fares to Rochdale as compared with other towns in the district?—Yes.

1290. Can you give any instances of the disparity of which you complain?—I cannot complain very much of the fares myself, but I have no doubt that the two gentlemen who are coming to be examined will be able to go more fully into that matter than I can. But with respect to the accommodation and the running of trains, and the great disparity which exists, I can give some information.

1291. Not with regard to the fares?—Not particularly.

1292. Do you complain of the small number of trains?—Yes, as compared with those which run to other towns close to Rochdale; our own neighbouring towns.

1293. Do fewer trains stop at Rochdale, or come to Rochdale, than go to other towns in the neighbourhood?—Yes, considerably fewer than those which go to towns of much less importance.

1294. Is there but one railway company which has access to Rochdale?—That is all; but within the last few months the London and North-western Company, and, I believe, the Great Northern, have obtained running powers to Rochdale, not direct from Manchester, they come by way of Oldham, which does not at all interest us in Rochdale; it is more for the London traffic.

1295. Have most of the other towns, which you think have more accommodation than Rochdale, communications with different railways?—Yes; Oldham is in communication with two, independently of the Lancashire and Yorkshire, together three railway companies.

1296. What towns do you allude to?—Bury, I believe, has none but the Lancashire and Yorkshire, with the exception of the East Lancashire; they are now amalgamated together, so we may call it one Company, that is, to Bury.

1297. (*Capt. Galton.*) Do more trains run to Bury than to Rochdale?—Yes.

1298. (*Mr. Horsfall.*) What is the population of Bury, as compared with Rochdale?—Bury has a smaller population than Rochdale.

1299. Can you give the population of Oldham as compared with Rochdale?—Oldham has a greater population, but the out townships are included.

1300. (*Mr. Gower.*) What is the population of Rochdale?—Over 38,000, that is, the borough; taking the parish, it is over 100,000.

1301. (*Lord Stanley.*) There are large suburbs, are there not?—Yes, and it is an immense parish; there is a very great difference between the parish and the borough. I can give the Commissioners an instance of what I have stated. I will take Oldham; that has 54 trains per day in and out, and all those trains are third class to Manchester and back, including in and out. Rochdale has only 38, in and out, and 22 of those are third class. I must throw out 11 special trains that they run, when the charge is 1*s.* there and back, but we cannot travel by any other train but them at that fare. If I happen to be in Manchester, and I have got one of the return tickets for 1*s.*, I must come back by one of those trains; they would not allow me to come by any other train by paying the difference.

1302. Is not that the case at Oldham also?—No; every train is third class there.

1303. (*Mr. Horsfall.*) What is the distance between Oldham and Manchester?—About eight miles.

1304. You travel 21 miles for 1*s.*, do you not?—We travel 21 miles for 1*s.*, that is to say, 11 trains per day; those are special trains to and from Rochdale.

1305. You do not complain of the fare being too high?—Yes; but we shall get at that shortly. We want further facilities for travelling to different towns. They charge us 3*s.* first class to Manchester, return ticket. Should I be going single to Manchester, they would charge me 2*s.* for a first-class ticket, whilst from Oldham to Manchester and back the charge is 1*s.* 8*d.* for a first-class ticket return.

1306. Is the distance the same?—The distance is rather longer. I believe it is about 8 miles from Oldham to Manchester.

1307. But they charge you 3*s.* for 21 miles, and they charge the Oldham people 1*s.* 8*d.*?—Yes; and I can quote a greater disparity even than that. There is a small village, a small market town, called Middleton; from Middleton to Manchester and back, first class, the charge is 1*s.*, that is not a penny per mile.

1308. (*Chairman.*) That is the regular train?—That is the regular train; every train has a third class; it is 1*s.* first class, and the distance is 12½ miles.

1309. (*Sir R. Hill.*) That is one penny per mile?—1*s.* first-class return. The distance is 12½ miles, and for the journey there and back they charge 1*s.*

1310. The single distance being little more than six miles?—Yes. Because I happen to come to Rochdale, which is five miles further, I must pay 2*s.* to travel that five miles if I travel first class at all; we are placed in that unfortunate position because we are five miles further, which certainly from Manchester makes it 10 miles; and they issue those return tickets at 6*d.* each from Middleton also; that is third class.

1311. (*Capt. Galton.*) How many railways are there to Middleton?—Only the Lancashire and Yorkshire. The charge is 1*s.* 6*d.* second class from Rochdale to Manchester far a single ticket, and 2*s.* return ticket.

1312. (*Mr. Glyn.*) The Lancashire and Yorkshire is the only line to Middleton?—Yes, the Lancashire and Yorkshire is the only line to Middleton, and the only line to Oldham, *viâ* Middleton.

1313. (*Capt. Galton.*) To what do you attribute this difference?—With regard to Oldham it is the competing lines; there are three lines,

* Statistische Uebersichten der in Jahre 1862, in Deutschland, der Schweiz, Frankreich, Belgien, den Niederlanden und Russland im Betriebe gewesenen Eisenbahnen. Cöln, 1864.

1314. But in the case of Middleton ?—It is a matter of 5½ miles by the road, and omnibuses used to run there; but I believe that the railway company have run them off by reducing their fares.

1315. In fact there is no competition by road to Middleton ?—There would be if it was not for this cheaper fare.

1316. There would not be to Rochdale, you think ?—No, it is too far; it is 11½ miles by the turnpike road to Rochdale; but Middleton is about 5½ miles, and that 5½ miles they run it in half an hour; you cannot go by railway in much less time than that; taking it from Middleton to their junction, and then having to go to Manchester afterwards. Then there is the case of Bury, which is something, I believe, like 26 miles there and back; every train has a third class to Bury; they take passengers there and back for 9*d.* third class.

1317. (*Sir R. Hill.*) Twenty-six miles for 9*d.* ?—Yes; that is because there are omnibuses running every half an hour to and from Manchester.

1318. (*Capt. Galton.*) It is further than from Rochdale ?—Yes, by the route they run.

1319. But from Bury there is only one line ?—There are two, but they are amalgamated.

1320. (*Chairman.*) Is Bury 26 miles or 13 miles from Manchester ?—It is 13 miles, but the return journey is 26 miles, at a fare of 9*d.*, whereas they charge us 1*s.* (and it is a great favour) for that 21 miles.

1321. (*Mr. M'Clean.*) Is that lower than they are entitled to charge ?—I believe our secretary will tell you that they are charging considerably above what the Act of Parliament allows them to charge; but those are merely special trains put on after a deputation from our association waited upon them some months ago.

1322. (*Capt. Galton.*) Their ordinary fares are above what the Act of Parliament allows them to charge, you say ?—Yes.

1323. Then why do you not compel them to reduce the fares ?—We are doing our best; our secretary will read the correspondence.

1324. (*Mr. Glyn.*) What is the ordinary fare ?—Three shillings first class, double journey, for 21 miles; 2*s.* is the charge for a return ticket second class, and 1*s.* 6*d.* return ticket third class; all the single fares are 2*s.* first class for 10½ miles; 1*s.* 6*d.* second class for that distance, and 10*d.* for third class, which is just under a penny per mile.

1325. (*Mr. Horsfall.*) What is the maximum fare which the company could charge ?—I cannot say. I believe it is 1½*d.* per mile.

1326. (*Chairman.*) Those are the return fares, except on those special trains ?—Yes, except on those special trains.

1327. There are 11 of them, are there not ?—Yes, six one way and five the other way; but every station they run to besides are at the ordinary fares only.

1328. (*Capt. Galton.*) How many third-class trains are there to Rochdale ?—There are 22 trains a day, in and out, and 11 of those are special trains, which are no use to the trading public of Rochdale, because we must come back by them.

1329. (*Chairman.*) Are they inconvenient hours for returning ?—Very inconvenient hours. I went the other day. I was too late; there was another third class. I said, "Can I go on to Rochdale by "paying the difference in the fare;" they said, "No, "you will have to go by the train you booked by;" so I said, "Can I go by the second-class train," and they said, "Not unless you pay the full fare."

1330. (*Mr. M'Clean.*) Was this other train a through train ?—Yes, the through train to Yorkshire.

1331. Do you think that the railway company could regulate the through traffic properly if they allowed the local traffic to interfere with it ?—I have no doubt they could. They have also got the canal in their own hands, and they have raised the freights on that canal. Some short time ago they bought the interest in the canal; so you see that as far as the goods traffic is concerned, they have it all in their own hands; they can charge what rates they think fit.

1332. (*Chairman.*) Do you complain of the rates with regard to goods ?—The goods question is a very important feature, which our secretary will go into.

1333. Is there any other point which you would wish to state yourself ?—The is one other point which I should like to speak to. I am not fond of Sunday travelling, but merely to show the position they place our town in with regard to Rochdale. Should I be in Manchester on Sunday, I cannot get to Rochdale from a quarter past 10 in the morning until 10 minutes past 5 at night. Oldham has three trains during that time. I should have to wait in Manchester seven hours. It is almost worse than that from Rochdale to Manchester. I cannot go from Rochdale to Manchester from 25 minutes past 1 in the afternoon until 9 o'clock at night; that is, I should have to wait for eight hours. In those other towns it is different. I believe Middleton has four trains during that time in the afternoon; and I believe that Oldham has three trains; they have three and four trains while we are standing for eight or nine hours in Rochdale.

1334. (*Mr. M'Clean.*) Can you go to Bolton ?—No, we can only go to Bolton by three trains on a Sunday; but Oldham has considerably more trains than we have to Rochdale, also from Liverpool.

1335. (*Mr. Horsfall.*) You do not complain of that ?—Not at all. I merely show our position as compared with Oldham.

1336. You would not propose that extra trains should be put on on Sunday ?—No, it is merely to show how we are trifled with, even if we did require more trains.

1337. I should suppose you would rather object to the company putting more trains on ?—No, I should only like to be set on a par with other towns.

1338. (*Capt. Galton.*) You complain of the inequality ?—Yes. If I was called upon a very important errand, such as to visit a sick friend in Manchester, I should have to put the horse in my gig, or have to wait at Rochdale for nine hours. I could not go by train. There are circumstances which happen in men's lives when Sunday travelling is very important. I am no Sunday traveller myself. I am generally very glad to stay in on Sundays.

1339. (*Chairman.*) Is that the only line of railway between Oldham and Rochdale ?—It is a branch from their main line; their main line is the Middleton junction. It is exactly a mile from their junction, and it has been opened about two years now. Oldham has 16 trains on Sunday, while we have only eight, which is two to one.

1340. There are three different companies which have lines between Oldham and Manchester, are there not ?—Yes, there are three different companies which run into Oldham, that communicate with Manchester.

1341. (*Earl Donoughmore.*) The most direct line is the Lancashire and Yorkshire, is it not ?—That is the most direct line.

1342. (*Mr. Horsfall.*) Do you not think if the railway company saw it was for their advantage they would put more trains on ?—I cannot speak to that. One would be led to think that they are not studying their advantage now by running those special trains for 1*s.* The better class of individuals, men of very high standing in Rochdale, are travelling by the 1*s.* trains, because they cannot get a reduced first-class train; they are called ticket-of-leave trains, or Surat trains, even by the company's own officials. Some of the most wealthy men travel by those trains.

1343. You do that to vex the railway company ?—If we cannot have cheap first-class fares, we must take the cheapest fare we can get.

1344. (*Chairman.*) Is there any other statement you wish to make to the Committee ?—No.

The witness withdrew.

Mr. J. Fletcher.

5th May 1865.

Mr. JAMES FLETCHER examined.

1345. (*Chairman.*) You are secretary to the Rochdale Merchants' and Traders' Association, are you not ?—Yes.

1346. The people at Rochdale, I believe, complain that they are not faily treated by the railway companies as compared with other towns ?—They do.

1347. Can you give instances of the treatment of which your association complain ?—Yes. We complain that we have not a sufficient number of trains compared with the neighbouring towns in the district; for instance, Bury, Oldham, and Middleton. I am speaking of Manchester. Now to those places we have, with very few exceptions, second and first class fares only.

1348. You speak of the number of trains between Manchester and those different towns ?—Yes, for the moment I do. Up to the 1st of March last there was only an opportunity of coming from Manchester to Rochdale by six trains at third-class fares. On the 1st of March, after an interview which we had with the directors of the Lancashire and Yorkshire Company, they put on extra trains, which they called special service trains, and those special service trains go from Rochdale to Manchester and back for 1*s.*; but those trains are fixed at certain times in the day, and a passenger going down by one of those is obliged to come back by it. He can only come back at the time fixed for him. For instance, if he goes down at 2 o'clock in the afternoon, he must come back either at 4 o'clock or a quarter past 7 in the evening. We find that from Bury, passengers can book third class by all trains to Manchester, and the same remark applies to Ashton, Oldham, and Middleton. From Bury to Rochdale we can only come by three trains at third-class fare during the day. From Rochdale to Bolton we can only go by four trains in the day. Then we complain again of the fares to Liverpool. In booking to Liverpool, return ticket, second class, the fare is 7*s.* 3*d.*, which is the same fare as is charged from Oldham, it being six miles further each way.

1349. (*Mr. Horsfall.*) What is the distance from Rochdale to Liverpool ?—About 40 miles against 46 miles from Oldham.

1350. What is the fare ?—7*s.* 3*d.*

1351. (*Chairman.*) For the double journey ?—For the double journey.

1352. (*Capt. Galton.*) You can change carriages at Rochdale and pass through to Oldham, can you not ?—Yes.

1353. They charge less from Oldham to Liverpool than they do from Rochdale ?—They charge the same now; recently we have obtained a reduction of 1*s.* 3*d.* since we have been agitating the question.

1354. (*Earl Donoughmore.*) We understood from the last witness that there is great competition at Oldham and none at Rochdale, is that so ?—Yes; that is the position we are placed in. In the fares down to Manchester, which I may say we complain about most severely, we asked the directors of the Lancashire and Yorkshire Company to give us return tickets to Manchester and back for 2*s.*, first class; 1*s.* 6*d.*, second class; and 1*s.*, third class; those fares to be available by every train. In answer to that we obtained the special service trains I have spoken of, and that is all the concession the directors have made.

1355. (*Capt. Galton.*) Do they send only one class for those special service trains ?—You can take any class you like, but the passenger booking at special service or third class must return by the train at fixed times.

1356. What is the fare ?—1*s.*, third class.

1357. What is the first-class fare ?—There is no alteration.

1358. You go at the ordinary fare ?—Yes.

1359. And you can go back by any train ?—Yes.

1360. But the third class is a special rate, and you must go by that ?—Yes.

1361. (*Mr. Horsfall.*) At what hour does the earliest special train start ?—It starts from Rochdale at half-past seven.

1362. May you not come back by the special train at a quarter past seven in the evening ?—Yes.

1363. Or by any special train which runs on the same day ?—Yes; decidedly.

1364. Either at two o'clock, four o'clock, or a quarter past seven ?—Yes.

1365. (*Chairman.*) Are the fares by those special trains lower than the fares from Oldham and Bury by the ordinary trains ?—No; they are not so low in proportion.

1366. (*Mr. M'Clean.*) Do you know what fares are authorized by the Act of Parliament ?—2*d.* first class, 1½*d.* second class, and 1*d.* third class.

1367. Is the actual charge higher anywhere ?—It is higher in the Yorkshire districts, I believe, than the fares authorized by the Act.

1368. (*Capt. Galton.*) Is the first-class fare to Bury higher than is authorized by the Act of Parliament ?—They charge 10*d.* second class to Bury; it is about six miles.

1369. (*Mr. Horsfall.*) Which company is that ?—The Lancashire and Yorkshire.

1370. Do they charge more than the legal fare ?—I think so.

1371. (*Capt. Galton.*) Have you no means of compelling them to reduce the fares in the ordinary course of law ?—We have never threatened anything of that kind; we have been trying to do it conciliatorily.

1372. (*Mr. Glyn.*) Is 2*d.* per mile their maximum charge ?—I think it is so stated on their boards.

1373. (*Sir R. Hill.*) Is that the fare or a toll ?—The fare.

1374. You speak of its being on their boards ?—Yes.

1375. Are you not confounding the fares and tolls? —I was told, and I have understood, that they were the fares.

1376. (*Capt. Galton.*) Have you ever brought to the notice of the company the fact of their charging higher than the maximum fares authorized by the Act ?—No, I think not.

1377. You did not mention that at the interview which you have spoken of with the directors ?—No.

1378. (*Chairman.*) Do you attribute those disadvantages under which you are placed in Rochdale to there being no competing line ?—We do.

1379. Are the Lancashire and Yorkshire and the London and North-western Companies actually competing between the other towns; for instance, between Bury and Manchester ?—Between Bury and Manchester there is the East Lancashire, which has recently amalgamated with the Lancashire and Yorkshire. To Bury the trains have to compete with omnibuses from Manchester, and in consequence of that competition they send special trains to Manchester and back for 9*d.*

1380. (*Earl Donoughmore.*) For 9*d.* third class ? —Yes, third class.

1381. That is further than to Rochdale ?—Yes, considerably.

1382. (*Chairman.*) Why cannot they set up omnibus competition ?—They can run the distance from Bury to Manchester, but they could not make the omnibuses pay on the Rochdale road.

1383. (*Earl Donoughmore.*) Is that a very hilly road ?—It is rather hilly, but it is a very good road.

1384. (*Mr. Glyn.*) There is not the same amount of population, I suppose ?—There is not the same amount of population as there is on the Manchester and Bury road.

1385. (*Chairman.*) You have also complaints to make with regard to the carriage of goods, I believe ? —Yes; I will mention one instance. In cotton,

which is very much consumed at Rochdale and the neighbourhood, the rate for cotton from Liverpool to Rochdale is 12*s.* per ton; to Heywood, which is only three miles nearer Liverpool, it is 10*s.* per ton.

1386. (*Capt. Galton.*) On the same line?—On the same line.

1387. What is the whole distance?—About 40 miles. From Liverpool to Oldham, coming through Rochdale, which is six miles further, the rate is 10*s.* 10*d.* as against 12*s.* to Rochdale.

1388. (*Earl Donoughmore.*) There is, again, competition at Oldham and none at Rochdale?—Yes; the consequence is, that the spinners at Rochdale consign the cotton to Heywood, and cart it to Rochdale.

1389. (*Mr. Glyn.*) There is a canal to Heywood, is there not?—Yes.

1390. (*Earl Donoughmore.*) I thought you said that the canal was in the hands of the railway company?—It is considered to be so; still, that has been alleged as the cause of the difference in the rates.

1391. (*Mr. Horsfall.*) Are the rates the same by canal and railway?—I believe they are the same. One of the directors of the railway company fetched his cotton from Heywood two years ago.

1392. (*Captain Galton.*) What is the cost of cartage per mile per ton?—It is under 2*s.* for the distance from Heywood.

1393. For the three miles?—Yes.

1394. (*Mr. M'Clean.*) Is the cotton delivered by the railway company?—They charge 1*s.* per ton in addition for delivery.

1395. (*Chairman.*) That charge is the same at all places?—Yes, but the carriage is 1*s.* 2*d.* per ton less to Oldham than it is to Rochdale.

1396. (*Mr. Horsfall.*) Do you know the quantity of cotton brought from Liverpool to Rochdale in the course of the year?—No, but it is a very considerable quantity.

1397. You have not made any calculation with regard to the aggregate amount of loss arising from the difference in carriage?—No, I have not. The average for the last three years from Liverpool has been very small comparatively. It would form a very serious sum if the trade was in its usual state.

1398. (*Capt. Galton.*) Has this disparity which you complain of prevailed for long?—For a considerable time. It was only at the remonstrances of the Rochdale people that the rate was lowered; it was formerly 13*s.*; they have reduced the rate to Rochdale 1*s.*, and put on 1*s.* to Heywood, since the agitation.

1399. It used to be 9*s.* to Heywood and 13*s.* to Rochdale?—Yes.

1400. (*Mr. Horsfall.*) The company do listen to your remonstrances then?—To some extent they have done so. We have a few particulars to Liverpool. For produce, such as sugar, from Liverpool to Rochdale it is 13*s.* per ton, to Oldham it is 12*s.* again.

1401. (*Mr. Glyn.*) That difference prevails with regard to all classes of goods in fact.—It does.

1402. (*Chairman.*) There are two lines from Liverpool to Oldham?—Yes; the London and North-western and the Lancashire and Yorkshire.

1403. Is the charge the same by whichever line it goes?—It is more particularly the Lancashire and Yorkshire line that I speak of. Most of the produce comes by the Lancashire and Yorkshire to Rochdale; it comes direct, and it is easier loading from the dock warehouses.

1404. Would the London and North-western take it to Rochdale at lower rates?—The London and North-western do not go to Rochdale; only through Oldham.

1405. They go to Oldham, do they not?—Yes, they go to Oldham, but they do not carry goods to Rochdale through Oldham; all the cotton practically comes by the Lancashire and Yorkshire.

1406. (*Mr. Glyn.*) How long have the London and North-western Company had a line open to Oldham?—I should say that the London and North-western Company have had their line open to Oldham for four or five years. The same remarks that apply to cotton apply equally to timber. There is a very extensive timber merchant at Rochdale. He told me that on one cargo of timber he could have had it carried to Oldham at a cost of 90*l.* less than he had it brought to Rochdale. Of course it was a very large cargo.

1407. (*Capt. Galton.*) Carried through Rochdale?—Carried through Rochdale. The consequence is that the timber merchants at Oldham can undersell the Rochdale merchants in the various villages round about. The carriage makes a very great difference in the price of timber.

1408. (*Mr. Horsfall.*) Do you know the extent of that cargo?—I could not state the extent of it, but it was very heavy. In machinery for export from Rochdale to Liverpool, the rate is 13*s.* per ton, and from Oldham, notwithstanding the extra distance again, the carriage is 12*s.* 3*d.* per ton.

1409. (*Mr. Glyn.*) The same principle applies throughout, in fact?—Yes, all through. It is only a repetition of the same remarks that will apply to all goods. Mr. Lawton, a member of our committee, will give you more particulars.

1410. (*Chairman.*) Is there any other point that you particularly wish to state to the Committee?—No. Mr. Lawton is carrying goods constantly and paying for them, and he has a great many instances to furnish to the Committee.

1411. Is he a Rochdale merchant?—Yes, in the iron trade.

The witness withdrew.

Mr. Robert Lawton examined.

1412. (*Chairman.*) You are a merchant at Rochdale?—Yes.

1413. In what trade?—I am a machine broker and general dealer.

1414. Do you complain of the railway charges to Rochdale being higher than to other towns in the neighbourhood?—Yes.

1415. Will you give the Committee instances?—From Hull to Rochdale the rate is 4*s.* per ton less than to Oldham, coming through Rochdale, and six miles further. Last September I bought a quantity of boilers at Market Harborough, and I booked several of them to Rochdale at 30*s.* per ton. Thinking that this was a high rate, I went to the company, and asked the rate to Manchester; I was told that it was 13*s.* 4*d.*, and I booked the remainder to Manchester at 13*s.* 4*d.* It is 30*s.* to Rochdale, but I re-booked from Manchester by the Lancashire and Yorkshire at 3*s.* 4*d.*, making together 16*s.* 8*d.*, thereby saving 13*s.* 4*d.* per ton.

1416. (*Mr. Glyn.*) That was by the Midland I suppose?—No, by the London and North-western. There was a saving of 13*s.* 4*d.* per ton by booking twice.

1417. (*Capt. Galton.*) What is the cause of that difference?—I cannot say. By booking to Oldham and Manchester I can save 25 per cent.

1418. (*Mr. Glyn.*) Do the London and North-western Company book direct to Rochdale?—Yes.

1419. They have no direct line to Rochdale, have they?—No, but they run their carriages through. They have conveyances there.

1420. (*Chairman.*) The Hull traffic would come over the North-eastern, would it not?—Yes; and down the Lancashire and Yorkshire, from Normanton.

1421. Have you any other instances to give the Committee?—Sough station, near the neighbourhood of Blackburn, all on the Lancashire and Yorkshire Company's line; I booked machinery last October.

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The rate to Rochdale for 18 miles is 12*s.* 6*d.* per ton; to Manchester, 18 miles, 9*s.* 2*d.*; and to Oldham, 24 miles, 10*s.*; all of which has to pass through Rochdale.

1422. (*Mr. Horsfall.*) What line was that?—All by the Lancashire and Yorkshire. There is another instance, Haslingden station, on the Lancashire and Yorkshire. The rate to Rochdale for machinery, a distance of 15 miles, is 10*s.* per ton; to Manchester, 18 miles, 6*s.* 4*d.* per ton; and to Oldham, 21 miles, 8*s.* 4*d.* per ton. That is all on the Lancashire and Yorkshire railway.

1423. (*Mr. M'Clean.*) Does that exclude the collection and delivery in each case?—Yes, in each case. From Blackburton, in Westmoreland, the rate for machinery is 8*s.* per ton less to Oldham than if left at Rochdale, though coming through Rochdale, and six miles further in distance. The Lancashire and Yorkshire railway runs 39 miles of the distance on their own line. The rate from Halifax to Manchester, 33 miles, is 14*s.* per ton; from Halifax to Oldham, 29 miles, 14*s.* per ton; from Halifax to Rochdale, 23 miles, 16*s.* per ton; all on the Lancashire and Yorkshire Company's line, and all through Rochdale. From Lancaster to Rochdale the rate is 12*s.* per ton; from Bay Horse station to Rochdale, being four miles nearer, the charge is 17*s.* per ton; from Benton to Oldham, which is 15 miles further than Lancaster, and passes through Rochdale, making together 21 miles further than to Rochdale, the rate is 10*s.* per ton; this is 2*s.* less than from Lancaster, and 7*s.* less than from the Bay Horse station.

1424. (*Chairman.*) From the Bay Horse station to Rochdale is nearer than from Lancaster to Rochdale?—Yes, it is four miles nearer Rochdale.

1425. (*Capt. Galton.*) It is nearer from Halifax to Rochdale than it is to Oldham on the same line, is it not?—Yes.

1426. Halifax has only the Lancashire and Yorkshire to accommodate it?—Not direct to Oldham.

1427. Can you account for that difference?—No, I cannot; it is the same as those other cases.

1428. No; there are other railways; but in the case of Halifax and Oldham there is no second line; is not that so?—Many of those places are on the Lancashire and Yorkshire, and there is no competing line; there is only the Lancashire and Yorkshire.

1429. (*Mr. Horsfall.*) Have you made representations to those companies about these inequalities?—Yes; I have been with a deputation to the directors, and I mentioned those cases; they promised to make concessions, but they have not done so; in fact they wrote to say that they had altered certain rates in the East Lancashire district. I have been to inquire and I find that they have not done so. There is no competing line, and they charge us 25 or 30 per cent. more to Rochdale than they do to Oldham.

1430. Does the same remark apply to Leeds?—I have not much traffic with Leeds.

1431. (*Earl Donoughmore.*) Are you a manufacturer of machinery?—I am a machine broker; I buy and sell machinery.

1432. (*Mr. Roebuck.*) Are there other people in the same line at Oldham?—Yes.

1433. Do you find that the advantage which the Oldham people have in lower rates is a serious disadvantage to you?—It is very serious; they have better markets than I have, and I pay 25 per cent. more rom any part of England than they do at Oldham.

1434. With heavy machinery I suppose the cost of transport enters very largely into the total cost of the article?—Just so.

1435. (*Chairman.*) Have those grievances been of long standing?—Yes.

1436. Have you often made complaints to the Lancashire and Yorkshire Company?—I have often made complaints to the officials at the Rochdale station. I have been only once before the directors. I had as much as 12*l.* or 13*l.* deducted once for overcharges.

1437. They do allow you a reduction afterwards?—They give me a fixed rate; they do not bring in their accounts as they give the rates. Within a fortnight I have had a reduction to Blackburn and Rochdale.

1438. (*Capt. Galton.*) Do those high rates operate disadvantageously to Rochdale, to prevent people from opening manufactories there?—I should think it must. They have not the same chance as the neighbouring towns have. I have had some thoughts of removing to Oldham. It would make a difference of 200*l.* or 300*l.* a year to me.

1439. (*Mr. Horsfall.*) Of course it presses more heavily on heavy goods?—Yes. We have large machinery makers in our neighbourhood. The principal goods go to Lancaster, Wigan, and the neighbourhood of the Lancashire and Yorkshire line, and they charge us from 25 to 30 per cent. more than the Oldham people pay for their machinery, which has to come through Rochdale.

1440. (*Mr. Glyn.*) This heavy charge applies to all classes of goods, I presume?—Yes, to all goods that I have had any experience of.

1441. (*Mr. M'Clean.*) Does it apply to coals?—I cannot speak to coals. In half a dozen of those cases which I have quoted there are no competing lines to Oldham; it is all on the Lancashire and Yorkshire.

1442. (*Chairman.*) Even though the traffic is all in the hands of the Lancashire and Yorkshire Company, Rochdale is placed at a disadvantage compared with other places?—Rochdale is placed at a disadvantage to the extent of 30 per cent. I send carts 10 or 15 miles from Rochdale. I can get it done cheaper and better and at a less risk of breakage.

1443. Can you assign any reason for the proceedings of the Lancashire and Yorkshire Company with regard to Rochdale?—No; only that we have no competition at Rochdale.

1444. (*Capt. Galton.*) Can you suggest any remedy for this?—I cannot suggest any remedy but a competing line; it is a very serious thing to the Rochdale people.

1445. (*Mr. Horsfall.*) And if you had got a competing line they would amalgamate perhaps?—Yes.

1446. (*Earl Donoughmore.*) What would you think of obliging the railway companies to charge equal mileage rates for the same class of goods all over their systems?—It would be a very good system, and it ought to be adopted. All railway companies should carry a certain class of goods at certain rates.

1447. You wish that they should not have that power to favour one place by giving a lower rate than to other towns?—Just so. I think they should not have the power to do so. I will give you some more instances. From Hull to Rochdale by a third class train, the fare is 5*d.* less than it is from Hull to Oldham, which is six miles further. It is the Midland Railway to Normanton and then Lancashire and Yorkshire from Normanton; but they have to convey the Oldham passengers through Rochdale, and although it is six miles further, they take them for 5*d.* less third class.

1448. But there is a competing line from Normanton to Oldham that does not pass through Rochdale at all; the London and North-western comes there by Saddleworth, does it not?—Perhaps there may be competition, but I was not aware that the London and North-western ran up to Normanton.

1449. (*Chairman.*) Are there any other of those disparities to which you wish to call attention in particular?—There are three very serious disparities on the Lancashire and Yorkshire. To Haslingden there is about 40 per cent. difference. It is 18 miles to Manchester, which is 6*s.* 4*d.*, Rochdale is 10*s.* This is on the Lancashire and Yorkshire; there is no competing line there, it is all their own line.

1450. Can you give the Committee any explanation of that?—No; we waited on the directors, and they promised to remedy it, and to put us on an equal footing, but they have made no alteration.

1451. Is there any other matter to which you would wish to call the attention of the Committee?—No.

1452. Will you hand in the tabular statement which you hold in your hand ?—Yes.

The same was handed in, and is as follows :

MACHINERY AND IRON.

September 1st 1864.—Lines used, London and North-western.

Market Harborough to Rochdale. I sent several old boilers from this place direct to Rochdale, the charge being after the rate of 30*s.* per ton.

10½ miles, Lancashire and Yorkshire.

Finding the rate heavy I booked the next lot just to Manchester at a charge of 13*s.* 4*d.* per ton, and re-booked there by the Lancashire and Yorkshire at 3*s.* 4*d.*, making together 16*s.* 8*d.*, thereby saving 13*s.* 4*d.* per ton.

Sough Station, near Blackburn, all on Lancashire and Yorkshire Company's Line.

Rate to Rochdale for machinery, 18 miles, 12*s.* 6*d.* per ton.
„ to Manchester „ 18 „ 9*s.* 2*d.* „
„ to Oldham „ 24 „ 10*s.* „

Haslingden Station, Lancashire and Yorkshire.

Rates to Rochdale for machinery, 15 miles, 10*s.* per ton.
„ to Manchester „ 18 „ 6*s.* 4*d.* „
„ to Oldham „ 21 „ 8*s.* 4*d.* „

From Blackburton in Westmoreland machinery is 8*s.* per ton less to Oldham than if left at Rochdale, though coming through Rochdale, and six miles further in distance. Lancashire and Yorkshire railway have 39 miles of it on their own line.

GOODS TRAFFIC.

Rates.

Halifax to Manchester, 33 miles, 14*s.* per ton.
Halifax to Oldham, 29 „ 14*s.* „
Halifax to Rochdale, 23 „ 16*s.* „

All through Rochdale, and on the Lancashire and Yorkshire Company's own line. *Mr. R. Lawton.*

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Lancaster to Rochdale - - - 12*s.* per ton.
Bay Horse Station to Rochdale, being four miles nearer - - - - 17*s.* „

Benton to Oldham, which is 15 miles further than Lancaster, and passes through Rochdale, making together 21 miles farther than to Rochdale, 10*s.* per ton.

This is 2*s.* less than from Lancaster, and 7*s.* less than from Bay Horse Station.

PASSENGER TRAFFIC.

Hull to Rochdale by 3rd class train is 5*d.* less than Hull to Oldham, six miles further.

Leeds to Rochdale.—There is a 3rd class train that leaves at 5.30 P.M., and it is the last 3rd class train that passengers can book to Rochdale by, but there is one at 8.10 P.M., where the fare is 1*s.* 9*d.* less to Manchester than to Rochdale by the same train.

Rochdale to Bolton.—Return tickets 2nd class was 2*s.* 10*d.* until lately. Distance there and back 25 miles, 2*s.* 6*d.*

Oldham to Bolton.—Return tickets 2nd class. Distance there and back 37 miles, 2*s.* 9*d.*

Middleton to Manchester.—Return tickets at 3rd class fares are issued by every train. 3rd class 6*d.*, 1st class 1*s.* Distance 5½ miles.

Middleton to Rochdale, and Rochdale to Middleton.—Passengers cannot get this journey for less than 1*s.* 8*d.*, with the exception of about two trains a day at 1*s.* 2*d.* The distance being the same as from Middleton to Manchester, charge 6*d.*

Rochdale to Bury, and Hayward to Oldham.—The same remark as above will apply.

Preston to Todmorden, *viâ* Rochdale, distance 42 miles, 3rd class single fare is 2*s.* 6½*d.*

Preston to Rochdale, distance 33 miles, 3rd class fare is 2*s.* 9*d.* single.

The witness withdrew.

Adjourned to Wednesday next at 12 o'clock.

Wednesday, 10th May 1865.

PRESENT :

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
THE RIGHT HON. ROBERT LOWE, M.P.
J. A. ROEBUCK, ESQ., M.P.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ.
J. R. M'CLEAN, ESQ., PRES. INST. C.E.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

HIS GRACE THEDUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. WILLIAM FORBES examined. *Mr. W. Forbes.*

10th May 1865.

1453. (*Chairman.*) You have been for many years, I believe, engaged in the management of railways, both in England and in Ireland ?—Yes, for the last 20 years.

1454. What railways have you been connected with in Ireland ?—With the Midland Great Western of Ireland, and the Great Northern and Western. I will explain to your Grace on the map.

[The witness pointed out, on the map, the lines of railway with which he had been connected.]

1455. Are you now manager of both those lines of railway which you have mentioned ?—Not at the present time ; I have left Ireland for about a month.

1456. Up to a month ago were you the manager of both the Midland Great Western and the Great Northern and Western lines ?—Yes.

1457. Had you then opportunities of becoming well acquainted with the districts traversed by those railways ?—Certainly with regard to those, and I am tolerably well acquainted with all the systems of railways in Ireland.

1458. Have you formed any opinion as to the effect of the present rates and fares which are charged upon the Irish railways, and whether they are calculated or not to develop, as far as possible, the traffic of the country ?—In my opinion they are prohibitory of any development of the traffic, and have been so ever since I have known the country.

1459. Can you adduce any facts to corroborate your opinion ?—Yes. I have had occasion frequently to compare the rates charged in Ireland with those charged upon other railways, and particularly in England, and in the majority of cases the Irish rates are as high, and in some cases higher, than on the English lines of railway ; and considering that Ireland is a very poor country, I do not think that that is a fair state of things, because the lines have been made cheaply, and they have to accommodate a poor population. I therefore think that the rates there should be considerably lower than the rates in England. Practically, since the opening of the railway system in Ireland, nothing has been done in the way of experiment ; they started with the English rates, English passenger fares were established in Ireland, and they have done nothing to alter them ; they have not tried to lower the rates ; I think the result would be a very large increase in the traffic, and a great benefit to the country, if they tried a very much lower scale of rates.

1460. (*Lord Donoughmore.*) Did you recommend to your directors that an experiment of that kind

Mr. W. Forbes. 10th May 1865.

should be tried?—Yes; but I was always obliged to accompany it with the explanation that anything in the way of an alteration must be a very liberal one indeed, quite as much as 50 per cent., and that the effect of that would be no doubt a loss of dividend for two or three years, or even for a longer time, but that the Boards of Directors have regarded as a very unpalatable proposition, and they have never been able to accept it.

1461. (*Mr. Glyn.*) Do your remarks apply both to passengers and to goods?—Yes.

1462. (*Chairman.*) Are the fares charged for passengers upon those railways at the present time as high as those charged in England?—Yes.

1463. Is it so also upon goods?—Yes.

1464. Are the rates in any cases higher?—They are higher upon goods, and upon one article, coal, which no great effort has been made to carry on the Irish lines of railway, they are twice as much.

1465. (*Capt. Galton.*) What is the rate charged for coal?—The minimum rate is $\frac{3}{4}d.$ a ton on the Midland Great Western, but upon other lines it ranges from $1d.$ to $1\frac{1}{4}d.$, and sometimes as high as $1\frac{1}{2}d.$ per ton per mile.

1466. (*Mr. Hamilton.*) What is the rate charged in this country?—$\frac{1}{2}d.$ per ton per mile.

1467. What is the minimum and what is the maximum rate on the English lines?—I think you may take it, that the general rate all over the country for coals from the north and from Wales is $\frac{1}{2}d.$ per ton per mile.

1468. Are you not aware that many railway companies carry coals for $\frac{3}{8}$ths of a penny per ton per mile?—No.

1469. (*Mr. Horsfall.*) Can you state what is the lowest rate that is charged on grain in Ireland?—For long distances it is about $1\frac{1}{4}d.$ per ton per mile, but $1\frac{1}{2}d.$ is the average rate.

1470. What is the difference in the charge for taking goods 20 or 30 miles and taking them a longer distance?—For the first 50 miles the general principle is to charge $1\frac{1}{2}d.$ per ton per mile, and for a further distance of 25 miles $1\frac{1}{4}d.$ per ton per mile, beyond that $1d.$ per ton per mile.

1471. Does that include the terminal charges?—No, there is $1s.$ charged at each end for terminals.

1472. (*Capt. Galton.*) Where does the coal come from?—From England entirely.

1473. To what ports does it come?—To all the ports, including Dublin. The Midland Great Western system is supplied entirely from Dublin.

1474. Does the port of Sligo furnish any coal?—A very small quantity indeed, and that is for local consumption.

1475. Is it carried by sea to Sligo?—Yes.

1476. Would a rate of $\frac{1}{2}d.$ per ton per mile, or any lower rate, say $\frac{3}{8}$ths of a penny, enable the coal to be carried from Dublin to Sligo?—Yes. I think that the coal could be carried at a rate of $5s.$ a ton all over Ireland, that being the maximum rate, for a distance of 120 miles, at $\frac{1}{2}d.$ per ton per mile.

1477. (*Chairman.*) Is the coal traffic very limited in Ireland now?—Yes. The Midland Great Western Company's system extends over about 330 miles, and the traffic upon that in coals is only 200 tons a week.

1478. (*Mr. Hamilton.*) What are the worst gradients on that line?—On the main line the worst gradient of any extent is about 1 in 90; they are very fair gradients.

1479. (*Lord Donoughmore.*) The curves are bad, are they not?—Near to Dublin they are; they follow the line of the Royal Canal.

1480. (*Capt. Galton.*) At what price is the coal delivered in those ports by ship?—In Dublin it is delivered at from $11s.$ to $12s.$ a ton.

1481. Could it be then delivered on the Midland Great Western line at $16s.$ a ton?—Yes, I believe so.

1482. What price is it now sold at at the station?—It has never had any fair trial yet, but the price ranges from $23s.$ to $30s.$, the fact being that it is not used, except by some few noblemen, who can have a cargo brought over, or who may order 10 or 20 tons at a time.

1483. Do you think the coal would entirely supersede the peat?—Yes.

1484. Even on the Midland Great Western line?—Yes. I believe that if the price of the coal was $1l.$ a ton it would entirely supersede the use of turf procured at their own hall doors; and I consider that if coal was supplied at $1l.$ a ton it would be more economical fuel than turf.

1485. (*Lord Stanley.*) Is not a great deal of the labour supplied by the peasantry at times when their labour is of no other value to them?—No; because I know that they are very often engaged in saving turf when they ought to be doing something else.

1486. (*Mr. Hamilton.*) Are you aware what the gradients are upon the principal coal-carrying lines in this country?—Yes; on the Great Northern, that I was connected with, I had charge of a division of it.

1487. Do you suppose that there are any gradients on the Great Northern Railway as adverse as 1 in 90?—For some short distances only; the one that I gave you is, I think, the worst gradient that there is, except one coming into the station at Dublin, that is a descending gradient into the station, and that is about the worst gradient that there is; it is a very favourable line.

1488. The cost of carrying coal, I presume, would depend very much upon the gradients of the line?—Yes.

1489. (*Chairman.*) Have you ever urged upon the directors of the railway with which you have been connected the policy of trying the effect of a reduction of the rates upon coal especially?—Yes; when I joined them I found that the rate was about $1\frac{1}{4}d.$ per ton per mile; I recommended them to reduce it to $\frac{1}{2}d.$, but I induced them eventually to reduce it to $\frac{3}{4}d.$

1490. What was the effect of reducing it from $1\frac{1}{4}d.$ to $\frac{3}{4}d.$?—That the traffic increased, I think, about 25 per cent.

1491. That was attended with loss probably?—No, I think not; the reduction that was made was not sufficient to create any loss. I think that anything short of $\frac{1}{2}d.$ a ton per mile would not be of the least use.

1492. (*Mr. Ayrton.*) Upon what calculation is that opinion of yours based?—It is based upon this, that at a rate of $\frac{1}{2}d.$ a ton per mile you can deliver coals into all the principal towns in Ireland for about $16s.$ or $17s.$ a ton, and I believe that for mere domestic purposes it would entirely supersede the use of turf.

1493. What difference would $\frac{1}{4}d.$ make?—With a maximum charge of $5s.$ a ton, about $2s.$ $6d.$ a ton.

1494. What distance would that be for?—That would be for 120 miles.

1495. But where are the places or towns of any great magnitude 125 miles distant from the seaports in Ireland?—Take, for instance, Mullingar, Ballinasloe, and Galway. Galway is 126 miles from Dublin, right across the country.

1496. But Mullingar is not 125 miles from Dublin?—No; and therefore it could be delivered at a smaller rate. I propose $5s.$ as the maximum rate.

1497. You say that a difference of $\frac{1}{4}d.$ would make an increase of $2s.$ $6d.$ a ton as supplied to a distance of 125 miles from a seaport in Ireland?—Yes.

1498. What are the places that are a distance of 125 miles from a seaport in Ireland?—If you go into the interior of Roscommon you would supply the whole of that county and Mayo with coals from Dublin at the maximum rate.

1499. That would not be so, would it, if vessels came to the other side?—No; but you could not carry on the trade from the two ports. I am assuming that you have the entire trade from one port, Dublin. The freights to the other ports, that is, to Sligo and Ballinna, Westport and Galway, would be much higher, because there is no return freight and no trade of

sufficient importance to induce parties to send the coal there. I assume therefore that the whole of the districts with which I am most familiar would be supplied from Dublin, and at the present charges on the coal, taking them altogether, they could afford to have them delivered at Dublin at about from 11*s.* to 12*s.* a ton. Then I say that all over the system of the Midland Great Western, and the Great Northern and Western, the maximum rate should be 5*s.* a ton, and that would make 16*s.* a ton.

1500. (*Lord Donoughmore.*) Take Galway; what is the ordinary price of sea-board coal there?—It is sold there at prices ranging from 22*s.* to 26*s.* a ton.

1501. Is it carried to Galway by ship?—Yes.

1502. What did you say was the governing price in Dublin?—From 11*s.* to 12*s.*

1503. (*Mr. Roebuck.*) What is the reason of the difference in price?—The fact is that it is in the hands of a few persons, and they can charge any price they like in Galway.

1504. (*Lord Stanley.*) There is no very great demand, is there?—No.

1505. (*Mr. Roebuck.*) As I understand it, it is not that the cost of carriage is so much greater, but it arises from a monopoly?—Yes.

1506. (*Chairman.*) With regard to Dublin itself, where you say coals can be obtained at from 11*s.* to 12*s.* a ton, is the consumption very large?—Yes; they burn nothing but coal there.

1507. Is coal consumed by all classes?—Yes; there is very little turf burnt by the poorer classes, and practically speaking coal is the entire fuel.

1508. (*Lord Donoughmore.*) Is the consumption of coal in Dublin very much larger than it is in the towns where the cost is a little higher; I mean in proportion to the population?—Yes.

1509. (*Mr. Roebuck.*) Take Cork, for instance; will the price of coal be very much higher there than in Dublin?—No; I think that there is very little difference in the freights to Cork, 1*s.* or 1*s.* 6*d.* Cork supplies a large portion of the southern districts with coals.

1510. You stated a short time back that the difference in the price of coal did not arise from the difference in the cost of carriage but from monopoly. I wish to know why the cost of coal in Cork is the same as it is in Dublin?—I believe there is a difference in the cost at Cork.

1511. Can you explain that?—There is more competition in the coal trade at Cork. It is a much more considerable port than Galway; they can get freights at lower rates from the coal districts, for instance, from South Wales and England.

1512. Have you any knowledge of what it costs the steamboat companies to place coals in the ports of the West Indies?—No, I have not.

1513. (*Mr. Ayrton.*) Do you know what the freights are from the coal ports in England to the different ports on the eastern coast of Ireland and on the south coast?—No; I only know the freights to Dublin.

1514. (*Mr. Horsfall.*) Can you account for the fact, that when grain is shipped from Drogheda to Manchester by a person resident at Drogheda the cost of transit is 2*s.* 6*d.* a ton less than when it is shipped by a person in Liverpool?—I do not know how that is.

1515. (*Mr. Hamilton.*) I understand your proposition to be, that there should be a uniform rate of ½*d.* a ton per mile?—Yes.

1516. Do you believe, with the gradients you have described, that that rate would be remunerative to the railway companies?—I have no doubt about it.

1517. Do you think they would get full train loads? Yes.

1518. What loads would an engine take over such gradients?—They could take 35 waggons containing five tons a waggon, the weight of a waggon being three tons and a half.

1519. How many waggons would be drawn?—35 waggons.

1520. What weight altogether would that be in the train?—315 tons.

1521. It is your opinion than an engine could draw that load over such a gradient as you have described?—Yes, it could.

1522. (*Capt. Galton.*) You have stated that the objection of the directors to lowering the tolls was that they were afraid they should lose so much of their then income?—That referred to a general reduction of the rates.

1523. Because when you opened a new piece of line, for instance, that to Sligo, could not you carry at reduced tolls upon that line?—Not very well, because if you charge to one district where there is a line less than to another you create great public dissatisfaction, and in practice it is never done in the trade.

1524. (*Mr. Roebuck.*) Suppose that the change had been made in the rate charged upon the coal only, do you think that there would then have been a loss to the company?—I do not think that there would.

1525. If they had introduced an alteration in the rates piecemeal, you do not think that the loss would have arisen which you originally supposed would arise if the reduction were made at once?—No, I do not think it would.

1526. Did you ever try to persuade your directors to do that?—Yes, in coal rates.

1527. And they refused, did they?—Yes, they refused to make any alteration in the shape of 50 per cent. reduction in the rates; such a suggestion frightens the directors, and they do not like it.

1528. (*Chairman.*) Have you found it to be a common opinion among them that the traffic of Ireland is incapable of any material increase?—Yes, and that is the great difficulty that we have to contend with. What they say is, there is a fixed quantity of traffic, and no reduction of rates will increase it.

1529. (*Mr. Roebuck.*) And that fixed quantity they can carry?—Yes. They do not think it worth their while to make a reduction and try the experiment; they think that it would be simply to give so much money to the public. When I went to Ireland first I found that potatoes were carried from Galway in large quantities by vessels at rates which I thought would pay the railway companies very well, but upon making inquiries I found that they were charging 17*s.* or 18*s.* a ton from Galway to Dublin.

1530. (*Mr. Glyn.*) When you proposed to your directors to reduce the rate to ½*d.* a ton per mile, did you make any calculation as to what increase of trade there would be to recoup them for that?—Yes.

1531. What do you think that would have been?—My own calculation was that the effect in a year would be to increase the traffic tenfold.

1532. What would the increase be in tons?—I think that the increase would be 2,000 tons a week from 200 tons, and I believe that in that case it would supersede the use of turf at all the stations. Of course I am supposing a very much better system of management of the coal trade generally, and that the sale of coal, which is nothing in Ireland now, should be carried on as it is at English railway stations. You send to a railway station here to get a ton of coals, or say five hundredweight, as the case may be, but in Ireland a man is entirely at the mercy of the merchant, who charges a large price for it, and therefore, practically speaking, it is not used by the poorer classes at all or only by a few; but then every class living within five or six miles of a railway station in Ireland could go to a railway station, and being sure of getting a hundredweight of coals for 1*s.*, that is at the rate of 1*l.* a ton, would use no turf at all.

1533. Do you really think that the consumption of coal would increase in the manner you have suggested?—Yes, I believe so; with such a system of sales.

1534. But upon that line of railway only?—Yes.

1535. (*Mr. Roebuck.*) Did you suggest to the railway directors that they should become coal merchants?—Yes.

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1536. Did they listen to your suggestion?—They would not entertain it all. I was anxious that they should do as is done on the Great Northern Railway, that is, that they should establish depôts and sell the coals themselves, or if they would not do that that they should enter into arrangements with the coal proprietors either in Wales or in the north of England and sell the coals, but they declined it.

1537. (*Mr. Ayrton.*) Is the foundation of your view this, that a peasant would buy coals at 1*l.* a ton at a railway station within a distance of six miles in preference to using turf at his own door?—Yes.

1538. Will you be good enough to state how the present rates charged upon railways prevent his arriving at that point in the greater part of Ireland. If the coal is delivered in Dublin at 12*s.* a ton, and the rate is ¾*d.*, how is it prevented?—Because he would not get a supply; he would go to a station, but he would find no coal there.

1539. But how does the railway rate prevent that result being arrived at. You say that coal is to be sold at 12*s.* a ton, and that the railway rate is ¾*d.* a ton; how far will it go inland?—At the present rates it does not go; there is no coal trade there at present.

1540. How far would it be carried inland before the price became 1*l.* a ton, the rate of carriage being ¾*d.* per ton per mile?—About 50 miles.

1541. Do you find that within that distance of Dublin coal has superseded the use of turf?—No.

1542. (*Mr. Roebuck.*) Is not that because you have never carried the coal?—The trade does not exist, in consequence of the absence of these facilities; you cannot get persons to establish coal depôts over large districts of country unless there is some probability that the railway companies will carry it at moderate rates. The lowest rate that has been quoted is this, one firm endeavoured to establish a trade at ¾*d.*, but they could not do it.

1543. You begun with ¾*d.* a ton for carriage, and then to deliver at 1*l.* a ton within 50 miles from the port. Why did not that supersede the use of turf?—Those were the South Wales coal proprietors who went into the subject, and endeavoured to induce the directors both of the Great Southern and Western and the Cork line, and the Midland Great Western Company, to adopt the system that was practised in England of selling the coals at the stations, but the result of all their negotiations was that they could only induce them to adopt a rate of ¾*d.* a ton per mile, and then only the Midland Great Western Company. They tried it for a short time, and then they found that they had to maintain an establishment in Dublin, and the expenses which they had to incur altogether for the small trade which they could do within a short radius of Dublin did not pay them, and they abandoned it.

1544. (*Mr. Ayrton.*) Why should not any persons in Dublin receiving the coal at 12*s.* a ton take advantage of this rate and carry on the business, why should they go to Wales to find a person to direct the business?—Because you would deal there with the coal owners, while in the other case you would deal with middle-men, adding of course to the expense.

1545. If you delivered coals only 50 miles from Dublin at ¾*d.* a ton per mile, there would be a large margin to cover the expense; there would be a margin of 5*s.* per ton out of 20*s.*?—No, not so much as that, I think.

1546. (*Chairman.*) Would there be terminal charges in addition to the 12*s.*?—Yes, of 6*d.* at each end.

1547. (*Mr. Roebuck.*) Supposing you could only carry the coal 50 miles over a railway, would not the trade be so small that it would not be worth any man's while to take it?—Yes, and that is the reason why it broke down. The sale of the coal at places within a radius of 50 miles from Dublin did not justify them in carrying it on.

1548. And that accounts for its not being carried on?—Yes.

1549. (*Capt. Galton.*) You have stated that a reduction to ¾*d.* a ton had the effect of increasing the consumption 25 per cent.; how long did it take to recoup the company?—In the first year it increased to that extent.

1550. (*Chairman.*) Did it go on increasing subsequently to that?—No, it is still at that.

1551. (*Lord Stanley.*) Your opinion is, that if the great railway companies of Ireland could make up their minds to incur a loss for two or three years, they would be certain to recover the loss at the end of that time?—Yes, I believe so.

1552. And that might take place without any interference by the Government or any assistance from the State?—Yes, that would be the result, that the companies would lose for two or three years their dividends, but I think that that is a proposition which no railway company would ever accept. It is not reasonable to expect them to make such reductions without external aid.

1553. With regard to a reduction of fares, it would seem that all that is required is, that the directors of these railway companies should understand their own permanent interests better than they do?—Yes, I think so. If I was the owner of railway property in Ireland I should not have the least hesitation in reducing the fares to the extent of 50 per cent., although it would be attended with an absolute loss for two or three years.

1554. (*Mr. Roebuck.*) That loss during two or three years, I understand you to say, would arise if the reduction were made at once?—Yes.

1555. But if it were made piecemeal, that loss would not arise?—In the case of the passenger fares you could not do it piecemeal.

1556. Then take the case of the coals first; there would not be the same loss then?—No.

1557. After that, in the case of the passengers, would there be a loss?—Yes, on passengers there would certainly be a loss, that is, 50 per cent. of the traffic.

1558. You are of opinion that in Ireland there would not be a sufficient increase in the number of persons travelling at the low rates to recoup the companies until two or three years had elapsed?—Not for three years at least.

1559. Would that be so in England?—No; at least I do not know whether it would be so in England.

1560. Have you any knowledge of attempts having been made by the railway companies in that direction to recoup themselves?—No, I am not aware of a case.

1561. (*Chairman.*) Is there any other description of traffic besides coals upon which you think a very large increase might be effected by a reduction of the charges?—Yes, it appears to me that the theory—for after all it is a theory—that the entire traffic of the country, goods, cattle, and everything else, might be increased, is correct.

1562. You look upon coals as a most important article of traffic?—Yes, that is a very important thing, but not the most important.

1563. Will you mention some other descriptions of traffic?—With regard to cattle, which is very important in Ireland, it is a matter of fact that they carry none of the store stock at all; the fat stock comes, of course, because they cannot walk them by the road for the distance, except that which is brought over to the English markets by the jobbers.

1564. Do you think that that cattle traffic might be carried by railway if the rates were made low?—Yes.

1565. (*Mr. Glyn.*) What are the rates at the present time?—Until about three months ago there was a uniform rate of 6*d.* a waggon a mile, but latterly they have reduced it to 6*d.* for the first 50 miles, 5*d.* for the next 25 miles, and 4½*d.* for any distances beyond that.

1566. Has that led to any increase in the traffic?—It has not had time yet to work.

1567. What proportion does that rate bear to the rate charged in England?—It is the maximum rate.

1568. (*Capt. Galton.*) Do you mean the maximum rate allowed by their Act?—No; as compared with the rates charged by the English railway companies it is the maximum rate charged, the highest rate.

1569. (*Mr. Horsfall.*) Can you state what proportion of the dividend on the principal railways in Ireland is derived from the passenger traffic, and what proportion is derived from goods?—The dividend is derived of course from the entire traffic.

1570. Yes; but have you calculated what proportion of the dividend is derived from goods, and what proportion from passengers?—I confess that I do not quite understand that question.

1571. (*Capt. Galton.*) What proportion of the total receipts is derived from the one and the other?—The dividend is derived from the gross traffic, and I have never ascertained what proportion is due to passengers, or what proportion is due to goods. I can give you the difference in the earnings on each class of traffic.

1572. (*Mr. Horsfall.*) Have you made any calculation as to what proportion of the dividend is derived from goods, and what proportion is derived from passengers?—I think it is in about equal proportions, half and half, on the Midland Great Western system.

1573. (*Mr. Ayrton.*) Do you mean that the net profit on the passenger traffic is half the receipts, and that the net profit on the goods is half the receipts?—Yes, as nearly as possible.

1574. Have you made any calculation as to the cost of driving store cattle for 50 miles over the roads, and the cost of carrying them by railway?—I have been in communication frequently with large farmers and landed proprietors who have attended at Ballinasloe fair, and they have always assured me that at a rate of 3*d.* a waggon a mile they would put all their store cattle on the railway instead of driving it along the roads; that would be a reduction of 50 per cent. exactly.

1575. (*Chairman.*) For how short a distance would it be worth their while to put their store cattle on to a railway?—I think for a distance of 20 miles.

1576. (*Mr. Roebuck.*) Supposing they made that experiment in addition to the experiment in the coals, which you said would be attended with no loss, do you think the companies would be liable to a loss?—Yes, certainly, it would extend over some time. I think there would be a loss upon the general traffic.

1577. (*Capt. Galton.*) You think it would take some time before they became accustomed to use the railway for the cattle?—Yes, it takes a long time in Ireland to let the public know that these facilities exist for them.

1578. (*Chairman.*) Is the general traffic in miscellaneous goods capable of considerable increase?—Yes. I think that if my former proposition, which was a reduction of 50 per cent., were carried out, it would involve an entire loss to the directors for three years, and then that it would gradually recoup the railway companies.

1579. (*Lord Stanley.*) Have you at all considered how a charge of that kind could be introduced under the circumstances of the railway companies, there being many shareholders who probably do not intend to hold their shares permanently, and who would therefore be subject to a loss of their whole profits for three years, while the ultimate gain would be not more than would make up the temporary loss?—I do not think it is at all practicable to effect such a reduction as 50 per cent. without some guarantee to the companies, for although it might be urged by a strong body of the proprietors, and the directors carried it out, at the next half-yearly meeting the directors would be all turned out, if it involved loss at first, as it certainly would.

1580. (*Lord Donoughmore.*) You do not think that the directors are to blame?—No. Without some guarantee, they cannot be blamed for not trying experiments that might be failures.

1581. (*Mr. Ayrton.*) You propose that the earnings of a full waggon should be 3*d.* a waggon?—Yes per mile.

1582. Have you made any calculation as to what the expense of conveying loaded trains at so much per waggon would come to, taking into account the probability of bringing back empty waggons?—Yes.

1583. What is the result of that calculation?—That upon a distance of 126 miles if you can earn 1*l.* 5*s.* it will pay you well.

1584. How do you arrive at that conclusion in detail?—In this way: I take the gross earnings, and the loading of a waggon, that is, I take the average load and the receipt upon every waggon running for a distance of 126 miles, and so I have arrived at the result.

1585. What would be the average number of waggons in a train?—About 30; and I have found that upon a distance of 126 miles the average earnings of each waggon or the average receipt was about 1*l.* 2*s.* 6*d.*, therefore I think I may assume that that being the average earning of the waggon for miscellaneous merchandise, or for any class of traffic, cattle or anything, if you can, over a distance of 126 miles, earn 1*l.* 2*s.* 6*d.* you will be well paid.

1586. Will you explain how that is worked out; how do you arrive at the dividend?—That was at a time when the line earned a dividend of five per cent.

1587. (*Mr. Roebuck.*) What would be the actual cost to the railway company of running a train 126 miles?—About from 2*s.* to 2*s.* 6*d.* a mile.

1588. (*Mr. Ayrton.*) For the whole train?—Yes; that includes the original outlay and everything.

1589. (*Chairman.*) You include the original outlay?—Yes, we do.

1590. (*Mr. Ayrton.*) Taking as a basis 1*l.* 2*s.* 6*d.*, can you from that explain the mode in which, upon some estimate of the cost, you have deduced a profitable return to the Railway Company?—I took it at the time when the line was earning 1*l.* 2*s.* 6*d.*, and returning a dividend of five per cent.; what I mean is this, that on the distance of 126 miles the earning of a waggon was 1*l.* 2*s.* 6*d.*, and I think that if you can earn over a distance of 126 miles, for a waggon of goods or cattle, or any other description of goods, 1*l.* 2*s.* 6*d.*, you will be carrying at a fair profit to yourselves.

1591. You have not worked out any calculation apart from that?—No; that was my process.

1592. (*Mr. Roebuck.*) Taking it as you say, that a waggon earns that sum of money running over 126 miles, what would be the cost to the company for running a waggon that distance?—The cost would be in the same proportion, a thirtieth part, or about 2*s.* 3*d.* a mile.

1593. That would be the real cost to the company?—Yes.

1594. And all above that would be a real gain to the company, according to the sums you have mentioned?—Yes.

1595. Between 2*s.* 6*d.* and 1*l.* 2*s.* 6*d.* would be an entire gain?—No.

1596. You first of all state that by running a waggon 126 miles the gain is 1*l.* 2*s.* 6*d.*?—No; the receipt.

1597. Then call it the total earning?—Yes.

1598. What I want to know is, what the cost to the company is, of running that waggon that distance?—That would form a part of the whole 30 waggons that would be conveyed at about 2*s.* 3*d.*, you cannot divide them.

1599. (*Mr. Ayrton.*) How do you arrive at this, that 126 miles is the average run over the Irish railways, especially on the Midland Great Western?—I did not say that it was the average run.

1600. You have stated that your calculations were

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made on the assumption that a train ran 126 miles ?—Yes.

1601. If that is correct, ought not 126 miles to be the average run of a railway ?—No, I do not think so ; I took 126 miles at that time because it was the longest distance.

1602. How did you get at the distance of 126 miles ?—It was the distance from Dublin to Galway, and it was our maximum distance then.

1603. That would be from one port to another port ?—Yes.

1604. And you would come into competition with the sea carriage at the other port ?—No ; there is none at Galway.

1605. But that is the extreme limit to which the railway can run ?—Yes.

1606. Then you have referred to a state of facts applicable only to Galway, where there is little or no traffic ?—Yes.

1607. How would that be a basis by which to regulate the whole operations of railway companies when it appears to be only an extreme case, the extreme limit of a railway at a place where there is no great traffic ?—I can take the mileage proportion of 1*l.* 2*s.* 6*d.*, and I will suppose that a waggon is run for 60 miles, and if you get 11*s.* for that you are well paid.

1608. In the same proportion for any line ?—Yes, for a distance not less than 50 miles.

1609. (*Chairman.*) You say that a train per mile costs about 2*s.* 3*d.*, what is included in that, the waggons and the locomotive power ?—Yes, and everything.

1610. Is anything included for permanent way ?—Yes, and the general charges.

1611. (*Mr. Hamilton.*) On some of the English lines of railway the cost is materially less, is it not ?—Yes.

1612. As low as 1*s.* 8*d.*, is it not ?—Yes. We worked the Great Northern and Western for the first 32 miles for 1*s.* 6$\frac{3}{4}$*d.* per train mile, that was given to us under an award of Mr. Hawkshaw the engineer, and when a further section of the line to Castlebar was opened we went before him again, considering the sum that he had awarded was too little, and he gave us 2*s.* It is now worked for about 1*s.* 9*d.* per train mile for the entire distance.

1613. (*Lord Donoughmore.*) Does that pay the Midland company ?—Not for the working only, but then it is a feeder to our main line ; the majority of the traffic is to Dublin ; it is between that and Dublin, and the consequence is that it forms a feeder to our line, and that is no doubt a very considerable element in the calculation.

1614. (*Mr. Ayrton.*) I presume you would not enter into a contract on the part of one company to work a line for much less than 2*s.* 3*d.* ?—No, from 2*s.* 3*d.* to 2*s.* 6*d.*

1615. (*Chairman.*) You would, I suppose, be obliged to run trains with fewer than 30 waggons ?—Yes.

1616. Would 1*l.* 2*s.* 6*d.* apply to small trains, trains consisting of 10 or 12 waggons ?—I took that as the average.

1617. (*Lord Donoughmore.*) I believe the Midland Company has a canal running alongside of it from Dublin to Mullingar and to Longford ?—Yes.

1618. That canal is the property of the railway company ?—Yes.

1619. What are the rates upon the canal ; are they the same as the rates on the railway ?—The canal is not worked at all now, or only to a trifling extent by grain owners.

1620. Is no coal carried upon it ?—Very little.

1621. No turf ?—Yes, a little turf is carried, and also some grain, to the towns that it touches, but there is no public carrier upon it, and no general traffic.

1622. It is the policy of the Midland Company, is it not, to restrict the traffic on the canal as much as possible ?—They have ceased to work it because there was not traffic sufficient for the two.

1623. The Great Southern and Western Company are in a different position, are they not ?—Yes, they compete with the Grand Canal.

1624. They have a canal which runs alongside of their rail for a considerable distance, which they do not own, but which competes with them ?—Yes.

1625. Has that competition at the points where the competition exists had the effect of lowering the rates on the Great Southern and Western line ?—Yes, it had that effect, but in the last two or three years they have come to an agreement, and they work on differential rates.

1626. (*Mr. Roebuck.*) You have stated that a single carriage earns 1*l.* 2*s.* 6*d.* running 126 miles ?—Yes.

1627. I want to ascertain what that single carriage costs the company running it 126 miles, and I have made this calculation, taking 126 miles at 2*s.* 6*d.*, say that that is equal to 15*l.* odd, divide that by 30, and that gives for each carriage 12*s.* ?—The earning of 1*l.* 2*s.* 6*d.* is the average of every waggon that ran into Galway, that is the net receipt upon every waggon that ran into Galway.

1628. Not the net receipt ?—No, the gross receipt, and that waggon may go in as one of 30 or as one of six, I could not quite precisely answer the question.

1629. (*Mr. Hamilton.*) You ought to be able to answer that question, because you have given the cost per train, which you put at 2*s.* 6*d.*, and if you take the number of carriages of which an average train consists, you ought to be able to give the actual cost of each carriage. The difference between the earning and the actual cost is, of course, the net receipt ?—Yes.

1630. (*Mr. Roebuck.*) You have stated that 1*l.* 2*s.* 6*d.* is the average earning ?—Yes.

1631. What is the average number of waggons in a train ?—Into Galway I think it is about 20.

1632. Then supposing you divide by 20, that would make the earnings larger ?—Yes.

1633. Do you adhere to that statement ?—Let me take a train of 20, that would earn about 22*l.* ; the cost of that would be 15*l.*, which would leave an earning upon that of 7*l.* to the company.

1634. (*Mr. Ayrton.*) Have you any accurate knowledge of the number of loaded trucks which go from Dublin to Galway daily, right through, a distance of 120 miles ?—Yes, there are about 10 which go through from Dublin to Galway.

1635. By how many do you think that would be increased by a reduction of fares ; how many trucks ?—I think it should be doubled by a reduction of 50 per cent. upon the rates.

1636. What would the increase be mainly composed of ?—I think potatoes would be carried, for I may mention that I was in the county of Galway about six weeks ago, and I found that they were selling potatoes at 3*d.* per stone within 10 miles of a railway station, whereas the price of potatoes in Dublin was at that time 7*d.* per stone ; and I think that if they carried potatoes at a very moderate rate on the railways, they would carry an enormous quantity of them into Dublin, and also for the English markets. I also think that there would be a very much larger interchange of traffic between all the ports of Ireland and England if there were more moderate rates charged.

1637. Can you mention any other articles besides potatoes ?—I should say general agricultural produce.

1638. What would you call it ?—The west of Ireland produces grain, potatoes, bacon, poultry, and eggs ; there is a large trade to be developed in these commodities.

1639. (*Capt. Galton.*) Where does the grain that is consumed on the Midland Great Western line come from ?—From the districts about Sligo, and from up to Longford ; that is a distance of about 56 miles. The port of Sligo supports that district.

1640. Is that grain imported into the port of Sligo? —Yes.

1641. (*Mr. Ayrton.*) I was asking you about the increase of trade between Dublin and Galway ?—I

think there would be an increase in trade in manufactured goods from England. I think that if a poor man has a pig to send to the English market, or instead of what he is doing now, growing his own potatoes and eating them, you put that man in the position of being able to send his produce to the English market, he would be in a much better position than he is now. He would be able to spend more money, and that I think would cause a very large increase of traffic.

1642. What would the advantage be of his not eating his potatoes, if he required them for food; why should he send them away ?—If he could get a larger price for his potatoes by sending them away, I think it is simply common sense that it would be better for him to do so.

1643. Would not the potatoes still be the cheapest article of food he could get, whether he could send them away or not ?—Yes, I dare say they would.

1644. There would be no motive for sending them away ?—Yes, I thing there would ; for instance, and this brings me to another branch of the subject, which is a system of through rates between England and Ireland, there is no doubt about it, that if a man had any of that small produce to send to market he would send it ; he would send to England, to Liverpool, or to Manchester, or to places where good prices are to be obtained ; he could easily ascertain what it would cost him ; but at the present time that is the great drawback, that a man cannot send anything—by the existing means of transit from Ireland into England and the manufacturing districts the rates are prohibitory.

1645. (*Mr. Glyn.*) Do not through rates exist now between the manufacturing districts of England and the ports of Ireland ?—Within the last year and a half they have been in existence on the Midland Great Western line, but to a very small extent.

1646. (*Chairman.*) On what articles are there through rates ?—Generally almost upon everything but cattle. They have through rates from the principal stations upon the Midland Great Western, and the Great Southern and Western and other Irish systems, in connexion with the London and North-western and other lines of railway ; but the great difficulty has been this, that the Irish Railway Companies will not agree to a mileage division of the rates ; they say that they are acting upon this principle, that there is only a fixed quantity of traffic to be carried, and that no increased facilities which can be given will develop that traffic further, and therefore they decline to reduce their proportion of any through rate. Take this case as an example ; suppose the rate for eggs to Manchester from Ireland to be 40*s.* a ton ; the Midland Great Western rate is 20*s.* a ton; a through rate of 30*s.* would secure the traffic and very much increase it, and the London and North-western Company would agree to a mileage division of the rate, but the Midland Great Western Company say no, we will have our rate, and there is no object in making these through rates ; we will not participate in the reduction of any through rate ; you may make it if you choose, but it must be at your cost.

1647. (*Mr. Glyn.*) Does not that apply generally to other cases ?—No ; on the Northern system there is more competition.

1648. But through rates are more general, are they not ?—Yes.

1649. (*Mr. Ayrton.*) Can you give the Commission any particulars with regard to any applications that have been made for through rates, and which applications have been rejected ?—These applications are made daily for through rates from everybody.

1650. I mean through rates upon the Irish lines of railway, the applications for which have been refused ?—The directors will not agree to any system of through rates unless they get their full local proportion of the rate, which of course is much more than they would be entitled to under a division according to the mileage.

1651. Can you give any particular cases in which applications have been made by any of the companies in England to any of the companies in Ireland asking for through rates ?—The London and North-western, the Manchester, Sheffield, and Lincolnshire, the Lancashire and Yorkshire, and the Great Northern Companies have been for the last seven years pressing upon the Irish Companies, the Midland Great Western, and the Great Southern and Western, to come into such an arrangement, and they have only just succeeded, after great negotiations with them, in inducing the Irish Companies to adopt a system of through rates, but they have still done it in a very imperfect manner, for the Irish Companies insist upon having their local rates, and that of course has tended to retard the negotiations ; but things are very much better now than they have been, and I think that they will improve, for they begin, I believe, to see the desirability of these through rates, the public begin to find the advantage of them, and I think the subject of through rates is very much considered now. Neither the railway companies in England nor in Ireland are responsible for the want of through cattle rates, for there is an anomalous state of the law as to the liability of railway companies as compared with steam packet companies in the transit of goods and cattle ; there are no through rates as yet, (except from Dublin in connexion with the Midland Great Western,) from the Midland Great Western or the Great Southern and Western system, for cattle, and that is mainly attributable to the fact that the steam packet companies who carry the cattle and goods between the Irish ports and Liverpool are protected by their bill of lading ; whereas if a railway company makes a rate it engages itself in the contract to carry the goods or the cattle to their destination ; but if they are lost by the act of God or by the Queen's enemies, or if they founder at sea, the railway company is liable for it.

1652. (*Mr. Glyn.*) That is, they must run the risk at sea ?—Yes, they take upon themselves the sea risk, although the steam packet companies are relieved from it. The railway companies have been in negotiation with the steam packet companies to ask them to join them in the risk, but they say no, we will not enter into it ; you must try and get a short Act to release you from the same risks from which we are relieved. A deputation waited upon Mr. Milner Gibson upon that subject only last week representing the steam packet and Irish railway interests.

1653. (*Mr. Ayrton.*) What law imposes upon a railway company the risk of the sea voyage to the same extent as upon the land ?—I cannot say, but it is the rule ; by law they are common carriers, and if they carry goods from any port in Ireland to any port in England they are not relieved from the risks that the steam packet companies are ; there is no doubt about it, for the best legal opinions have been taken upon the point.

1654. (*Mr. Hamilton.*) The steam packet companies are relieved from the risk already ?—Yes.

1655. (*Mr. Lowe.*) Are they entirely relieved; are they not liable to the extent of the value of the vessel ?—No ; she may founder or be struck by lightning, and they can make their own conditions on their own bill of lading.

1656. If they do not make any conditions are they not liable to the amount of the value of the vessel under the Statute of George II. ?—I think not.

1657. (*Capt. Galton.*) Have the sums which railway companies have had to pay under this system been very heavy ?—No ; the through booking system has only been in operation for a year and a half, and it does not exist at all in the case of cattle.

1658. But they might insure against the risk, might they not ?—No, they cannot get a general policy; they must take a floating policy ; they cannot get the other.

1659. (*Chairman.*) Does the Great Western Railway pass almost entirely through a limestone district? —A great part of it does.

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1660. Is there any traffic in lime ?—No.

1661. Do you think that from the nature of the country it would be impracticable under all circumstances ?—I think so.

1662. Is there any mineral traffic except coals ?—None whatever.

1663. Is there any possibility of any such traffic being developed ?—Yes ; in the county of Cavan there are some minerals ; there are iron ores which it is said could be worked if they could get coal to them at a moderate rate.

1664. (*Mr. M'Clean.*) What quantity of coal is carried at the present time on the Irish railways ?—On some of the northern railways they carry a considerable quantity.

1665. What do you estimate the increase would be at $\frac{3}{8}$ths of a penny or a halfpenny rate for the whole of Ireland ?—At $\frac{1}{2}d.$ a ton. I have not studied the subject as to the whole of Ireland. In the north they do import a considerable quantity of coal.

1666. (*Chairman.*) What class of passenger traffic do you think is capable of the greatest increase by adopting low fares ?—I think the third-class passengers are.

1667. (*Mr. Glyn.*) The fare now is 1*d.* a mile, is it not ?—Yes. Although Ireland is a poor country there is no such system in practice, except on the northern lines, as there is upon a great many other lines of railway ; in Scotland, for instance, there are third-class return tickets ; on the Great Southern and Western and the Midland Great Western they have none. They issue second-class return tickets, but no third class ; the consequence is, that the poorer class of people, for a distance of 10 or 12 miles, scarcely go by railway at all except on the market days. About two years ago they tried the system of carrying them at a single third-class fare for the double journey, and the result has been that the trains which then ran empty are now crowded on every market day ; that is on the Midland Great Western line ; and I believe that if that system was carried out every day in the week it would be greatly to the advantage of the country and for the benefit of the people.

1668. (*Mr. Roebuck.*) On the English railways third-class return tickets are issued, are they not ?—Yes, on some of them, in Lancashire they have them.

1669. (*Chairman.*) Do you think that there would be much travelling by that class of people except on market days ?—Considerably more than there is at present.

1670. Have they ever tried excursion trains on the Midland Great Western line ?—To a very trifling extent, nothing like to the extent to which they ought to be tried. Ten years ago such a thing as an excursion train was unknown, and it was with very great difficulty that the railway directors were induced to try the experiment ; but it was tried in the first instance at a single fare for the double journey, giving the people a fortnight, extending over the whole system of railways. The first train, I think, carried 300 or 400 passengers, and it gradually increased to about 1,600. They have now perhaps three or four trains running each way carrying from 1,500 to 2,000 passengers each train, but they have not tried the experiment sufficiently ; they have only run these excursion trains twice or three times in a year.

1671. Do those excursion trains run in connexion with trains bringing passengers from England ?—No, they are entirely local.

1672. (*Mr. Glyn.*) Do not the Irish railway companies issue excursion tickets in connexion with English railways ?—Yes.

1673. At low fares ?—They accept a single fare.

1674. I believe there is no passenger duty paid in Ireland ?—No.

1675. Can you state what the per-centage of the passenger duty is upon the receipts in London ; is it not five per cent. ?—Yes.

1676. That is an advantage which the Irish railways possess over the English railways ?—Yes. The Government duty for 1863 for England and Wales was 365,000*l.*

1677. (*Mr. Ayrton.*) Is the second-class accommodation in the Irish carriages generally much better than in the English carriages ?—It used to be so, but latterly they have put cushions into the second-class carriages in England.

1678. The second-class carriages are more generally used in Ireland than in England, are they not ?—Yes.

1679. Practically, the great majority of those who travel first-class in England travel second-class in Ireland ?—Yes.

1680. Therefore, practically, they are carried at a much cheaper rate in Ireland ?—No, it is $1\frac{1}{2}d.$ and something better than that per mile. I think that the average fares in England are not more than 2*d.* a mile first-class.

1681. (*Capt. Galton.*) The third-class fare in Ireland is 1*d.* a mile, is it not ?—Yes.

1682. Is that the universal rate ?—Yes.

1683. Do they issue to third-class passengers return tickets ?—On some of the Northern lines they do, but not on the Great Southern and Western, or the Midland Railways.

1684. Are there in Ireland any regular express trains established ?—No.

1685. Are you aware that the charge by Mr. Bianconi's cars was 1*d.* a mile ?—No ; but I know that Mr. Bianconi was obliged to try an experiment when he started his cars upon a new road, which I think might be tried by the railway companies ; there is a great deal to be said by the railway companies about the evils of competition, but I think that Ireland has suffered very much from the want of competition.

1686. You spoke of an experiment that was tried by Mr. Bianconi, and which you said might be tried by the railway companies ?—Yes, it was this ; whenever Mr. Bianconi started a new conveyance in a district, and he found that it was not paying, he immediately set up a competition against himself, and started another conveyance at lower rates, the effect of which was to enable him to get passengers to travel by the high-priced car as well as by the low-priced car, and by so getting people to travel by the two, to make it pay.

1687. Is the average speed upon the Irish railways the same as upon the English ?—No, it is less. The average speed of a passenger train is 25 miles an hour in Ireland, while in England it is from 30 to 35 miles an hour.

1688. (*Mr. Hamilton.*) Does that speed of 25 miles an hour include all the stoppages ?—No ; take Galway for instance, a distance of 126 miles, they take five hours to do that, say 20 miles an hour, or 25 miles an hour including stoppages.

1689. (*Chairman.*) Are the tolls reduced for passengers at harvest time ?—Not at harvest time ; but they carry a large number of harvest men from Ireland to England at the rate of $\frac{1}{2}d.$ a mile. They are carried about two months before the harvest begins at that rate, and they are carried back for about two months after it finishes ; and although the population has considerably decreased in the West of Ireland, yet that traffic has steadily increased. I believe that those men could be carried all the year round at a low rate, and that they would go for all purposes of labour over to England.

1690. There would be a sufficient inducement for the railway companies to carry those men at other times as well as at harvest time ?—Yes ; they seek employment also on railway works.

1691. (*Mr. Ayrton.*) Do you think that tickets could be issued to certain classes of people rather than charging them the general rate by a train ?—No ; but I think it affords an additional reason for the reduction of 50 per cent. which I have mentioned, that those men carried at $\frac{1}{2}d.$ a mile are steadily in-

creasing each year. I think that if they made a universal charge for third-class passengers of ½*d.* a mile, the result would be that the travelling would be considerably increased.

1692. (*Chairman.*) Have any experiments been made as to the effect of season tickets ?—Yes, but with no result at all.

1693. Have they ever been applied for ?—No. For a distance of 26 miles out of Dublin we had it in operation for 10 years, but the number was always the same, and there was no residential traffic on the line.

1694. (*Capt. Galton.*) I suppose that on the Dublin and Wicklow lines there is such a traffic ?—Yes, they have a large traffic from season tickets there.

1695. (*Chairman.*) Do you think that the railway companies run a sufficient number of trains for the accommodation of the passengers ?—No, I do not think they do in some districts ; for example, take the trains from Athlone to Castlebar, going a distance of 72 miles, there was only one passenger train a day each way, so that in point of fact it is utterly impossible for the people to use a railway, they cannot do it ; a man cannot go from one town to another sometimes in one day ; for instance, from Athlone to Castlebar, a distance of 72 miles, they cannot go there and back in a day, and the consequence is that it prevents them going at all.

1696. Did you ever recommend to your directors to put on additional trains ?—Yes, I told the directors of the Great Northern and Western line this accommodation was insufficient to develope the traffic.

1697. Was that refused on the same ground which you have already mentioned ?—Yes ; and there is no doubt about it, that one train, carrying out the notion, if it is a correct one, that there is only a fixed quantity to be carried, is the best way to carry it ; but as yet they have not tried the experiment of giving greater facilities at lower rates ; I think it is a mistake myself.

1698. (*Mr. Glyn.*) You would reduce the rates, and give more perfect accommodation ?—Yes.

1699. (*Mr. Horsfall.*) What is the population of Athlone and of Castlebar ?—I cannot at the moment state, but it is small and inconsiderable ; I think Athlone contains possibly about 7,000, and Castlebar 5,000 or 6,000.

1700. (*Chairman.*) Are there any intermediate places of any importance ?—Yes, there is Roscommon, the county town, and Castlereagh.

1701. Did you carry any milk into Dublin ?—Never.

1702. Might a traffic in that be created with advantage ?—I never had any applications for that, and I never heard of any attempt being made to try it.

1703. With regard to parcels traffic, is there any parcel traffic of any importance ?—No, I do not think there is of any very great importance ; I think it is quite worthy of attention, and that every facility should be given, but I do not think that that branch of traffic is of any importance with reference to the general principle of lower rates.

1704. (*Mr. Horsfall.*) Did you state that there was only one general train from Castlebar to Athlone ?—Only one passenger train per day.

1705. How many trains do you think the respective populations of the two towns would warrant ?—I think that if the railway is to support itself they ought to have at least three trains, one in the morning, one in the middle of the day, and one in the evening.

1706. Do you think they would pay the expense of the rolling stock ?—I believe that eventually they would, coupled with a reduction of the rates.

1707. (*Chairman.*) You think that if it was worth while to have a railway there at all, three trains a day should be run each way ?—Yes ; but all these reforms are exceedingly difficult to carry out in Ireland, from the fact of the enormous number of interests that there are, and some of them adverse interests, in the railway world. The railway system of Ireland consists only of about 1,700 miles, and it earns an income of 1,520,000*l.* a year.

1708. (*Capt. Galton.*) What are the adverse interests to which you have just referred ?—What I mean is this, that to control that very small affair, they have no fewer than 18 boards. I would contrast it with the London and North-western Company, which is worked by a single board of directors, one set of officers, and one establishment. That railway earns an income of 5,300,000*l.* a year ; it works 1,200 miles of railway, as against 1,700 miles in Ireland and an income of 1,520,000*l.* a year. The revenue in Ireland is only about one-fourth of the revenue of the London and North-western Company.

1709. Do you think it would be advantageous to amalgamate the Irish railways with any of the English railways ?—I think it would be an advantage to the Irish railways if they were taken in hand by the English railway companies, but the difficulty is to get any united action among the railway companies, which is, I think, illustrated by this, that to earn a revenue which is only equal to about one-fourth of the revenue earned by one railway company in England, there are 18 different companies in Ireland, 18 distinct sets of officers, and 18 different sets of opinions to work with, and the consequence has been that any attempt to develop the traffic in Ireland up to this time has been a failure.

1710. Do you think they would work better if they were all amalgamated in one company ?—Yes.

1711. (*Chairman.*) Do you think there is no remedy for the state of things you have described but amalgamation ?—Yes.

1712. (*Mr. Glyn.*) Would you propose to place the whole of the Irish system of railways under one board ?—Yes ; I think that it would be managed better than by 18 different boards.

1713. (*Chairman.*) You think that traffic in England has been generally better developed in very large enterprizes than on some of the smaller lines of railways ?—Yes, that has been the effect on the London and North-western line, and upon all those which it has absorbed, in my experience.

1714. (*Mr. Hamilton.*) Can you state what has been the total amount of capital which has been expended on railways in Ireland ?—No, I cannot. The difficulty of working railways in Ireland may be illustrated in this way : I will take the coast line from Dublin to Belfast ; that is in the hands of three companies ; the distance is only 113 miles, and yet there are three distinct companies concerned in it, and of course there is very great difficulty in carrying out all the arrangements, because there are different opinions and different interests to be consulted. The parties see things through different lights, and the public have suffered very much inconvenience from that state of things ; but there is another line which has been specially granted.

1715. (*Mr. Glyn.*) They work with through rates, do they not ?—Yes.

1716. And the carriages run through ?—Yes ; but as between Galway and Belfast I dare say it will be in the recollection of the Commission that a great attempt was made to make Galway a very important port, but the attempt failed, and at the same time there was a great effort made by the Belfast merchants to establish a trade in the west of Ireland, but there is very great difficulty in getting any sort of union of action amongst the different parties in Ireland. As as example, I may state that a waggon starting from Galway would take, possibly, two or three days to get to Belfast ; a journey of that kind ought to occupy only about six or seven hours, or ten hours.

1717. (*Lord Donoughmore.*) Surely the route from Galway to Belfast is in the hands of the Midland Company, at least to Cavan ?—Yes, but unfortunately there is another interest which comes in from Cavan to Clones, which is the Irish North-western Company, who are at bitter enmity with the other section of the line belonging to the Ulster Company, who have the

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line from Clones to Belfast, and the consequence is, that when the Ulster Company proposed to create a traffic to the west of Ireland, the other company interpose every difficulty they can, and they thereby sacrifice the through traffic between the west of Ireland and the north of Ireland to their own local squabbles.

1718. (*Mr. Glyn.*) Do they compete in rates?—Yes, they do.

1719. What railways are in connexion with the Great Southern and Western Railway from the south?—The Waterford and Limerick Railway.

1720. With what companies do they work or have through rates?—They work with all the companies.

1721. So that in point of fact there is but one system?—Yes.

1722. (*Chairman.*) The Waterford and Limerick Company are not on good terms, are they, with the Great Southern and Western Company?—No, they do work through.

1723. (*Mr. Glyn.*) Do they book through?—Yes, but the Great Southern and Western Company makes its arrangements entirely with reference to its own convenience, and the Waterford and Limerick Company, entirely with reference to its traffic from Waterford to Limerick.

1724. You think that all that would be cured by amalgamation?—Certainly.

1725. (*Mr. Hamilton.*) You think it would be very desirable to amalgamate all these Irish railway companies, so getting rid of the 18 boards of direction and placing them all under one superintendence?—Yes.

1726. Can you suggest any mode by which that amalgamation could be brought about?—I think there would be no difficulty about the railway companies amalgamating if they could be brought into a frame of mind to do it; otherwise I could not suggest any means.

1727. (*Mr. Horsfall.*) Have you considered the railway system in Ireland with a view to any action on the part of the Government, and with the object of improving the system?—I have formed what might be considered perhaps a very crude idea upon the subject, and it is this, that if any law could be passed to compel the railway companies to reduce their rates, a guarantee should be given in some shape to the railway companies, take for example their best year's income, and induce them to reduce the rates 50 per cent. and let the deficiency, if any, for a period of years, say three, four, or seven years, be recouped to the company, or guaranteed in these proportions, a third by the Government as having an interest in Ireland, and for the benefit of the country, another third by the railway companies, and a third to be raised by local taxation on the baronies.

1728. (*Lord Donoughmore.*) How would that proposition to raise a third by local taxation do you think be received by the people of Ireland?—They would object to it very strongly, no doubt, but it would be only asking those gentlemen who complain of these high rates to back their opinions to that extent, and to submit to a very slight tax for a time.

1729. (*Capt. Galton.*) Suppose that at the end of three years the railway company's receipts increased considerably, and they realized a higher dividend, should they not then be called upon to pay the whole of the amount?—Yes. If in the following three years, by increase of traffic, they got back to their dividend, I think they should pay back the tax.

1730. (*Lord Stanley.*) Do you think it is any part of the business of the Government to assist railway companies in carrying traffic below the cost price?—I confess that as to railway enterprise generally I do not think it is any part of the business of the Government to interfere with it; but I think that the case of Ireland is quite different, and that perhaps something ought to be done for it.

1731. (*Mr. Ayrton.*) What is the difference in Ireland?—The country is very much poorer than England, and I do not think they can afford to make the experiment without assistance.

1732. The question put to you was, whether it was any part of the business of the Government to assist railway companies in carrying traffic at less than the cost price, quite apart from the question of experiment?—I do not think it is.

1733. (*Mr. Glyn.*) Do you think that the railway proprietors would like to run the risk, as you have suggested, for a period of three years?—I am sure they would not, although a great number of the railway proprietors complain that the railway directors have not sufficient enterprise, and that they will not charge low rates, and give increased facilities to the public; but I would like to ask those gentlemen whose property would be benefited if these changes were made, whether it would not be worth their while to back their opinions by paying a slight tax to make up the deficiency that might arise.

1734. (*Mr. Ayrton.*) The line from Athlone to Galway is guaranteed by the county rates, is it not?—Yes.

1735. What is the opinion entertained by the people of that district? Do they ask the directors to reduce the rates, and if so would the directors decline to make the experiment?—Yes, they have done so, and the directors have refused.

1736. Although the inhabitants of the county are willing to meet any loss that might arise?—Yes; and I can put a stronger case than that: Lord Clancarty, who is a considerable landed proprietor at Ballensloe, made a proposition to the directors of the Midland Great Western of this kind, that he would personally guarantee them; if they would try a low scale of fares for a year, he undertook to pay any deficiency if any arose, any difference that there might be between the results of the low fares and the ordinary fares between Athlone and Galway, but they declined to accept the offer.

1737. (*Mr. Glyn.*) Did they assign any reason for doing so?—The reason which they gave was, that they thought it would be a dangerous experiment to try upon one section of the line.

1738. (*Mr. Ayrton.*) Have the inhabitants of Galway made any formal application to the company or to the grand jury of the county?—At almost every meeting of the grand jury there are expressions of indignation used against the Midland Great Western company.

1739. (*Lord Donoughmore.*) Have not those expressions of indignation generally had reference to the manner in which the persons present thought they were treated by the board of directors as to the guarantee?—They had; but I know also that before that quarrel arose they were always complaining that the rates were too high, and that they were not fairly treated.

1740. (*Lord Stanley.*) Do you think it would be possible to meet the difficulty in this way, without applying to any source external to the railway companies themselves;—to allow them to borrow money, being liable to repay it within a period, say, of 30 years, and letting them apply the proceeds of the loan so obtained to meeting the temporary deficiency caused by the reduction of the fares?—I think that that would be one mode of doing it.

1741. That might be done by obtaining the sanction of Parliament to such an arrangement without any assistance from the Government itself, or from any one else?—Yes; that is my opinion.

1742. (*Chairman.*) If such an Act was passed, would any of the railway companies in your opinion avail themselves of the powers so given?—I should be very unwilling to answer for the railway companies, for I do not know what view they would take of it; of course in such a case you would say that they should reduce their rates.

1743. (*Capt. Galton.*) Why should the railway companies borrow money to meet any loss arising upon a reduction of the rates, would not the loss simply have the effect of preventing them for a time paying dividends?—I believe that they would show a loss.

1744. A reduction in the rates would merely produce a want of dividend ?—Yes.

1745. Could not they pay the dividends out of capital, or rather raise additional capital to pay the dividends ?—I understood his Lordship to suggest that they should have the use of this money for a certain time, to pay up, say, in the course of three years, any deficiency, and then that the money borrowed should be repaid afterwards ; that would be to meet the temporary difficulty.

1746. (*Mr. Glyn.*) Would it not be necessary to persuade the proprietors that there would ultimately be no loss ?—Yes.

1747. (*Capt. Galton.*) You mean that it would be very difficult to persuade the directors to adopt any course like that ?—Yes, for some of them entertain very strong opinions upon the subject, and that in point of fact is the difficulty which you have to deal with. They have a fixed notion that there is a fixed quantity of traffic to be carried, and that no reduction of fares which they might make would eventually relieve them from loss.

1748. Even although new traffic should be developed ?—Yes.

1749. (*Mr. Ayrton.*) Is not the manufacturing industry of Ireland chiefly near the sea ports ?—It is principally in the north of Ireland.

1750. It is near to the sea ports ?—Yes.

1751. Then I presume that there would be little railway traffic with regard to that industry, and that any foreign trade would not utilize the railways to any extent ?—No.

1752. Passing from the manufacturing industry of Ireland we come to the agricultural industry in the interior of the country ?—Yes.

1753. There being a great preponderance of agricultural industry, is not the fruit of that industry to a large extent consumed on the ground where it is produced ?—Yes, no doubt it is now.

1754. And must it not be so, so long as there is a large agricultural population in the centre of Ireland ?—Yes, but there is no reason why, by the establishment of facilities, you should not create a manufacturing population ; take Galway, for instance, there is water-power enough there to turn all the mills in Manchester, and that is now running to waste.

1755. If Galway was the seat of manufacturing industry, would not that industry develop itself into the port of Galway, and not require any railway facilities for its development ?—Certainly not ; of course it would increase the trade of the port considerably, but then you would in that way increase the wealth of the place to an enormous extent, and of course to that extent you would increase the receipts of the railway companies.

1756. Even although Galway were converted into an active port there would still be no great communication between Galway and Dublin ?—I think there would be much greater communication, practically there is very little now.

1757. Would not one port have its own traffic and the other port have its own traffic with the interior ?—Yes ; take passenger traffic for instance, Dublin will always be the port to which Galway will find its way.

1758. I am speaking of goods traffic. If Galway became as active a port as Dublin, would the result be that there would be a largely increased traffic between Dublin and Galway ?—The effect of making it a manufacturing place would of course very considerably increase the traffic.

1759. (*Mr. Roebuck.*) Take, for example, Liverpool, do you find that the traffic is diminished between Liverpool and London ?—No ; and I think that in a similar way, any increase of manufactures in a place like Galway would have the effect of extending the traffic.

1760. (*Mr. Glyn.*) What amount of dividend does the Midland Great Western Company pay ?—In the last half year it was 2 per cent.

1761. What is the highest dividend it has ever paid ?—Five per cent.

1762. Then there has been a diminution in the amount of dividend ?—Yes.

1763. When did that take place ?—Last year, but it arose principally from a large increase which took place in the working expenditure, and from renewals of the permanent way.

1764. (*Capt. Galton.*) Have any new lines been opened ?—No, not of their own.

1765. (*Chairman.*) Had the permanent way been neglected ?—I think that they had practised economy to too great an extent.

1766. (*Mr. Glyn.*) They had not renewed the permanent way from year to year ?—No.

1767. (*Mr. Roebuck.*) Had there been any diminution in the amount of the traffic ?—Not anything very considerable.

1768. (*Mr. Horsfall.*) Does the line from Athlone to Castlebar constitute part of the Midland Great Western line ?—No, but they work it ; they contributed a third of the capital, and they work it, but it belongs to an independent company.

1769. Do you think that your plan of running more trains between Athlone and Castlebar would increase the dividend ?—Yes, I think so, and subject always to this qualification, that it would take time to do it, possibly two or three years, for, as I said before, these things always take time.

1770. (*Mr. Ayrton.*) Must not any increase of agricultural traffic arise from an increase of production ?—Yes, of course, to a very great extent.

1771. How do you propose that agricultural products from the centre of Ireland are to get to Dublin in the course of three years ?—I do not propose to confine it entirely to agricultural traffic, but, for instance, in the article of fish, nothing is done in Ireland, which arises as much from the want of these facilities being afforded as from anything else.

1772. Is not the true condition of Ireland with regard to the great mass of the country, to which there could be anything like a long line of railway carried, agricultural ?—Yes.

1773. Any increase of traffic must result from an increase of agricultural products ?—Yes.

1774. How are they to increase so as to double the traffic in the course of three years ?—I think by the introduction of coal into Ireland you might create a large manufacturing interest, and that has been proved only in the last week by the establishment of a large spinning manufactory in Drogheda by Mr. Whitworth.

1775. Spinning and the manufacture of textile fabrics have long been carried on in Drogheda ?—But those branches of industry had decayed very considerably ; it was so at one time.

1776. Do you think that the introduction of coal is the only thing requisite to develop manufactures in Ireland ?—No ; I do not think it is.

1777. Is not the absence of such industry in the main attributable to other causes ?—I do not mean to say that the other causes do not bear a larger proportion in the reason, and I do not say that coal alone is the only thing that is wanted.

1778. Is there not a great deal of water power in the centre of Ireland ?—Yes.

1779. Is not that sufficient for many branches of manufacturing industry, if there were not other causes which prevented its application ?—You cannot always compete in trade without the advantage of steam.

1780. (*Mr. Roebuck.*) I understood you to say that the difficulties in the way of transit and transport would prevent an increase of manufacturing industry in Ireland ?—Yes.

1781. If you increase the means of transit, and decrease the rates charged, you will at least create the possibility of establishing manufactures in the centre of Ireland ?—I think that they are the main essentials to the establishment of such an industry.

1782. The article of coal has nothing to do with it. what is wanted is the means of transit ?—There is a

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combination of things, the coal, and the carriage of passengers and goods, and railway facilities of every sort are required.

1783. If you increase the traffic to a port, do not you thereby enlarge the market for agricultural produce; and do not you create an incentive to bring agricultural produce?—Yes.

1784. I suppose that that would be the advantage of your proposal, which would be derived by Ireland from an increase in the trade of a port like Galway?—Yes; the effect of course would be very considerably to increase the prices of everything produced, and therefore it would benefit very much the agricultural producer.

1785. (*Lord Donoughmore.*) Have any efforts been made to develop the fish traffic from Galway into Dublin and to the English markets?—There have been through rates established, and I think that they are absolutely necessary.

1786. If a moderate rate was established, do you think it would lead to an increase of the traffic?—I think it would; but not to the extent that that traffic ought to be developed.

1787. Why so?—Because of the great difficulty that is always found in dealing with the fisheries in Ireland. In Galway there is a class of men called "Claddaghmen," and they have always resisted every attempt to improve the fisheries on the west coast of Ireland. Two companies, I know, have been established, and they have found that they could not obtain labour, they have been interfered with, and they have been poached upon; and within the last 10 years, any attempts which have been made to improve the fisheries on that coast have entirely failed through the opposition offered by these Claddaghmen.

1788. (*Mr. Roebuck.*) I believe there is a large quantity of salmon caught in Galway?—Yes.

1789. How is that salmon transported to England?—The Galway fish almost entirely comes by railway; but from Ballina, where there is a much more important fishery, it is carried, although within 20 miles of a railway station, by smacks to Liverpool.

1790. (*Lord Donoughmore.*) Is that attributable to the high rates charged upon the railway?—Yes, to some extent.

1791. (*Mr. Ayrton.*) With regard to the development of the fish traffic from Galway, was there not a company established for that purpose?—Yes, several companies were established with that object in view.

1792. And they all failed?—Yes.

1793. Did they not fail in consequence of the opposition of the people in Galway?—Yes, the Claddaghmen; and every attempt that has been made of that sort has failed, in consequence of the opposition offered by those men; they have obstructed every attempt to improve the fishery; they have successfully resisted up to this time every attempt that has been made to improve the fisheries, and their own condition.

1794. (*Chairman.*) Are poultry and vegetables brought into Dublin by railway?—Yes.

1795. From what distance are they so brought in?—Poultry is brought from the extreme limits of the lines of railway, from Cork, Galway, and Sligo.

1796. Is it the fact that a great deal, taking a radius of 20 or 25 miles round Dublin, is brought in by carts?—No, not a great deal, I think.

1797. Do you think that most of it is at present brought in by railways?—Yes.

1798. Is it your decided opinion that there is no prospect whatever of the railway companies trying the effect of reduced fares?—Speaking from my own experience, I know that they are very reluctant to do anything in the way of reducing the fares, unless you accompany the proposition with an assurance that the immediate effect will be to increase the traffic. I have always found, when I have proposed a large reduction of the rates, with a view to the development of the traffic, that I have been met with this difficulty: They say, "It will not be of the slightest "use. There is only a certain quantity of traffic to "be carried, and we had better create the highest "rate for that traffic that we can."

1799. I think you have stated that the directors were justified in so viewing the matter upon the whole?—Yes; because there would be no doubt a certain loss for two or three years, which might not be recouped, although I think it would.

1800. Do you see no prospect of any change, unless there is some interference by Parliament in some shape or other?—I think not.

1801. But you have not formed any very definite idea as to what that interference should be?—Only the very crude idea which I have already expressed, that one-third should be guaranteed by the Government, one-third to be obtained by local taxation, and another third to be borne by the railway companies themselves.

1802. That is, that two-thirds of the loss should be guaranteed from other sources?—Yes; and that the companies should bear one-third themselves.

1803. (*Mr. Roebuck.*) You have excluded, have you not, the circumstance that the directors would lose in lowering the rates upon coals?—What I said upon that was, that I thought they would be repaid for any reduction they might make upon coals in about a year.

1804. But the directors seem to have the same aversion to any change in the case of coals, as in any other case?—Yes.

1805. It is not so much that they would lose their dividend, but they do not like the change?—No.

1806. (*Mr. Hamilton.*) Do you think that the railway companies have rolling stock sufficient to carry any much larger quantity of coal?—If not, they could easily increase it; at the present time they could carry a much larger quantity, I should say treble the quantity of coal, with the same rolling stock.

1807. There would be no necessity, in your opinion, for any large increase?—No. With regard to the passenger traffic, for a distance of about 50 miles below Dublin, I think I should be safe in saying that the number of passengers, taking the year round, does not exceed, in each compartment, two persons, and if they filled all those compartments they would multiply the number by nearly 20 times and that would not make any material increase in the expenditure.

1808. (*Mr. Roebuck.*) You stated that, in your opinion, the directors were not obnoxious to any blame for not reducing the rates in the case of coals?—That is their own opinion; but I thought that by reducing the rates to a halfpenny a ton per mile they would recover any loss they might sustain in the course of a year, but they were of opinion the reduction of rate would not increase the consumption of coal; you will hear a great deal of difference of opinion upon the coal question. Lord Lucan, who is the chairman of that line of railway, from Athlone to Castlebar, entertains very strong notions upon this subject. He says that it is a perfect fallacy to suppose that the Irish people will ever burn coal in the place of turf. I have formed a very different opinion, and a great number of resident noblemen and landed gentry, are also of opinion that coal supplied at about 1*l.* a ton would supersede the use of turf at their own hall doors, and elsewhere; but certainly Lord Lucan and others entertain very strong opinions to the contrary. They say that you will never induce the people of Ireland to use coal instead of turf, and that being so it is rather difficult to convince the directors of railway companies that a radical reduction in the rates charged is a desirable thing to make.

1809. (*Mr. Glyn.*) Do you think that a system of through rates in connexion with English railways would develop the traffic in Ireland, whatever there may be there?—Yes.

1810. (*Mr. Hamilton.*) But through rates would be equivalent to a reduction of the local rates, would they not?—Of course.

1811. (*Mr. Glyn.*) I understood you to say that that was your belief, if the rates on Irish railways were to be reduced to the level of those of England?—Yes.

1812. (*Mr. Dalglish.*) Who are the persons who principally complain of the mismanagement of the Irish railways; the shareholders?—I think that the complaints are almost universal, for if you take up any Irish newspaper, you will find that it is quite a popular subject, the complaining of the mismanagement of Irish railways in Ireland.

1813. What are the principal complaints that are made?—They complain of the high rates, that is the principal thing; they say that they ought to have very much lower rates.

1814. As low as they are in England?—Lower rates than those in England.

1815. (*Mr. Ayrton.*) Do you know what the cost of cartage is in Ireland?—Upon grain it is 4*d.* a mile.

1816. On common loads?—Yes.

1817. That is the ordinary cartage rate?—Yes.

1818. Is not that the proper standard from which to start before persons in Ireland complain of suffering a grievance at the hands of the Irish railway companies?—Do you mean to say that they ought to take 4*d.* a ton a mile as their basis, and that goods ought to be carried according to that on railways?

1819. If the charge by load is so much higher than that by railway, they could have no great grievance against the railway company, which charges them so much lower?—But I think that there is no sort of analogy between the cost of carriage on common roads and on railways.

1820. (*Mr. Glyn.*) Are the terminal charges in Ireland lower than they are in England?—Yes.

1821. Considerably lower?—Yes; they do not cart in Ireland at all; it is done by agents, forwarding agents as they are called; and the consequence of that is that the public suffer very much, and it operates as a great drawback to the interchange of traffic between the two countries. In Ireland there is a set of men, who call themselves forwarding agents, they are established generally in Dublin, having agents in the English ports, and if any goods are consigned to England, a crate of eggs, for instance, these men get hold of them, and the railway companies not being their own carriers in Dublin, these forwarding agents make any charges that they think proper upon the goods, and when they arrive at Manchester, for instance, the additional charges made by them amount to 75 per cent. of the railway charges.

1822. That is a matter extraneous to the railway system?—Yes.

1823. (*Capt. Galton.*) But it is the result, is it not, of not having through rates?—Yes.

1824. (*Mr. Glyn.*) It arises partly, does it not, from a want of communications at Dublin between the respective railways?—No, it arises from the railway companies not doing their own cartage in Dublin, because there is no doubt that any railway company can do its own work better than any agent can.

1825. (*Lord Donoughmore.*) You allude to Mr. Fishbourne?—Yes, and other men of that class; and their object has been not so much to develop traffic as to make as much as they can out of it.

1826. (*Chairman.*) Are there any other points upon which you wish to express your opinions to the Commission?—No.

1827. (*Mr. Ayrton.*) Is there perfectly free competition among the persons you have just spoken of, or is any preference given to one person over another?—The railway companies have no control over the forwarding agent; he does just what he likes with the traffic after he gets hold of it, unless it is delivered to him at a through rate. Mr. Fishbourne is the so-called agent of the Great Southern and Western Company; but they cannot control his movements when he once gets hold of the goods.

1828. So far as the railway companies are concerned, are persons perfectly free, if they choose to establish themselves in that business?—Yes, there is perfect freedom.

1829. (*Mr. Gower.*) You stated, I think, that you were in favour of the amalgamation of Irish railways. Would you enforce that upon them?—That is rather a difficult question to answer, but I think I would, rather than that it should not be done at all; if it could be enforced I think it should be done.

1830. Is there any amalgamation of railways in Ireland?—The Great Southern and Western Company have absorbed some of the smaller lines in the south of Ireland.

1831. (*Lord Donoughmore.*) The Dublin, Dundalk and Enniskillen line is also amalgamated, is it not?—Yes; that is amalgamated with the northern system as far as Londonderry.

1832. (*Mr. Glyn.*) Have the railways between Belfast and Dublin the power to amalgamate now?—No. I think that those powers have altogether expired. An attempt was made by some of the proprietors this year in the case of the Dublin and Belfast Junction and the Dublin and Dundalk, but it was rejected by the proprietors themselves.

1833. (*Mr. Gower.*) How do you account for there not being the same tendency to amalgamate railways in Ireland as in England?—I cannot account for it, except only in this way, that when the railway directors, say three or four boards of directors, come to discuss the question of amalgamation, they will have to consider a certain loss of patronage; there are certain fees attached to the different posts, and they do not like to lose them.

1834. (*Chairman.*) Do not these considerations arise in England as well as in Ireland?—Yes, they do no doubt, but they do not seem to have the same effect in England as in Ireland.

1835. (*Lord Donoughmore.*) The directors do not like to be dethroned, in point of fact?—No, I think that is it.

1836. (*Capt. Galton.*) In England they would have more opportunity to seek for another field?—Yes.

1837. (*Mr. Ayrton.*) Have you estimated what the annual saving would be by an amalgamation of all the Irish lines of railway?—No, I have not. Mr. Dargan has expressed some very strong opinions upon that point, but I do not agree with him as to the enormous sum which he says would be saved by amalgamation.

1838. (*Mr. Glyn.*) Have you calculated the working expenses at the present time of the different railway companies?—Yes, and I think that the average working expenses of the Irish railways at the present time is 49 per cent., and I believe that by a better system of management, by amalgamation or by a better union of interests, those working expenses could be fairly reduced to the extent of from 5 to 7 per cent.

1839. (*Lord Stanley.*) Is it not the general rough calculation that the working expenses absorb half of the gross receipts upon a railway?—Yes.

1840. That is in England?—Yes. If you are going to work or lease a line you take 50 per cent. as the fair working expenses.

1841. (*Mr. Hamilton.*) Generally speaking, it is less than that, is it not?—No, I think not; that is about it.

1842. (*Lord Donoughmore.*) Is not that what is generally allowed in common purse agreements?—Yes; on the London and North-western line I think it is 42 or 43 per cent.

1843. (*Mr. Hamilton.*) Do you speak from information which you have obtained of 50 per cent. being the usual allowance made for working expenses?—Yes.

1844. Are they not as low as 46 and 47 per cent.?—Yes, certainly it is so in some cases.

1845. (*Chairman.*) Do you think that there is a greater tendency to amalgamation on the part of railway companies in England, with a view to protecting themselves from competition, than there is in Ireland?—Yes. I believe that the absence of competition is most injurious not only to Ireland itself but to the railway interests in that country.

The witness withdrew.

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Mr. William Thomas Mulvaney further examined.

1846. (*Chairman.*) You wish, I believe, to supply some deficiencies in the evidence which you gave on the last occasion before the Commission?—Yes.

1847. Will you have the goodness to state the points to which you now wish to call the attention of the Commission?—I wish particularly to show the impossibility of developing any system that may be contemplated in Ireland without a connexion with the various systems of railways that exist there in Dublin, and to which I referred on the last occasion, under the head of accessories for development of traffic; without that, no system like that of the German unions, getting the traffic from one part of the country to another, can be effected.

I also desire to call the attention of the Commissioners to the necessity of being able to make sidings and branches to places that would afford trade to a railway without the enormous cost which separate Acts of Parliament for that purpose require in England and Ireland.

Another subject which has occurred to me is the question of the supply of waggons. It has been argued in Germany that the waggons should be supplied by private parties, but the principle seems to be right and just that the railway company, who are the carriers, should provide waggons for the purpose. On that question, as an accessory to the development of traffic, I would call attention to the necessity of giving certainty to the consumer and to the producer, as to the transfer of his goods through the instrumentality of arrangements made for through rates, and without the trouble and expense of personal attention at the various places where, so to speak, the bulk is broken. In reference to the second point, the German union system and its applicability to Ireland, I omitted to state to the Commission that, in those unions so called, the waggon work is provided by the various companies of the union, who furnish for the purpose of through traffic their quota of waggons for that purpose to the common work; they arrange among themselves a tariff for the transport of goods, and they fix the rate at which each party shall be paid for its waggons in passing over the lines of another party. The arrangements on all these subjects have attracted a great deal of attention on the part of the unions in Germany; and they are all contained in a little book,* which I have fortunately found, in which the various unions in Germany are mentioned, and in which all their rules and regulations and tariffs are set forth. The rates in the German unions, as I explained before, are published, and the rates for all through traffic are known to every one; but there are special rates which are charged from time to time consequent on the development of new trades. I have had in Germany considerable difficulty in inducing those unions to adopt, as a principle, a per-centage deduction from those rates for full trains running through from fixed station to fixed station; and it seems to me that, inasmuch as it saves very great original cost to the company in the transport of goods, it might be a very great advantage if it were adopted in Ireland. It has been suggested to me that there would be a difficulty in adopting the principle of the German unions in Ireland, in consequence of their not being able to compel any intervening company or end company to join in the rates. For an island like Ireland, one would naturally propose that the whole country should be placed in one union with regard to the through traffic, but perhaps it would also admit of subdivision into sub-unions under one union for particular systems. But to meet the difficulty arising from any one company refusing to adopt what the majority of the unions was prepared to approve, it may be suggested that the decision upon such a point should be provided for by Act of Parliament, the matter to be referred either to arbitration or to the Board of Trade, or to some other properly constituted authority to decide it.

The third point to which I wish to call attention is more economical arrangements for working; and I was not before aware that that was one of the objects of this Commission. Apart from the question of low tariffs, and the principle that a mass of trade will of itself greatly economise the cost of transport, I may state that the organization of regular goods trains at fixed hours and fixed times running from one part of the country to the other has been found in Germany to have a very useful effect in stimulating the senders and receivers of goods to arrange for their being loaded in time, and furnished to those trains; and also in stimulating the traffic managers themselves to provide for the quantities to be taken by such trains, so that the locomotive which runs may have full work according to its power. The establishment of these trains has very often led to new traffic, and it is perhaps scarcely necessary for me to call the attention of the Commissioners to the fact, that nearly all railways have derived their chief profits out of the new traffic which has been created by them. In Ireland, upon the whole, I am afraid it must be admitted that very little new industry is to be expected to arise out of the present system, and it appears to me difficult to do it so long as the different lines of railway are not absolutely connected, so that the trains and carriages could run from one to the other, especially as long as the tariffs are so high as they are at the present time. With regard to the questions of direct and indirect freights, and varying and fixed rates of freight, I may observe that a fallacious principle seems to have governed them to some extent of late years in Ireland. The doctrine entertained by railway directors, that there was a fixed traffic, and that that could not be increased, has led to its natural consequences, at least in one instance, that as the traffic of passengers, owing to emigration or otherwise, diminished, the fares have been increased; and, as I have already ventured to express myself, the fares are now too high, and the natural result of that increase in the fares is proved by the dividends diminishing, and that system has naturally had the effect of starving the traffic instead of increasing it. With reference to low variable tariffs, I might perhaps call attention to this, that new markets might, in Ireland, be developed thereby. For instance, I will take agricultural produce; hay, in England and in many parts of Ireland, when I was well acquainted with that country, never exceeded from 30*s.* to 2*l.* a ton, which was the value of it in the place of its production; in most parts of England, especially in the mining districts, where they require large quantities of hay, the rates run from 8*l.* to 10*l.* In Durham it is frequently so, and in Northumberland. I am not so well aware how it stands in Lancashire, but I believe the prices there are very high; but notwithstanding this great difference in price, and I know that they can make first-class hay in Ireland, I take it that there is very little traffic in hay between the two countries. In Holland, a year or two ago, the demand for hay was so great from England, that the export of it commenced there by the introduction of one pressing machine to press the hay and prepare it for market, and I am quite satisfied that a very large and important return trade, even for the coal waggons, would be found in the various agricultural districts to be carried to a port for export, not simply in hay, but in many other agricultural products, such as roots, beans, peas, and vegetables, which go at the present time extensively to Scotland. But to enable these very cheap articles to be brought with advantage in large quantities, it is necessary, as I stated before, that the railway should come alongside the ship, and discharge these products without cost into the vessel. As an interesting result of the indirect profits arising from low fares, I may refer to the experience I gained in local agitation for reduced freights upon coal in

* Tarif-Taschenbuch, für den Güterverkehr auf Deutschlands Eisenbahnen, Von A. Rörig. Berlin.

Germany. The first consequence of it was an immediate demand for an increased quantity of rolling stock. So great was the necessity for providing waggons and locomotives, that a whole series of trades were set in motion, and these things of themselves being brought to the railways increased the transport of iron and wood, and of all the articles necessary for the manufacture of those waggons; and when I merely allude to that fact, the benefits resulting will naturally suggest themselves to the minds of the Commission. On the subject of varied rates and fixed rates, which occupy the attention of the Commission, I may say that fixed rates, however low, may nevertheless bear a certain new traffic, that appears to be essential in order to have elasticity in the question of freights as in all commercial matters. In Germany the internal traffic is taken for short distances at high rates, but they are adopting a system of a falling scale of rates for traffic in proportion as the distances increase, while for through traffic they have almost invariably much lower rates than their local traffic rates. In this way, cattle, for instance, whether dead or alive, from Ireland might be usefully brought from one station to another with a view of being taken to the great market for agricultural produce from Ireland to England; and to enable the cattle to be brought with advantage to the English market, it is probable that not only a reduced rate, but greater accommodation in regard to waggons and vessels than at present can be afforded would be necessary at lower rates. This is another evidence of the necessity for power to vary the rates. I may mention, with regard to passenger traffic, a fact which has come to my knowledge. A person in the north of Ireland, I believe his name was Roe, and he told me the fact himself, leased a railway from Londonderry to the sea. He leased it from the company for a certain number of years. There were very high rates charged upon it, and I think that the special rate for passengers that he mentioned to me was 4*s.* 6*d.* He adopted then a very low rate, 1*s.* or 1*s.* 6*d.*, at his own risk as lessee, but he immediately produced by this reduction a very vast increase in the traffic, bringing important benefits to himself. But when his lease dropped the railway direction put on the high rate again, and the traffic immediately fell off. In the same way with the harvest men who come in large numbers from the western districts of Ireland into England, the rates are charged according to the period of the year by the railway company, and with advantage for the men at the time, but after the time when the rate put on for the harvest men has passed away, they walk instead of going by the railway waggon. With regard to the question of passengers, the suggestion that I would respectfully make with regard to Ireland is that the German rates should be adopted as a maximum, 1½*d.* for first-class passengers, 1*d.* for second-class passengers, ¾*d.* for third-class passengers, and ⅜ths of a penny for fourth-class passengers. They are very nearly about one-half of the present rates; and I may perhaps be permitted to observe that without the construction of much more railway stock the change could be effected, if adopted, by adapting the present first-class carriages generally as second class carriages for the second-class passengers in Ireland, which would be precisely the state of facts in Germany; for the second-class passenger carriage in Germany is fully equal to the first-class passenger carriage in almost any part of England or Ireland, and so through the various classes.

With reference to the subject of coal, and the coal trade generally, I wish to show, simply looking at the circumstances of Ireland, what was effected in Germany by a reduction of the rates. It was conceived that because Westphalia was very rich in coal, a parallelism did not exist between the circumstances there and the circumstances in Ireland, and my object was to show that the distance from the Westphalian coal field to the districts, very often purely agricultural districts, to be supplied with coal, was not in Germany much greater than it would be from the English coal districts on the coast to the interior of Ireland. It was very nearly double in the case of Germany. I would also beg to state, in reply to a question which has been already put as to the various coal districts which exist in Ireland, and which are certainly not developed for want of railways being taken to the mouths of the pits, but I believe the introduction of English coal into the interior of Ireland would lead directly to the development of those districts. I believe that the south-western part of Ireland has not yet in any way been fully explored by making borings or otherwise to ascertain its capabilities in the production of coal. Those which are in Kilkenny, Tipperary, and Tyrone, and the north are better known.

The only other matter of interest which it strikes me to mention to the Committee, is with reference to the question of how the change, which appears to be so necessary, may be brought about without destroying the principle of private enterprise and handing the railways over to the Government to manage. With reference to that I beg to recall the attention of the Commission to what is done in Germany. The Government, as I have already stated, guaranteed the interest to the private companies, and not only so, but a system was organized in the open money market by the issue of obligations in the shape of amortisable obligations, which are payable off from time to time by lot, and very large sums of money are obtained in this way at very moderate rates of interest. In the case of the Cologne and Minden Railway, which I have at present in my mind, the government from time to time guaranteed interest upon 46,000,000 of thalers, which would be very nearly 7,000,000*l.*, and about 22,000,000 of thalers besides this were taken up in the shape of obligations by private parties in the open market, and these are regularly paid off out of each year's income from the railway; for instance, in the year 1863 the net profit on the Cologne and Minden Railway was 700,000*l.* That was devoted to the payment of interest and the redemption of those obligations; 295,864*l.* is the loan proportion; the state duty is 55,000*l.*; the reserve fund is 82,000*l.*; but through the instrumentality of this system of financing, the company were in a position to pay their own shareholders, as they stated on the last occasion, 12 and ½ths per cent. upon their subscribed capital, the total sum which they paid the shareholders being 252,000*l.* Now it appears to me that it would be possible, with reference to the debt in Ireland on the various railway companies, that either this debt might be reduced by a similar arrangement into a terminable annuity payable off by degrees, at a low rate of interest, either directly through the instrumentality of the state, or through an enactment similar to that which is so very extensively used on the Continent, not merely in Germany, but in Belgium and France. If the Irish railway system were by such means relieved of a portion of its debt, they ought,—if the directors can be convinced by the experience which has been obtained in other countries, of a certain increase of traffic arising from a reduction of the freights,—they ought either to be in a position to effect these reductions themselves, or at least it is to be assumed, that the facts being known to the public, parties would be found who would guarantee to the shareholders a minimum dividend upon the prospect of the future, so that they would be able to obtain loans for a certain number of years, and recoup themselves by increased profits for the losses which everyone anticipates, in a country situated as Ireland is, would in the first instance follow from a reduction of the freights. These are the only further observations which it occurs to me to make.

1848. (*Lord Donoughmore.*) Referring to the opinion which you expressed at the commencement of your evidence to-day as to giving further facilities to existing railway companies to make sidings and branches, I think you stated that the present system

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entailed very great expense upon the companies ?—Yes, as I understand it.

1849. Will you be good enough to explain what further facilities should be given, and upon what plan you would propose to decrease the expense of making sidings and branches ?—The plan which exists in Germany is laid down by a universal railway law, that any such sidings or branches, or even a whole railway, is merely conceded by the Minister of Public Works and Commerce, after he has made the necessary investigation, almost without cost, and following his concession, which is approved of by the Crown. There is an expropriation of the land and all rights belonging to the railway system.

1850. Have the parties whose property would be expropriated by the operation of these concessions any power or right to be heard by counsel or witnesses against the project of a railway company ?—They have only a right to be heard before the Ministerial department. There are official and impartial valuators, or arbitrators, named to value the property, and upon their valuation being made the concessionaires proceed with their works, and reference is then only made to the Minister, so far as my memory serves me.

1851. Is the decision of the valuators as to the compensation which the owners are to receive final ?—Yes ; subject, in cases of dispute, to an appeal to the Minister.

1852. There is no appeal made to a jury ?—I think not.

1853. Do you think that in this country, where the people are free, and rather like to enjoy their property without let or hindrance, such a system would be borne, either in England or in Ireland ?—I think that we do bear it at present, but not certainly without an appeal. There is an organized system, and in which I took part at an early period, for the purchase of property ; it was adopted first on the River Shannon, and it is now prevalent all over Ireland, and that arbitrarily enables property to be taken.

1854. That is, after passing an Act of Parliament ?—Yes ; and I take it that that *modus operandi* for expropriating property will still continue in that country, I believe it does, subject to an appeal to the assistant barrister ; but the great question is, not the question of expropriation, but the great expense which is incurred in parliamentary contests before the Act of Parliament is granted, or it may pass through unopposed, and it will cost more money than the siding that is wanted.

1855. Are you aware that a General Act was passed last session to give power to railway companies to construct works, subject to the approval of the Board of Trade, and without an Act of Parliament in cases where they obtained the consent of all parties ?—Yes, and that might have the effect of debarring them from making those works ; whereas in Germany, when once the concession is given, then the power of expropriation from the mode of valuing that exists there follows.

1856. Before a concession is granted to a railway company by the minister, do the persons whose property would be so expropriated receive notice of the intention of the parties to apply for a concession ?—Yes ; public notice is given in the newspapers that such a concession is to be applied for.

1857. Is it anything like the notice which is given in this country, notice being personally served on each owner, accompanied by a statement of the manner in which his property will be interfered with, the quantity of land proposed to be taken, and a sketch being given of the line, as intended to pass through the property ?—I rather think that it is not in such detail, but full notice is given in the local papers, and persons who object can appear before the minister and state their objections.

1858. Is the minister assisted at all by a jury ?—No.

1859. He alone is entirely responsible, and decides according to his will and pleasure ?—No ; he decides according to the Act of Parliament, and I believe there is a general Act in Prussia with regard to the making of railways, giving powers and laying down the rules and regulations under which they shall be conceded.

1860. Do you think that any British subject would be content if a minister of the Crown, by his mere *ipse dixit*, were empowered to say that his property should be taken away from him whether he liked it or not ?—I am not competent to give an opinion upon that, but if it is not so done, the system which prevails clogs your whole railway system with enormous expense. As I stated before, as far as I recollect the statistics upon the subject, the preliminary expenses taken together for the construction of railways in this country exceed the cost of all the railways in Germany.

1861. (*Mr. Ayrton.*) In Germany, I believe, they do not object to level crossings over any road ?—They are nearly all level crossings.

1862. They do not make bridges over roads, even at the very entrance to a large town ; they do not incur that expense ?—The system of level crossings is very prevalent in Germany, and I must admit is very much subject to complaint, and I think it is generally found now, where the traffic is increasing extensively, to be injurious, and that causes them to regret that another system was not adopted in the first instance.

1863. Do you not consider that the circumstances connected with the development of the coal traffic in Germany were quite exceptional, because the country is very cold during a long period of the year, there is very little fuel, and that is extremely expensive in many parts of the country ?—No. The private consumption is a small matter in the whole affair, and it has not yet at all been worked up to the extent to which I believe it will come. Wood, I believe, is still burned from preference in Berlin and in various other towns. It is the manufacturing industry that has taken the greatest advantage of coal, besides which the collieries in Germany have been for a very long time in existence; vast numbers of them exist there, but the trade in coal was always limited from the want, I believe, of the means of transport.

1864. The cost of transport by land was so enormous that practically it limited the consumption of the coal ?—Yes.

1865. They had to rely chiefly upon wood as fuel for manufacturing purposes and for domestic consumption ?—Yes ; before the railways were introduced, although within a few miles of the coal pits they were obliged to rely on wood.

1866. Therefore the construction of railways caused a sudden increase in the consumption of coal as fuel ?—It did not do that, as I stated before, until the rates were reduced, for they burned wood in the locomotives in Bavaria, and in many other parts of the country they burned turf in the locomotives, in Bremen, and in many other parts of the country.

1867. (*Chairman.*) Would not your plan of raising money on terminable annuities add considerably to the charges upon railways at present ?—No ; my object is to reduce the cost.

1868. They would have to pay a higher rate of interest, would they not, if it was to be paid off ?—No; not a higher rate of interest, for they would be gradually paying off the interest and the principal, but I was addressing myself to the question of the rates.

1869. (*Capt. Galton.*) If you can borrow money on a permanent annuity or a mortgage bond at 4 per cent., and you convert that into a terminable annuity, must you not pay something more than 4 per cent. during the whole time that that terminable annuity has to run ?—Yes, perhaps 1 per cent. to a sinking fund.

1870. That would be a greater charge upon the railway company than the present mortgage debt, would it not ?—Yes, and of course that would be a useful stimulus to them to develop the traffic. The proportion is very large of loan and mortgage debt to the share capital in Germany.

1871. (*Chairman.*) The latter is very small, is it not?—Yes. The alteration that I would make with regard to Ireland in its present difficulties, with a debt of about ten millions on the railways, is this: if that debt, instead of paying the present high rate of interest could be converted into a terminable annuity, and either guaranteed by the State or guaranteed to be paid off in 30 or 40 years, like the Drainage Loan in Ireland, it would be such a boon as ought to induce the existing companies to make some effort to obtain the increased benefits which would be derived from low fares.

1872. (*Capt. Galton.*) But that would diminish for some time, would it not, the dividends payable upon the shares?—No, they are paying interest now which is equivalent to what would make a sinking fund and pay interest.

1873. Do you mean if the Government gave a guarantee?—Yes; if you take it at 3½ per cent. interest. I am assuming 3½ per cent. for interest, and in this particular case of Ireland, that the debt was only to pay interest for the first five years during the experiment, and that the repayment of the principal was only to commence from that day forward. It would be in that shape practically a great benefit conferred upon the present railway companies.

1874. (*Mr. Glyn.*) You would make it 4½ per cent., including the interest and sinking fund?—Yes, after five years.

1875. (*Chairman.*) Do you think that parties would be found willing to make the experiment, to raise the loans, and then run the risk, during the first three or four years, of going without a dividend?—I have not the least doubt of it in this country; I find that the English railway companies are extending their traffic into Ireland, and very judiciously so; *i.e.*, the Western companies into the south of Ireland, and the North-western from Holyhead into the north; and communications may be made from other railway companies, and these very railway companies might lease the Irish systems of railways or portions of them, and still keep up that same spirit of competition which I think is so desirable for the future benefit of the public in Ireland.

The witness withdrew.

Mr. William Oxlade examined.

1876. (*Chairman.*) Will you be good enough to make any statement you wish of the grievances of which you say you have to complain?—The first grievance that I have to complain of is, that the North-eastern Railway Company select their customers. The second grievance that I have to complain of is, that the Court of Exchequer and the Court of Queen's Bench decide differently from the Court of Common Pleas. When I bring an action at common law, they say to me, "Take it into the Court of Common Pleas, "it is under the Railway Traffic Act, with which the "Court of Common Pleas deals exclusively." The Court of Common Pleas decides in contradiction to the Court of Queen's Bench and the Court of Exchequer; and they say, "Your remedy is by action "at Common Law; there is a case which has been "decided of Johnson *v.* the Midland Railway Com-"pany, and that is your remedy, to set that judgment "aside. If we are wrong in that case, we are wrong "in all." So that I am knocked about from court to court, and get no remedy at all.

1877. I suppose you think that there ought to be some alteration in the law?—I think that if the words "undue and unreasonable" in the Railway Act were struck out of that Act, the Judges in the Court of Common Pleas would have no difficulty.

1878. (*Mr. Glyn.*) What do those words particularly apply to?—They say that the words "undue "and unreasonable" are to be considered in this way, that if the interest of the railway company is prejudiced, that would be "undue," but they do not weigh the interests of the public in one scale and the interests of the railway company in the other. In weighing the terms "undue and unreasonable," they take my trade and stop it, and they say that it is not "undue and unreasonable" to stop my trade, because it would be against the interest of the railway company to let me carry it on; and what is the case with me is the case with every one; but the difference that this makes in the price of coals to the public is 4*s.* a ton, and as far as I am concerned it amounts to taking 2,000*l.* out of my pocket, besides the stoppage of my trade, and preventing me from earning my living, and my contracts are all thrown away.

1879. Do you send your waggons to be forwarded, and do the company refuse to take them?—Yes.

1880. You tender your loaded waggons?—Yes, I tender my waggons in the usual way, and the objection that they make is, that I am not a colliery owner; that is the only objection that they raise; they say, "You are not a colliery owner, and therefore "we refuse to carry your coals."

1881. (*Chairman.*) How are you connected with the coal trade?—I have large contracts, perhaps for 25,000 tons. I purchased a colliery, or I paid a deposit upon it, and the bankers guaranteed it in one case, and I had another contract for 5,000 tons, and the railway company undertook to carry the coals so long as the coal owner made himself answerable for the charges. I pointed out to the coal owner that I was providing my own waggons, and my own men to load and unload, and pay my own men to pay and keep the accounts; that other persons had all the necessary facilities provided for them by the company, while I was charged 2*s.* more for the carriage. His answer to me was, "I cannot help that, the account is kept "in my name. I must pay it, and you must pay me." Well, I did that for sometime, but at last he said to me "I see that you are not fairly dealt with, and I "will not pay these charges," and all the reasoning that I could use upon the matter would not induce him to do so. He said, "I will not pay these "charges any more, you shall pay them." Then I go to the railway company, and I tender to them 50*l.*, and they say, "We will not take any sum from you; "we will not let you carry on your trade at all, unless "you get the coal owner to enter into an arrangement "with us, to pay us what we charge." After ten years' stoppage of my trade, Mr. Thompson, the chairman of the railway company, entered into an arrangement in writing to let me carry on my trade, that is to say, we were to shake hands, and in accordance with that I did begin again, and I made some large purchases, and got my own waggons, and upon the first consignment of coals that I sent to York they charged me 2*s.* 7*d.* per ton. I then wrote to the coal owner, and pointed this out to him, and he said that it was necessary we should go together and see the railway people, in order to ascertain whether that was the charge which they intended to make. If so, it was only a question of how many coals he could supply, 1,200 or 800 tons, and what would they charge. We met, and we went and saw the general traffic manager, Mr. Quelch. The coal owner put the question to him, and said, "You have charged Mr. Oxlade this month "for coals 2*s.* 7*d.* per ton. Is it to be understood "that that is the charge which you intend to make?" And he said, "Yes, that is the charge we have made, "and we intend to make the same charge." Next month I sent 400 tons, and the next month I think I increased upon that quantity, and I went on sending a larger quantity; they kept back the dues account for three months, and then they sent the dues account in, charging 5*s.* 2*d.* Now just consider that case. As soon as I learned what I did, and I thought that I had done everything I could do, that the charge was to be 2*s.* 7*d.*, I issued bills and sold my coals at 10*s.* 6*d.* instead of 12*s.* 6*d.*

1882. (*Capt. Galton.*) Had they not made a contract with you or with the coal owner?—No.

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1883. (*Mr. Glyn.*) When you made this arrangement with Mr. Thompson, it was an arrangement between you and the company, was it not?—Yes; so far as giving me facilities under similar circumstances. What he said was, "You are to understand "that the account is to be kept in the coal owner's "name?" I did not object to that, nor do I now if they will deal fairly with me.

1884. (*Capt. Galton.*) Was not a contract entered into when the goods manager told you that 2*s.* 7*d.* per ton was to be the charge for the future?—No; that would not be held to be a contract in law.

1885. But surely it would in a Court of Equity?—No, it is only held to be so between the coal owner and them. If I complained, they would say, "We "talked to Mr. Forster."

1886. It would be held to be a contract with the coal owner?—Yes; they would say, "We cannot "enter into litigation with a common man; you must "pay us through the coal owner."

1887. (*Mr. Glyn.*) He would not let you use his name?—No. The way in which my trade was brought to a stop was this; that was in the case of another coal owner; and my great grievance is that they pick and choose their customers; they say, "We "will carry for certain persons, but we will not carry "for you." When I meet them on the circumstances, and I get a coal owner to go with me to them and say, "Now I will do everything that you wish me to do, "give me the same facilities that you give to others;" they say, "We will not do so;" and the effect of that is that it ruins me. That applies to the Yorkshire coals, and they will not give me the same facilities as they do to others under similar circumstances. The Court of Common Pleas say, "If you are dis-"satisfied, you must bring an action at common "law."

1888. (*Mr. Roebuck.*) Can you suggest any reason why the railway company treats you in this way?—I can only suggest this, that there is a division amongst the directors themselves, and some of them are anxious to have this question settled, and they think that I am a likely person to get it settled; they have told me so, and this is so far as I am at present situated.

Ten years ago, or in 1854, Mr. Sherriff, the traffic manager, sent for me. I waited upon him by his own appointment, and Mr. Mason was the party who went with me to see him. His object was to have a share in my trade. My book stood then in this way; there were about 3,000*l.* of book debts, and I had about 3,000*l.* at my bankers. He said, "I wish to have an interest in your coke trade." I was then carrying on a large trade in Staffordshire, and I could buy a great deal more then, because I had capital to pay for it. I could sell more than I could buy for want of capital. I pointed this out to him, and he said, "Well, I will use my position in "the company's service, and see that you have an "unlimited supply of waggons." I had none of my own. He also said, "I will see that you have low "rates for carriage, and I will see that you have long "credit in the leading charges." I pointed out to him that, with all that, before I had been in the trade for six months, I should be completely out of my depth as to capital, for, instead of sending me 10 waggons a day, he would have sent me 40 or 50, never thinking that I should object to it. After that I weighed his suggestion in my mind, and I said to him, "Where "is the money to come from?" I should mention that Staffordshire is a place where, at the end of each quarter-day, you must draw bills upon the parties at three months or at four months; they will tell you when to draw. When a railway company, or, say, the Midland Company, want to be paid, the coal owners will tell them when to draw. I said to him, "If you send me a large number of waggons "every day, in less than a week I shall be unable to "pay beyond my capital." Then he said, "We will "get your bills discounted for you." I said, "Who "will discount them? Let me have a good under-"standing with them, and then I will look at the "matter." He said, "I shall not let you know that "until you make yourself liable." I said, "I shall "not do so till I know who they are, and for no "other reason than this, that the persons who dis-"count my bills and you will divide my profits. I "shall have none by paying discounts and your "dividing the profits. I shall have nothing left, "besides taking all the risk, and I will not be put in "such a position."

1889. (*Mr. Glyn.*) How long is it since this occurred?—It was in August 1854, I said to him, "If "anything takes place, I must take all the risk, and "somebody else must take all the profit;" then he said, "We will stop your trade if you do not do it." I can well remember how I felt under that, for I thought that I was quite independent of such a position as that. I saw that I was to be put in a very dangerous position, at the risk of a sudden stoppage of my trade, or that I must become liable for more risk than I could cover. I studied for ten minutes about it, and then I said, "I will do this in order to meet you. If "you have got any money I will go and buy coke "for you, and sell it for you. My servant is George "Bright, you know him, and you will know who "buys it, and the people at the collieries where I get "the coke from shall keep the account for you. I "will give you the profit, and charge you nothing for "doing it." He said, "Pooh, pooh, nothing of the "sort. I will not do that." I said, "The other will "not do for me." Then he said, "We will stop your "trade," and in less than three weeks they did stop it; they unloaded three waggons when they came to York and took the coke out, and so my trade remained stopped until the beginning of 1863, and then they allowed me to carry it on again under sufferance.

1890. When did Mr. Sherriff cease to be connected with that line?—A few months afterwards; I think 12 months afterwards. I knew Mr. Robson, who had lent himself to the West Hartlepool people in lending money, and I had a long consultation with him about it; he was possessed of money, and he got into it by advancing large sums of money for the purposes of trade. There is no doubt that the ball was at my foot then, if I had chosen to take up that position, but I should have been representing a very great sum without having the capital, and also taking the risk.

1891. (*Chairman.*) Did not you complain of this traffic manager's threat to stop your trade?—Yes, but no relief was given.

1892. (*Mr. Glyn.*) Mr. Sherriff left, you say, in a few months?—Yes; he then went to the Oxford, Worcester, and Wolverhampton Railway as general manager there. The same thing was done with Gooch and Pryor, E. and A. Prior; the locomotive superintendent of that railway got them to lend themselves to everything when a proposition was made; these young men lent themselves to it. I saw them at Peterborough, and they had then 75,000*l.*, I believe, in the bank, and they were then large buyers of coal, and were carrying on an immense trade. After this had been going on, I think for 18 months, one of them said, "I am going to leave the company, "and shall withdraw from your trade;" he brought no capital in, and they gave him 15,000*l.* when he went out. He then went on to the Great Western Railway, and invested his money in collieries there, but it ruined them; they became bankrupts, and that was the cause, there is no doubt, of the stoppage of my trade, although I struggled against it.

Then look at the Court of Exchequer, when an action was brought, I did not know much about law then, and I was at the mercy of the gentlemen whom I employed. An action was tried at York with regard to that coke, and the verdict was in my favour; it was then brought to London, and the verdict was set aside on the ground that the tender upon the branch railway that runs to the colliery was not a proper tender, and I had all those costs to pay. They said that there was no tender; that the tender must be made with a horse and cart at the station where the company hold

themselves out to carry, and that you must take the goods to the station where they hold themselves out to carry. Now I do that; I take them in sacks, coals in sacks in a cart, but that is no use to me; you may see that it is impossible to carry on the coal trade by putting coals filled in sacks into a horse and cart, and then taking them to the station, but to bring them within the law you could do that. The question was tried before Mr. Baron Martin, and it was ruled in my favour, but instead of their having all the damages to pay, I agreed to assess the damages at 1*s.*; and then we come to the Court of Common Pleas, and they set the verdict aside, on the ground that it was not a holding out to the public to carry; that taking them to the station as I did was not the usual way in which coals were taken, and that you must tender in the usual way. Then I took the case into the Court of Error, and there we had the Judges of the Court of Exchequer, and the Judges of the Court of Queen's Bench, and they were of opinion that the tender had better be made, and a new trial had; but with a view to starting my trade I ought to make another application to the Court of Common Pleas. I made another application to the Court of Common Pleas, and they said "your remedy is by an action at law." So that I was thrown about from court to court in this way. I must beg again to refer to Johnson's case, and to say that that case is not like mine. The case of Johnson *versus* the Midland Railway Company was this; a railway was made up the Okeham Canal from Melton Mowbray; the Midland Railway Company bought the canal from Melton Mowbray to Okeham, and for years before that railway was made, Mr. Johnson had been in the habit of sending his coals up that canal to Okeham, but the moment the canal communication was taken away from him, he had no means of getting his coals to Okeham except by the railway. The access to his coal was by the canal from Melton Mowbray, he brought his coals to Melton Mowbray by the canal, and he wanted his coals taken to Okeham from Melton Mowbray, and he did not know how to do it. At that time the Midland Railway Company never provided any waggons for the carriage of coal, nor held themselves out to carry coals from Melton Mowbray; they did not carry coals from Melton Mowbray for anyone, but these coals were brought by canal to Melton Mowbray, and Mr. Johnson wanted to put them on to the railway; he took his coals to the station in a cart, and he said, "Here are "my coals, I want you to take them to Oke-"ham," upon which they said, "No, we do not "provide waggons for the carriage of coals; we "have no such accommodation; we do not do it for "any one." The court ruled in that case that the company were not common carriers, as they did not carry for any one else from Melton Mowbray. My coals are brought and the only difference is, that the colliery owner pays the charges with my money, and I pay him cash at the end of the month, but he pays them by an acceptance; that is how the usual trade is done.

1893. You still carry on business in coal, do you not?—No; my business is stopped entirely; all my money is locked up in one place; there are three of my contracts now as to which I have only given a guarantee. I cannot get the coals carried; they will not take them, and they stop my trade entirely.

1894. (*Chairman.*) It is not that they charge you high rates, but that they will not take the coals upon any terms?—Yes, they stated that the reason why they stopped my trade before was, because I refused to pay the charges; they will not let the coals be carried in my name; they will carry the coals in the name of a colliery owner, but they will not give me now the same facilities that they give to others; they tell me that they have not room for me. They will give the coal owner every facility, and he will do everything they wish; they let him have the same facilities as they let other people have, and I say, "Let me have the same means for my coal," but they say, "No."

1895. Has this coal owner other contracts with other dealers?—Yes, lots of them.

1896. (*Capt. Galton.*) Are there no dealers on the North-eastern line?—No.

1897. (*Mr. Glyn.*) Do they carry other coals for other dealers?—Yes, there is a coal owner in the county of Durham and in Yorkshire; and I should have every facility from these coal owners if I could get the North-eastern Company to let my coals come on.

1898. (*Capt. Galton.*) Is it not the case that the North-eastern Company allow a certain number of coal owners to send their coals to every station on their line, but that their station master acts as the agent for those coal owners and sells their coals to the public?—Yes.

1899. There are no dealers allowed at any of the stations?—There are one or two stations where there is an exception, and there are stations where all the facilities are let to one man; he is the great merchant for that station. There are a few stations where all the facilities are let for so much a year, and any man wanting to supply coals must supply them to that man.

1900. As a general rule the railway company allows a certain number of coal owners to send their coals to the several stations to be sold by the agent at that station?—Yes, as the coal owners require; but the public can only get such coals as those collieries supply. The coal owner may be on one side of the railway and they will take 4*s.* 4*d.* a ton; then another coal owner on the other side of the railway will have no facilities given to him, so that he cannot get to the same towns at all that the other one can; they say, "We have not room for you."

1901. (*Mr. Gower.*) What remedy have you to propose for these evils?—If the Railway and Canal Traffic Act had these words "undue and unreasonable" struck out, and they altered the word "may" into the word "shall," so that I might say to the Judges, "Here is a case where the traffic is stopped. "The Act does not say you 'may' order it to be "forwarded it, but it says you 'shall' order it to be "forwarded," that would give me a remedy, and they could not stop my trade. Then I should have sufficient grounds to bring an action against the company, and to settle it on the other side of the question; but so long as the word used is "may" the court would say, "There is no remedy."

1902. (*Chairman.*) How is it the interest of the company to interfere with your trade?—The only way in which I can see it is this: There is a colliery owner, say, who supplies the line with large quantities of coal, and I think I can say to whom the company allows credit, and who owes a large sum of money for carriage, and if they were to let everybody in, that man's trade would fall off; he would no longer have the monopoly; and some one else would come in, and the money which he owed for charges would be at a risk. There are cases in which some coal owners pay every month, while some give their acceptance. I know that large credits are given in the leading charges. I know from Mr. Forster, one of the colliery owners, that he pays by an acceptance.

1903. (*Mr. Glyn.*) You say that they do not only exclude dealers, but also some of the colliery owners?—Yes; there are colliery owners, and there is one in Yorkshire, who said that he should have been here, but I find that he has not been. They exclude coal owners, and if any one sells coals at a lower price than another, they stop him. Suppose, for example, you live at Richmond in Yorkshire, or within 30 miles of the coal pits in Durham, if you want your coals from a particular colliery, you must pay 1*s.* a ton more for them than anybody else, and 1*s.* a ton in a large trade amounts to a large sum. I consider that 6*d.* is more than I want for profit; if I get 6*d.* a ton I am satisfied; but their system of management defies you to realize a profit, from the variety of charges there are to pay every month. After I commenced

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this last time, the account showed that the charges are hardly ever made the same month after month; that they vary as much as a shilling, as in the case I mentioned in Yorkshire.

1904. (*Capt. Galton.*) Is it not the case that this system is adopted by the North-eastern Company, because they say that their stations do not afford sufficient accommodation to enable them to allow any one to come in who chooses?—I do not know that they swear that. I think that they might say that, but I will not say that they swear it. If they made an affidavit it would not be true, because they have plenty of room, and if they had sworn it I should have them upon the affidavits, but they cannot swear to that, for they swear that their system is to deal with the colliery owners exclusively, and they also pick and choose the colliery owners.

1905. (*Chairman.*) Is it within your knowledge that any coal owners have complained of being excluded?—There is not one but who would be glad to see the system broken up, for, as Mr. Robson said to me, "I have invested my money in coal and coke works, "and if the railway company chose to stop my "trade, they would ruin me in less time than they "would you. I cannot get away, and I am in a "false position, for, as the law stands, there is "no dependence upon this coal branch of mine; "they might say, 'We will not carry for you at "all.'" The coal owner is, therefore, afraid of the company, and every coal owner in Durham would like to see the trade thrown open, so that they could sell to any person they thought proper; but they are afraid of the North-eastern Company, knowing that they would bring their weight to bear upon them at once. I know that in my own case, if Mr. Forster was called, he could say that if he sold the coals to Mr. Sparkes, they would be charged less for than if they were sold to me.

1906. (*Mr. Glyn.*) Can you assign any reason for this?—Only this reason, perhaps, that there is a good understanding existing between certain parties. I do not know that there is, but I know that Mr. Sparkes was a friend of the present accountant, and they were considered as partners at one time, before the Leeds Northern was amalgamated and they used to have a trade amongst them. I know of nothing else.

1907. (*Chairman.*) Do you know that of your own knowledge?—I know that it was the case at one time. I do not say that it exists now; but there was such a thing before the Leeds Northern was amalgamated with the North-eastern Company. Mr. Sparkes sent nearly all the coals on to the Leeds Northern line.

1908. You said that Mr. Sparkes was a friend of the accountant's, or was acquainted with him?—That was a general remark. I could not prove that; but I know that Mr. Sparkes can have every facility afforded to him that I cannot.

1909. (*Capt. Galton.*) Who is Mr. Sparkes?—He is now representing himself as the owner of the West Belmont colliery; and when I first began trade Mr. Sparkes had a sort of private agreement with them, that if he sent 10,000 tons, they were to be carried at a halfpenny; but he never could send 10,000 tons when my trade was going on; but as soon as my trade was stopped, he sent the stipulated quantity, and he got a large drawback from that time. Mr. Sparkes was in a very different position then; he is now a coal owner, and he was then an agent for the colliery. The Great Northern Railway Company were dealers in coal at one time. I was then taking all the produce of the West Belmont colliery, and the Great Northern Railway Company made an arrangement with myself and Mr. Thomas Bell, the coal fitter, at West Hartlepool, for all the coal, and in large quantities it came to London.

1910. (*Mr. Glyn.*) Did you send your coals over the Great Northern line?—Yes.

1911. From that colliery?—Yes.

1912. First on to the North-eastern line to York, and then on to the Great Northern line?—Yes. I was taking at that time from the West Belmont colliery the whole of the produce, and they put it to me in this way: If you can take more than we can draw up this shaft, we will put down another shaft. Mr. Bell was kind enough to say that, and to let us have the same rating. I was too off-handed at that time, and I said, "No, we have confidence in "you, and I will take all the coals." But the moment I got that trade opened, Mr. Bell, who was a coal fitter, a son to the gentleman of the same name, stepped in, and made an arrangement with some of the Great Northern people for all the best coal. Now, observe, I had bought it previously to that, and they charged him 2*s.* 7*d.*, but when I got the dues account for all the coals that I took, the charge was 5*s.* 2*d.*, and nothing less.

1913. You were carrying coals from the same point that Mr. Bell was?—Yes.

1914. They charged him 2*s.* 7*d.*?—Yes.

1915. And they charged you 5*s.* 2*d.*?—Yes, and he had of course got the coal owners over in this way; he would say, "I can give you 9*s.* a ton at the "pit; Oxlade can only give you 8*s.*" As soon as I saw that I said, "I should be very sorry to stand in "the coal owners' way; I can go to another pit; "let it go." I said, "If you can get another shilling "a ton more get it." I saw how it was to be done, and that was the first time that I saw it. My coals went on to the North-eastern line then, and the coke over the Midland line, and on to the South Staffordshire.

1916. (*Chairman.*) You have now described the general nature of your complaints?—Yes.

1917. You complain that, in certain instances, the North-eastern Company charge much higher than their authorized tolls?—Yes.

1918. You have addressed a letter to the Royal Commission containing a number of alleged instances, in which you say that the North-eastern Company charges higher than its authorized tolls; you assert that those charges were actually made?—Yes; that has been done since Mr. Thompson became chairman, and previously to that.

1919. Have you anything to state in addition to what is contained in your letters, or do they contain all the facts that you wish to lay before the Commission?—Those letters contain all the facts (*see Appendix* G.), and if there is any point that you desire to have explained, I will explain it. I charge them with making charges upon the public higher than their proper toll; for example, they charge for agricultural produce 10*d.* a mile, the highest toll is 3*d.*

1920. (*Capt. Galton.*) Is not the toll that you have just mentioned the toll which they charge when they do not provide the locomotive and carriages?—That includes everything; it includes engines and waggons, and no further charge is to be made, except a reasonable amount for loading and unloading.

1921. Between what places do they charge these high tolls?—At every station on their line.

1922. (*Chairman.*) I suppose they justify the charge on the ground that they are terminals?—No, what they say is, "That is our charge, if you do not "pay it, take the goods away." I allude to the North-eastern Railway Company's agent; and if any individual took goods to the station, that would be the charge. If it was furniture that he took, it would be 1*s.* 2*d.*, but their highest toll under their Act is 3*d.*

1923. (*Capt. Galton.*) Do not people complain of that charge?—Yes, they do; but then the railway people immediately point to "Oxlade," and they say, "Look at what we have done with him; if you begin "to complain, we will serve you the same," and that is how they frighten people. They deal with them in that way; it is quite sufficient to tell them that they will serve them in the same as they did "Oxlade." They do not want any more. Suppose any person raised a question about these overcharges,

the railway company would say that they were not common carriers, and you would be in the same position as I am. You could not help yourselves. If they are not common carriers for one thing, they are not common carriers for anything. They could say, "We will not carry furniture for you, just the same "as in the case of coal." They charged me 10*s.* 10*d.* for a ton of coals taken to the station in a cart, for a distance of 62 miles, which ought to have been 5*s.* 2*d.*, but they gave up that sum and paid it into court.

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1924. (*Chairman.*) Have you anything further to state?—No, but I can attend again if necessary.

The witness withdrew.

Adjourned to Friday next at 12 o'clock.

Friday, 12th May 1865.

PRESENT:

His Grace the Duke of Devonshire.
The Right Hon. the Earl of Donoughmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
J. A. Roebuck, Esq., M.P.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
A. S. Ayrton, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
E. T. Hamilton, Esq.
J. R. M'Clean, Esq., Pres. Inst., C.E.
W. Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. William Kirby Sullivan called in and examined.

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1925. (*Chairman.*) You are professor of chemistry to the Museum of Irish Industry at Dublin?—Yes.

1926. Has your attention been much directed to the subject of Irish railways?—Yes, especially in connexion with the transport of mineral products.

1927. Do you wish to confine your evidence solely to Irish railways with reference to mineral products?—I should like also to offer some evidence with reference to agriculture.

1928. Are you prepared to give evidence generally upon the subject of Irish railways?—I am.

1929. Do you consider that the fares and rates of carriage for goods and parcels charged in Ireland are injurious?—I do.

1930. Do you consider that the produce of the mines and quarries and agriculture generally would be greatly benefited by a cheap scale of fares and rates?—Certainly.

1931. Are you of opinion generally that cheap rates and fares would stimulate trade?—Yes.

1932. Will you state your opinion as to the effect which you think will be produced by the diminution of fares?—I believe that the first effect would be a considerable development of mining; I also think that agriculture would be very considerably benefited, especially in the portions of the country which are most backward because most distant from the markets; I believe as there is now a tendency to engage in manufacturing industry in Ireland, more than perhaps has existed for 20 or 30 years, that it will greatly stimulate that tendency.

1933. Are there any facts upon which you ground your opinion, that a diminution of fares would be accompanied by a large increase of traffic?—I will first direct the attention of the Commission to two cases in connexion with mining, which will show what is the influence of the present rates of transport upon that branch of industry; I may observe that although we have a great number of mines in Ireland, they are not very rich and they are scattered through the country, many of them only giving produce of a low value, as, for example, sulphur ore, iron ores, and zinc ores. The present rates which are charged upon these products are exemplified in the case of the Wicklow Copper Mining Company. The Vale of Avoca is the centre of the largest sulphur mining operations perhaps in Europe. Formerly copper was extensively obtained there, but latterly, say for about the last 20 years, the sulphur ore has been the chief product, and from 80,000 to 120,000 or 130,000 tons annually have been exported. Iron ore is also found there in great abundance, and is now extensively worked. The distance from the Vale of Avoca, where the mines are situated, to the stations at Kingstown is 39½ English miles, and the charge for the sulphur ore to that point is 4*s.* 3*d.* per ton, making consequently a rate of something more than 25 per cent. of the total value of the product, which is 16*s.* per ton free on board.

1934. (*Earl of Donoughmore.*) That includes terminal charges?—Yes; the railway charge upon the iron ore is 3*s.* 9*d.* per ton.

1935. (*Chairman.*) Where is that from?—From the same locality to Kingstown. I take Kingstown, in the case of the sulphur ore, rather than the Harcourt Road Station, because practically very little except the local consumption of Dublin itself would be delivered there; 3*s.* 9*d.* per ton upon iron ore is very nearly 50 per cent. of the total value, because they have to pay, besides the 3*s.* 9*d.* for the carriage of it to Kingstown, a charge of 3*d.* per ton for taking it from the depôt at the mine to the station itself; so that virtually the charge is 4*s.* or exactly 50 per cent. upon the total value. Independently of the more valuable ore, there is an article called "smalls," which are the broken pieces, the value of which is only 6*s.* per ton, delivered free on board. They cannot send that at all, because the charge would be the same for that as upon the ordinary sulphur ore. It would be 4*s.* 3*d.* per ton to Kingstown, leaving, therefore, only 1*s.* 9*d.* as the margin for cost of production and profit. So that the present charge would be 72 per cent. of its actual value. The produce of this one mine for the year ending the 1st of March, 1865, was, of common pyrites, 30,600 tons; and of iron ore, 15,164 tons. The total produce being 56,576 tons.

1936. Then you include some other item?—I have included all the other varieties of ores which have a higher value, and therefore do not come under the categories which I have mentioned. I have included the copper ore, and a portion of the deposit of copper; which make a total of 56,576 tons. That produce could, were it not for the charges paid, have been raised to a very great extent. The company had, I am informed, contracts for this year which would have enabled them to sell 80,000 tons altogether of ores from that single mine, but they could not fulfil them, owing to the difficulties with the railway company. The "smalls" are of course not sent at all. There is one other port to which ores are sent, which is only 6¼ miles distant, namely, the Port of Arklow, which is only available in the summer months in consequence of the bar.

1937. (*Earl of Donoughmore.*) In point of fact it is not a port at all. It is only an open roadstead?—It is an open roadstead. The charge to that place is 2*s.* 6*d.* per ton for the 6¼ miles, or about 4·8 pence per mile. On the 9th of May, in consequence of those charges, and the difficulties with the railway, the mining company had 120 carts carrying ore to Arklow, having thrown the railway company overboard

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altogether, finding it cheaper to deliver it in that way at Arklow, than to take it to Kingstown.

1938. (*Mr. M'Clean.*) Is there a tramway to Arklow?—The tramway was made originally by Mr. Hodgkin, but it has been sold to the railway company.

1939. (*Mr. Horsfall.*) Which railway company is it?—The Dublin, Wexford, and Wicklow Railway Company. I may add that that is not the only loss which the Vale of Avoca as a mining centre suffers, because we lose the advantage of return freights from the coal trade. The coal vessels coming into Dublin are obliged to return chiefly in ballast; of course they do not go to Arklow, and so the mining company loses the advantage of that return freight which the delivery in Dublin or Kingstown would give them; and now that we are to have a line of screw colliers, the advantages of return freights would be more certain.

1940. (*Chairman.*) Do you know whether the Wicklow Copper Mining Company have ever made a representation to the railway company upon the subject of their charges?—Yes.

1941. (*Mr. Glyn.*) Have they refused to make any reduction?—They have refused the offer made to them by the mining company.

1942. (*Mr. M'Clean.*) Do not the mining company pay a very high dividend?—They do.

1943. And the railway company a very high one?—Yes; that railway is perhaps the one which pays the best dividend in Ireland. As I have no direct interest in either the railway or the mining company, I have mentioned the case only as an illustration of the influence of the cost of transport upon our mining. I can also mention other cases.

1944. (*Chairman.*) There are mining companies in the Vale of Avoca besides that, are there not?—There are several. There is another district, the traffic of which comes upon a different line. It would be one of the largest mining districts after Avoca itself; it is in the centre of Ireland, in the county of Tipperary, where the influence of the cost of carriage is still more important upon the produce, namely, the district of the zinc mines near Nenagh. The ore is peculiar there, a portion of it is very rich, quite as rich as that of the zinc mines in Germany or Belgium, but a large portion is also mingled with ochre, which has to be removed by an expensive process of washing, and the consequence of that is, that a large portion of it cannot be transported at all. In one month the net return of the mine was 307 tons, valued at 692*l.* 8*s.*, and the cost of the carriage was 217*l.* upon that. The total quantity of zinc ore exported in 1864 was 3,500 tons, and of fire clay 100 tons, so that the total sent by rail was 3,600 tons; and there was brought from Waterford 500 tons of coal. The total tonnage of ore, coal, and fire clay was, therefore, 4,100 tons. This is exclusive of stores and of other ores.

1945. Where was the carriage to?—That is a good illustration of our railway system. The nearest port would be Limerick which is not many miles distant, but they are obliged to carry to Waterford. It costs about the same to Waterford, to Cork, or to Dublin. Limerick is nearer, but they cannot take it there, and the cause of that is that there are no railway wharves, therefore the cost of taking it to Limerick would be greater in consequence of having to cross the city than it would be to send it on to Waterford.

1946. Do the railways come nearer the wharves at Waterford than Limerick?—They come alongside, which makes it more economical for them to send it to Waterford than to Limerick, although the distance is nearly three times as great.

1947. The charge is something like 15*s.* a ton, is it not?—No, the charge compared with the usual charges is moderate enough, because they have more facilities for carrying it up to Waterford. They carry it at 6*s.* per ton; the charge of 15*s.* includes the freight to Swansea.

1948. What is the railway charge?—It would be 6*s.* per ton.

1949. How many miles?—It is about 80 miles from Limerick to Waterford.

1950. (*Earl Donoughmore.*) What is the station?—The station is Bird Hill. The chief difficulty is that the Bird Hill station belongs to the Waterford and Limerick Company; and the mines are several miles distant from it; so that there is a large expense in carting the ore to the Bird Hill station. They are only about a mile and a half from a branch of the Great Southern and Western, which runs from Nenagh to Bird Hill. Looking to the access to that district by the other line the Great Southern and Western very naturally did not like to go to the expense of a station at Shallee, for which they would have to pay all the expense, and only be benefited by the receipts of two or three miles; so that the existence of the two companies on the one line of communication threw a great obstacle in the way, and raised the traffic charges very considerably.

1951. (*Chairman.*) Are there any other mines that you wish to call the attention of the Commission to?—I should say that the limit of production in those mines will not be reached for very many years. I have been down in the mines myself, and I know what the extent of their production is; and I must say that if there were facilities of transit given at a cheap rate, say at half of the present rate, I am sure the quantity of ore which would be sent would be certainly three times what it is at present.

1952. Do you think it could be put on board ship for 3*s.* a ton?—I think it could, and that would leave a considerable profit.

1953. Is the production from the mines capable of being rapidly increased?—Very rapidly indeed. All the investigations, as far as sinking is concerned, are made, and the levels are driven through the mass of the ore, so that at any time the amount that could be raised may be easily calculated.

1954. Would it not be for the interests of the mining companies themselves to promote a branch line from their mines to one of these larger railway companies?—That is exactly the very point at issue now.

1955. Have the mining companies themselves ever promoted a tramway to one of those lines?—If they could get a station upon the Great Southern and Western they would I have no doubt make a tramway, because they would be able to bring the waggons upon the railway loaded, but the obstacle in the way of that being done is that there are two competing lines just at that point, so that the line which has the station and which would have to give them the right of running their carriages over it is precisely that which would have the least benefit from it.

1956. (*Capt. Galton.*) What is the value of this ore at the market at which it is sold?—The poorer ore which exists in the largest quantity could not realise more than about 30*s.* per ton.

1957. Sold where?—Sold in Swansea.

1958. What does it cost to raise that ore in the mine itself?—The cost is very considerable. I could scarcely enter into it now. All that I can say with regard to that at present is that it would not pay to send the ore.

1959. But they do raise it now?—No, they only send the richer. Considerable quantities of inferior qualities are obtained in the dressing of what is raised, but the poorer ores are not at present raised where it can be avoided.

1960. Are the mines deep?—Some of them are deep. They go down to ——

1961. Do they run into the side of the mountain at all?—Not this particular mine. The better ores would fetch from 42*s.* to 46*s.* per ton.

1962. (*Chairman.*) How much do they send in the year?—They cannot send the poorer ores at all, because there would be no margin for profit. Suppose the freights had been reduced to one half what they are at present there would have been a margin of 1148*l.* upon the zinc traffic arising from the operations of last year.

1963. (*Capt. Galton.*) What is the freight from Waterford to Swansea ?—About 2*s.* 6*d.* per ton.

1964. And the charge by railway is 6*s.* per ton ?—Yes.

1965. Therefore it would cost 21*s.* 6*d.* to raise the ore on the spot ?—You have always to add the cost of transport to Bird Hill station.

1966. What distance is that ?—About six miles.

1967. What would they convey that at ?—It would be at least 6*d.* a ton per mile. I believe it actually costs 3*s.* 6*d.* per ton.

1968. That would be about 19*s.* per ton ?—Yes.

1969. And it would cost that to raise the material ?—It would cost that. They would have to dress it.

1970. What is the process ?—They have to crush it, and then they have to subject it to a very elaborate series of washings so as to remove the whole of the ochre.

1971. Has it to be subjected to any heating process ?—No. An attempt is about to be made to convert it into oxide of zinc so as to diminish as much as possible the weight of stuff which is to be sent to the smelting works in Swansea.

1972. If they could get coal at moderate prices would it be worth while then to reduce it on the spot ?—Not perhaps to reduce it but to make oxide of it.

1973. At what price ought the coal to be in order to enable them to do that ?—I have not made the calculation and it will be a very difficult matter. I should not like to venture just this moment to say what it would be. In fact the experiment is in process of being tried and it might be premature to say what would be the effect, but I know that the charge upon the coal is itself an obstacle to making the attempt.

1974. (*Mr. Roebuck.*) Is there any use made of the ochre ?—As yet none, most of it is run into the river.

1975. (*Mr. Horsfall.*) I think you stated that it would pay the companies to carry this ore for 3*s.* per ton for 80 miles ?—It would. If it had been carried at 3*s.* per ton instead of 6*s.* it would have given a margin of profit on the operations of 1864 of 1148*l.*

1976. (*Chairman.*) A profit to whom ?—To the mining company on their zinc ore.

1977. (*Mr. Horsfall.*) Have you entered into any calculation as to what would be the profit to the railway company at these rates ?—I have not, because I consider that the increased produce that would be raised from the mine would give them a slightly higher interest than they have at present.

1978. Do you know what the expense of working the line is, how much per mile ?—The working expenditure on the Waterford and Limerick line was 301·39*l.* per mile for 1863.

1979. What is that per ton ?—That includes their whole working expenditure. I have not the means of determining the cost of the goods traffic per train mile.

1980. What proportion of that 3*s.* per ton would fall on the company who work the line ?—Considering that they have a sufficient rolling stock to do the work at present, and that they would bring back a considerable portion of coal, I do not think the increased expense would be very much. I do not think the increased quantity would be any additional expense at all.

1981. (*Mr. Glyn.*) They would carry in fact full loads ?—Yes.

1982. What increased produce must the mining company give to allow that reduction of the railway rate ?—If it reduced it to half, the mine should give double the produce, for instance, the 307 tons ought to be 614 tons.

1983. You have no doubt at all of the capability of the mine to produce a very much larger quantity ?—I have a perfect certainty of its being capable of producing a three times larger quantity with the greatest facility.

1984. Therefore in point of fact the directors of the mining company could make a contract with the railway company for the delivery of a certain quantity, provided they reduced their rate ?—I am quite certain they could do that, subject of course to the variation of the market in England.

1985. (*Capt. Galton.*) How far are they now from the River Shannon ?—They are, at present, not more than 9 or 10 miles from the River Shannon, but between them and the Shannon is a range of mountains, or rather high ground, lying between Nenagh and Killaloe.

1986. Is it not less expensive to them to get down to the Shannon, and go to Limerick that way ?—Much more expensive, in consequence of the carriage across to the river, and then of course there would be the transhipment on board, and a second transhipment again on the Shannon itself. If there was a railway wharf at Limerick it would be very easy to send it down to Limerick, which would reduce the rate to one-third. It would be quite possible to send to Limerick if there was a railway wharf there at the rate of 2*s.* per ton, which would be one-third of the present rate.

1987. (*Chairman.*) Is there any extension of wharves at Limerick in contemplation at present ?—I do not think that in the present condition of Irish railways, unless some change is made by amalgamating them all, any extension of that kind is contemplated, except perhaps in Dublin. With regard to Dublin, the change will be made, because a Bill has passed which will connect all the docks, which are now more or less useless, with the railways ; there is a circular railway for that object. That is the only case of a railway wharf being proposed that I am aware of in Ireland, and I am not aware that it is contemplated to do so in either of the ports of Waterford, Cork, or Limerick.

1988. If the railways to the south of Ireland were amalgamated, do you think it would be for their interests to make a branch into these mines of which you have been speaking ?—I certainly think it would.

1989. What saving would there be in that distance between the mines and the Bird Hill station ?—The saving would be fully 2*s.* per ton, allowing a large margin for filling and other expenses.

1990. Would the freight from Limerick to Cork be the same as from Limerick to Waterford ?—About the same, because you can get a chance of return freights. It would be to the interests of the company to own the vessels themselves, and in fact to bring back coal in return.

1991. Do you know whether the Great Southern and Western have ever considered the practicability of carrying the ore on their own line to Cork, with the view of shipping it there ?—It would be too great a circuit, because they would have to go back to the junction upon the main line, and then carry it for nearly double the distance on their Cork line. In order to get to their Cork line through Limerick they would have to pass over two lines ; they would have to pass over the Waterford and Limerick and the Foynes Railways.

1992. (*Capt. Galton.*) Are those two lines worked by independent companies ?—Yes. The Great Southern and Western Company have running powers over the Foynes line from Patrick's Well to Limerick.

1993. (*Earl Donoughmore.*) I suppose if the Great Southern and Western Company had a station at Shallee to accommodate this Calamine Mine, that they could charge the maximum rate under the six miles clause for going to Bird Hill ?—They could.

1994. Have the Great Southern and Western Company ever made any proposal to the promoters of those mines to take their ores for them to Dublin ?—I do not think they have, because the mining company never contemplated going to Dublin in consequence of the absence of a railway wharf, but perhaps that would be remedied by means of the new line connecting the railway termini in Dublin. The cost of transport to the Great Southern and Western Company of their own coal, in consequence of the absence of wharves, amounts at present to about 1*s.* 9*d.* per ton. That is the actual cost of the carriage from the

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ship's side in Dublin to the Great Southern and Western depôt. The cost of the transport of ore would of course be equal to that. Then there is the loss sustained by carting it across Dublin, which, from the ore being so to speak in a state of mud, would be very considerable; the loss on the ore as it is, amounts to nearly three per cent.

1995. (*Mr. Horsfall.*) You spoke of the export of sulphur as being between from 120,000 to 130,000 tons. To which port is that exported?—To Liverpool and Glasgow.

1996. (*Mr. Glyn.*) I understood you to say that if a communication was made between the termini of Dublin by the Great Southern and Western, it is probable that it would all come by that route?—I am quite sure that it would be more economical than by the present system; but evidently as branch lines do not intervene, if there was only one company to deal with, and the same facilities were offered in Cork as in other markets, it would be cheapest to send it by Cork. If you have a separate large coal trade with South Wales it would give a back freight.

1997. I suppose the general freight is a little more for the Welsh ports?—The Great Southern and Western coal costs 3*d.* per ton less at present delivered in Cork than in Dublin.

1998. (*Chairman.*) The charges for the minerals that you have alluded to on the Irish lines are larger than the charges usually are in this country for mineral ores?—They are, because the mines are situated in a very different way from the English ones. Ours are scattered about, and the produce has all to be brought to a central point, whereas in England the greater portion of the ores of low value lie round the districts where they are smelted, and consequently are carried on a very large scale.

1999. Is the rate per mile higher in Ireland than in England?—Yes, because in Ireland the carriage of these ores has never really been developed in consequence of the scattered position of the mines, and it being impossible to make a rate for them. They are included in the general merchandise and goods at ordinary rates.

2000. Have there to your knowledge ever been any negotiations between the railway companies and the mining companies to get up a traffic of that kind?—There is that particular case of the Vale of Avoca. The Wicklow line was made through the Vale of Avoca under an impression that one of the chief sources of revenue would be mineral traffic; that, in fact, it would be a mineral line.

2001. (*Capt. Galton.*) Who finds the waggons?—The railway companies in all cases in Ireland.

2002. (*Earl Donoughmore.*) Do you know anything of the port of Wicklow?—Something.

2003. That is not so bad as Arklow?—It is not so bad as Arklow. Ores were formerly carried to Wicklow when the carts were used.

2004. Are you aware that before the railway was constructed there was a great deal of the sulphur carried by the shipping?—Yes.

2005. Are there no facilities for the shipping of ores at the port of Wicklow now?—I believe they are shipping from Wicklow, as far as the return freights will enable them. The great advantage which was expected to arise from the line to Kingstown was the existence of a large fleet of return vessels, which would have carried it back in place of ballast. Now there is a very active competition in sulphur ore, a very superior quality being brought from Spain, and even from Iceland; so that it is a trade in which there is a very active competition indeed.

2006. (*Capt. Galton.*) Are those ores superior to the Wicklow ores?—Yes; because of course they will only carry that portion which is superior from a great distance.

2007. (*Earl Donoughmore.*) Is it not the fact that Sicily is a country from which an important part of the sulphur is derived?—Yes; but since the differences arose, about 1840, between the King of Naples and our Government the importation from Sicily has very much diminished. A very large portion of the sulphuric acid of Great Britain is now made from pyrites, and it is owing to that that we are enabled to carry on a large chemical trade even in Dublin itself.

2008. Are there chemical works in Dublin?—Some of the largest works for the manufacture of bleaching powder in the United Kingdom are in Dublin.

2009. Do they use this material which you speak of?—Exclusively; it is in fact owing to the advantage of having it that such a trade has been enabled to grow up there. First, one large works was built, and then another; and I believe a third will be built soon. Besides that, there are two manufactories for oil of vitriol using chiefly pyrites, and only a very small portion of sulphur.

2010. (*Mr. Glyn.*) This is in the face of these high rates?—It is.

2011. (*Chairman.*) Are these mines which you have spoken of in the principal mining districts in Ireland, or are there other mineral districts of importance?—There is one other large district, which is near Carrick-on-Shannon, containing iron ores and a coal field. The iron ores there are extremely rich, but the coal is not very good; and though abundant enough for a local trade it could scarcely ever become the basis of large smelting operations; some furnaces were erected there, but they are not now worked. I have no doubt that if facilities existed for transmitting the ore to Dublin, even at the present prices, that it would pay to take it from Lough Allen to Carrick-on-Shannon.

2012. There is a railway communication now from Carrick-on-Shannon to Dublin?—There is; but the charges at present would preclude the possibility of sending the ore that way.

2013. Do the railway companies think it would not be to their interest to charge such rates as would enable them to carry this iron ore to Dublin?—If the traffic were to come into existence the railway companies, I daresay, would reflect about it, but it is the absence of the traffic which prevents them thinking about it.

2014. Are the mines at Lough Allen worked to any extent?—Not at all; an attempt was made latterly to send some portion of the ore to England, but I do not think it was very successful.

2015. Do you know what description of ore that was?—Clay-ironstone of very superior quality.

2016. (*Mr. Glyn.*) Do you not think that the communication about to be made between the several railways of Dublin and the quays will obviate a great many of these objections?—It will; but obstacles will still exist from the number of different companies.

2017. The cost of carting from the termini to the quay in Dublin must in point of fact be prohibitory?—Quite so.

2018. Therefore many of the railway companies could scarcely have thought of the traffic as a remunerative traffic?—It would in any case be a speculative traffic, even though a person who is perfectly acquainted with the resources of any mineral district may know how far they could be developed. I am quite certain that it would ultimately pay, yet you cannot expect that twenty Boards of Directors, or even five or six, would all agree that that speculative hope would be fulfilled. Consequently, they will not make any improvements, especially in the presence of their shareholders, who, with a diminution of their passenger traffic, and a diminution of goods traffic, are afraid to make the slightest change of any kind.

2019. (*Mr. Hamilton.*) Has there been a decline of the traffic?—Yes, a steady decline both in passengers and goods traffic upon all the Irish lines.

2020. According to a parliamentary return which I have before me there was an increase comparing 1862 with 1863. Has the decrease taken place in 1864?—If you take the whole series of years you will find that the total receipts per mile will show a de-

crease. It will not do to take the total receipts of the number of miles open ; the mileage receipts must be taken ; thus, in 1859 the receipts were 1024*l.* per mile per annum ; in 1860, 1003*l.* ; in 1861, 1017*l.* ; in 1862, 904*l.* ; and in 1863, 872*l.*

2021. (*Capt. Galton.*) That is the receipts per mile ?—Yes.

2022. The mileage has increased ; but the traffic has not increased in proportion to the mileage.—Exactly.

2023. Had any comparatively unimportant lines been opened in the interval on which the traffic was small ?—A few branches but not any very important lines.

2024. (*Lord Stanley.*) Your theory is that the lines not paying better than they do is due to the rates of fares adopted being too high ?—Certainly. If you draw a line from the north of Ireland, say from Londonderry to Cork, you will divide the country into two portions. The greater part of the population west of that line is extremely poor, and cannot afford to travel ; owing to the peculiar organisation of the agricultural classes there, the small farmers have scarcely any ready money, and the labourers have no wages, and therefore both have no money to travel with. A considerable change is now taking place in the country, wages are more frequently paid in money, and are gradually increasing, and although the population is diminishing, and there is a decline of traffic upon the whole of the railway system, I have not the slightest doubt that if the fares were reduced there would be a proportionate increase of the traffic.

2025. How is it that railway companies who are in all other countries supposed to be the best judges of their own interests have never seen the matter in that light ? — Some do see it in that light and some do not. It happens that there is a greater conflict of opinion in Ireland as to what measures would benefit the country than any other country in Europe, and that conflict of opinion has been very injurious to the country. One set of persons will tell you that there is only one remedy, and another set will argue that there is no remedy at all ; that the resources of the country are limited and are rather decreasing ; and if you were to halve the fares you would only halve the receipts and that you would not get more traffic.

2026. (*Mr. Glyn.*) All the directors appear to be of that class ?—I should think not.

2027. None of them have reduced their rates ?—I have just heard that the Wicklow Company have reduced their rates to the original fares that were paid on the Dublin and Kingstown line.

2028. For passengers ?—Yes.

2029. How long has that reduction been made ?—Only since the present movement with regard to railways began.

2030. (*Chairman.*) Then that experiment has not been tried sufficiently long to know what the final effect of it would be ?—No ; but Mr. Dargan's intention is, I understand, to propose a very considerable reduction of fares and rates. The present condition of things in Ireland, I am sorry to say, is such as nearly to paralyse any bold speculative effort of that kind ; when you have to deal with so many different interests, however speculative a man may be, he cannot carry it out. A man like Mr. Dargan would of course see the probability of success clearly.

2031. Do you think that that difficulty would be diminished if the total number of companies to be dealt with were smaller ?—Or better, if the original plan when railways were first contemplated in Ireland were carried out, of having one central administration.

2032. One company for the whole of Ireland ?—Yes ; or some arrangement by which the traffic rates and the existing fares might be regulated by one company. I have no doubt that with a limited board they would see that their interest is clearly to develope the traffic within the area which feeds each line.

2033. (*Lord Stanley.*) Whether you have one company or many, would not the same difficulty arise that exists now, that whatever ultimate gain there might be there would be a considerable temporary loss, and the shareholders who might possibly not intend to retain a permanent interest in the concern would not be prepared to incur that loss for the sake of the ultimate benefit ?—I daresay that there would be a certain loss in the first instance ; but there would be some gain from the amalgamation by lowering the cost of administration, and perhaps the traffic expenses also would be diminished somewhat, which might in part compensate for that loss. I have no doubt there would be for some time a loss, but there would ultimately be a proportionate gain.

2034. (*Chairman.*) Have you reason to believe that there is room for any considerable reduction in the cost of management and in the conduct of the traffic ?—Perhaps not much ; the traffic as a rule is economically conducted on the Irish lines. The total working expenses might perhaps, by consolidation of all the railways, be reduced to 39 or 40 per cent.

2035. Is not the cost of management a very small per-centage ?—It is not a very large item. The proportion of working expenses to total income in 1860 was 45 per cent. ; in 1861, 44 ; in 1862, 48 ; and in 1863, 49.

2036. (*Mr. Hamilton.*) Will you give what it is per train mile ?—The expenditure per mile in 1860 was 456*l.* 8*s.* ; in 1861, 451*l.* 2*s.* ; in 1862, 436*l.* 6*s.* ; and in 1863, 431*l.*

2037. Is that per train mile ?—Per mile of line opened. I have not calculated the amount per train mile for all the Irish lines, but on the Great Southern and Western it was about 2*s.* 4·2*d.* in 1864. This would not be far from the general average for the entire of the Irish lines.

2038. (*Chairman.*) Are there any companies working as low as 39 per cent. in England ?—Not in England.

2039. Or elsewhere ?—Yes. Some of the lines in Belgium and Prussia. The working expenses on the Cologne and Minden line I think are as low as that. The expenditure of the Cologne and Minden line was in 1861 39·75 ; this return includes not only the amount of the working and traffic expenditure but also the cost of management, rates, taxes, and everything included, in the same way as they are in the usual returns of the English and Irish lines. The Cologne and Minden line is not a small line, but a line of 301 English miles.

2040. You have spoken chiefly with reference to the possible development of mineral traffic ; do you consider that there is also a possibility of a great increase in the passenger traffic and in the carrying of agricultural produce in Ireland ?—I have no doubt whatever as to that. The one great obstacle which I have always seen to the increase of passenger traffic in Ireland, as far as the third-class passengers are concerned and a portion of the second, arises from the small incomes of the persons who form those classes. A portion of the people do not go at all upon the railways in Ireland. They cannot afford to pay the fares, and they will walk 30 or 40 miles rather than go upon the railways, because the fares would be greater than they could possibly afford. In one half of Ireland the agricultural labourers receive no money-wages but are paid in kind ; that is to say, they get a piece of conacre land or receive the grass of a sheep and matters of that kind as wages ; they scarcely ever have any money. The only money that they do see is what they receive for eggs, butter, and things of that kind that are taken by the carts going along the road. The development of a system of cheap parcel traffic rates upon the Irish lines would be one of the greatest benefits to the whole district to which I have alluded by giving these people small sums of money.

2041. Do you think that the passenger fares could be reduced sufficiently to enable these very poor people to travel upon the railway ?—I am quite sure it would now compensate them to pay half the present fares in order that they themselves may sell their eggs and other produce at a large market town. There is a system of huckstering going on along the road. They sell their goods to hucksters instead of

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sending them by the rail. I was greatly struck with an instance of that in the north-west corner of Ireland, during this past year, where I saw immense quantities of cabbages in all the small plots of land in the county of Mayo and North Galway absolutely rotting, when in Dublin we can hardly get it. The working classes there are really very badly off for them. It is a curious fact, that Dublin now supplies a great deal of vegetables to Belfast, Glasgow, and Liverpool, indeed a large portion of the cabbages produced there are shipped away. I asked one of those people why he did not send his cabbages to Dublin. He was a peasant who was in the habit of visiting England during the harvest, and he told me that the thought had struck him already, and he had made a trial, that is to say, he had made inquiries at the railway station, and he found that the cost of transmitting half a ton or a ton of his cabbages, having to send them there without knowing much of Dublin arrangements, would be more than the total value.

2042. (*Mr. Glyn.*) What would the charge per ton be to Dublin?—The charge from the point I am speaking of would be, at the lowest rate charged for any merchandize, 11*s.* per ton; I do not think, however, that cabbages would be carried at the lowest rate.

2043. By the railway company?—Yes.

2044. You think that if they were taken at half that charge it would pay the company?—Yes, certainly.

2045. What is the distance?—The distance is about 130 miles to the place I am speaking of. I know a gentleman in the county of Wexford, who is in the habit of sending crops of that kind to Dublin at the rate of 8*s.* 9*d.* per ton.

2046. (*Capt. Galton.*) Would it be possible for the railway company to carry goods of that sort, for which they would be liable in case any damage should occur to them, at such a low rate as 6*s.* per ton for 100 miles?—I have no doubt that it would be, considering that their waggons are half empty. The average load of a goods train in Ireland is not more than 42 tons.

2047. (*Mr. Glyn.*) It would all serve to make up a train load?—It would.

2048. (*Capt. Galton.*) With reference to your remark that the passenger traffic had decreased in Ireland, you did not mean that the total number had decreased, because I find from the return that the numbers of those who travelled in 1863 as compared with 1862 were 1,140,000 as compared with 1,000,000, but that the mileage had increased from 1,400 to 1,600 miles. Therefore, while the passengers had increased one-tenth the mileage had increased one-seventh?—I did not. I have no doubt that the number of passengers will continue to increase.

2049. Do you think that there will be a large traffic in people who wish to carry their produce to market towns so as to enable them to sell it in those towns instead of to the hucksters as you have described?—I have no doubt of it.

2050. What sort of fare would enable that to be done?—I should say that it ought to be done at a halfpenny per mile for the third class. One penny is the present rate for the third class, for no reduction is made upon return tickets. The third-class passengers are excepted in Ireland from the advantages of a return ticket, so that the man who makes a journey of 20 miles to a particular place and returns, pays 40*d.*, whereas the second-class man only pays 45*d.* for the same distance, which is only one-eighth of a penny per mile more.

2051. (*Mr. Glyn.*) You would say it should be a half-fare for a certain distance?—Yes, I should say if it were reduced to $\frac{1}{2}d.$ per mile that that would be within the income of a very large number of persons.

2052. (*Chairman.*) Has the experiment ever been tried on any line in Ireland of the effect of low fares?—The only case which would afford an answer to your question that I can recollect is that of the Foynes line. I do not know whether it is quite to the point. The circumstances of the Foynes line were these, that they increased the fares both on the Foynes line, and on the steamer which was connected with it. The increase was put on in the year 1863; in the year 1862 the total numbers carried were 87,256.

2053. Will you state what the fares were then?—The fares were raised to Rathkeale, which is an important market town, from 2*s.* 6*d.* first-class, 1*s.* 10*d.* second-class, and 1*s.* 1*d.* third-class, to 2*s.* 10*d.* first-class, 2*s.* 2*d.* second-class, and 1*s.* 5*d.* third-class. The total numbers carried to Rathkeale in 1862 were 87,256; in the year afterwards, when the increased fares came into operation, they fell to 71,383; and in 1864, to 63,046. A little steamer connected with the line and carrying passengers from Foynes to Kilrush which was called the Kelpie, during the four and a half months of the summer of 1858 was plying at opposition fares of 1*s.*, from Limerick to Kilrush, and she carried 14,047 passengers, producing 1,358*l.*, which would give for the half year 18,729 passengers, or 1,810*l.*

2054. What season of the year was that?—The summer season; the traffic of that line is chiefly a pleasure traffic. Kilkee, to which the passengers repair from Kilrush, is a considerable bathing station.

2055. (*Earl Donoughmore.*) A sort of Ramsgate?—Exactly. The numbers for the half year ending 31st December 1859, which is the next season after the opposition fares had been in operation the fares were raised to 3*s.*, 2*s.*, and 1*s.*, were 14,997 passengers, producing 1,702*l.*; and in the two last seasons, the fares being 4*s.*, 3*s.*, and 2*s.*, the numbers were for the half year ending 31st December 1863, 8,304 passengers, producing 959*l.*, and for the half year ending 31st December 1864, 10,362 passengers, producing 1,138*l.*, so that it would thus appear that a reduction of more than one-half produced exactly the same amount as did the very highest fares that they charged.

2056. (*Mr. Horsfall.*) Have they no low fares upon market days in Ireland?—I only know of three places where there are such trains. In the neighbourhood of Belfast they run one on the Banbridge line; on the Waterford and Limerick there are three each week from Carrick-on-Suir to Waterford; on the Cork and Passage there is a Saturday market train.

2057. What is really the reduction?—On the Cork and Passage line I think a return ticket is issued at a single fare. I do not know what the reduction is in the other cases. Special trains are sometimes run on fair days on many Irish lines, but the usual are I believe always charged.

2058. (*Mr. Glyn.*) If the third-class fare were reduced would it not give an opportunity to the people to go to market and sell their produce themselves instead of selling it to hucksters on the road?—I think so; and that such a reduction, coupled with a reduction of parcels rates, would greatly assist the development of trade in Ireland. At present persons who send butter from the counties of Wexford and Wicklow to Dublin, are charged as much for three cools of butter (a cool is a sort of tub in which they send it) as for one; and the same rule applies to return empty cools. A large trade has sprung up between Cork and Dublin in butter, and those who send it are small farmers. It is a very peculiar trade, and being unsalted butter it will not keep very long. The day before I left a person who is a farmer, and who first established the trade, came to Dublin to see whether he could do anything with regard to the rates at which it was carried, and he found it impossible to get any reduction from the company.

2059. (*Chairman.*) Is the butter trade restricted in consequence of the high fares on the railway?—It has a great effect upon the price in Dublin.

2060. (*Capt. Galton.*) What is the price of butter in Dublin?—The price at course varies, but that butter sometimes comes up to 1*s.* 6*d.* per pound. It is a trade which has grown up gradually, and is now very considerable.

2061. It is a great export trade, is it not?—This is a particular kind of Cork butter, in fact, there are two kinds of Cork butter. The export trade in Cork, salted butter is about 1,000,000 firkins per year; but there is a fresh kind of butter in which there is a considerable trade; it is of a better kind than the other.

2062. What does the other good butter sell at in Dublin; is that dearer or not than the other butter?—We do not get any of the other butter at all from Cork.

2063. I am referring to that which is sent to the market of Dublin?—That is dearer.

2064. What is the price?—The price varies from 1*s.* 2*d.* to 1*s.* 6*d.*

2065. Of the 1*s.* 6*d.* per pound for the best Cork butter what is due to the carriage; what does it cost to convey a certain number of pounds from Cork to Dublin?—That particular kind of butter must be sent in small parcels because it does not keep, especially in summer, therefore it must be sent every day. The parcels rate upon the line are very high. There are between 30 and 40 dealers in Dublin, each of whom receives his parcels separately.

2066. Would a parcel weigh between 30 and 40 pounds?—Some would weigh only 20 pounds, some 15 pounds, and some as little as 12 pounds. The distance from Cork is 165¼ miles, and the rate upon a parcel of 14 pounds is 1*s.* 3*d.* up to 100 miles.

2067. Then it will not be above 1*d.* per pound upon a parcel of 15 pounds weight?—It would only be 1*d.*, but there are other charges.

2068. Do they deliver it for that?—Yes, they deliver it to certain places for that; not to all.

2069. What reduction could be made which would make any appreciable difference in the price of the butter?—They could reduce it to one-third of a penny.

2070. But that would only save two-thirds of a penny upon a pound out of 1*s.* 6*d.*?—Although the people who use that butter can afford to pay for it, nevertheless, this small reduction is of some importance. I am referring to this particular traffic, however, more as an illustration of the effect of high parcel rates upon the smaller agriculturists.

2071. Do you think much more would be sold at 1*s.* 5½*d.* per pound instead of 1*s.* 6*d.*?—I think so.

2072. (*Mr. Glyn.*) In fact it does not come in large quantities?—It comes in small quantities, which in the aggregate, make a great deal; it is a gradually growing trade.

2073. Have the dealers ever tried to make a contract with the company for the conveyance of it based upon quantity?—It would be no use making a special contract for sending a large quantity, because that kind of trade branches out, and you cannot tell what the quantity you may want at one period, and what it may be at the next period.

2074. (*Mr. Horsfall.*) Have you heard any complaints in Ireland as to the unequal rate of charges between town and town?—Yes; as an instance I may mention the case of the mining company of Ireland. We have only one smelting works in the whole country, namely, the smelting works for lead and silver near Dublin. Considerable quantities of sheet and pipe lead, shot and red lead are made there. The margin for profit must be very narrow, considering that we have to import the coal, and have to pay for labour, labour being dearer in Ireland than it is in England, although, and indeed because, the wages are so much lower. The rate from Dublin to Newry by rail is 15*s.* per ton for lead, and the rate to Belfast is 12*s.* by rail. It is cheaper to send it the whole of the way to Belfast than to the intermediate station of Newry.

2075. What is the mileage to Newry?—It is very nearly 70 miles to Newry, and 113 miles to Belfast.

2076. (*Mr. Glyn.*) Is that inequality caused by the competition of the railways?—There are three lines in that distance. It is carried 113 miles for 12*s.*, and by steamer for 10*s.* 1*d.*, and it is carried to Newry which is not quite 70 miles, by rail, for 15*s.*

2077. (*Earl Donoughmore.*) Are there steamers between Dublin and Newry?—None.

2078. There are between Dublin and Belfast?—Yes.

2079. (*Mr. Glyn.*) Then the competition of the sea rules that?—Precisely. The result is, that the whole of the district which derives its supplies of lead and other articles from Newry by the inland lines branching from it, is shut out entirely from our only smelting works. That difference has been quite enough to drive the Dublin manufacturers out of the market, so close is the trade in these three articles.

2080. (*Mr. Horsfall.*) Do you think that the rate of 12*s.* to Belfast pays the company?—I think it ought to do so. That question depends much upon the total amount of their trade. If the amount of the trade was as much as it ought to be between those important places I have no doubt it would pay them very well.

2081. Can you give any idea what the extent of that trade is?—It must be very considerable. I can give the ordinary returns. It is composed of three lines. We have first the Dublin and Drogheda, then the Dublin and Belfast Junction which commences at Drogheda and goes down to Portadown, and then there is the Ulster line which goes on from Portadown to Belfast. The Dublin and Drogheda Company's total income per mile was 1,125*l.* for 1863, which is the only year for which I have the return at hand. The income of the Dublin and Belfast Junction was 1,128*l.*, so that the trade is practically the same upon more than two-thirds of the whole distance. The income of the Ulster line was 1,035*l.* per mile.

2082. (*Earl Donoughmore.*) Those figures do not give an accurate estimate of the trade between Dublin and Belfast, because both the Drogheda Company and the Ulster Company have other lines which do not form part of the main lines?—No, they do not; but there is a compensation in this way, that upon each separate division of the line there are other lines entering which feed the main line. For instance, the Drogheda line is fed by the line to Navan passing through a portion of the rich grazing grounds of Meath. There is also a direct line from this district into Dublin. Then the Dundalk line gets a good deal of the inland portion of the Ulster trade over it, and the upper part of the line gets a portion of the Armagh and Tyrone trade, so that each of them has a feeder of its own. The return for each division of the line is nearly practically the same per mile, and a great deal of that trade actually comes down to Dublin.

2083. (*Mr. Horsfall.*) Are you aware of any complaints of unequal rates upon any line where there is not a sea competition?—Yes; on the line between Cork and Limerick; for instance, from Bruree to Limerick butter costs 9*d.* per firkin, and to Cork, which is about double the distance, only 5*d.* I have an instance upon the same line with regard to the carriage of turf and coal. One truck with 5 tons of coal costs 17*s.* 1*d.* from Cork to Bruree, and a single ton 6*s.* 3*d.*, and it costs nearly as much from Limerick. For turf brought from the Rathmore station on the Killarney line to Bruree, about the same distance as from Cork, they charge 1*l.* 7*s.* 6*d.* for a box, which would be about 3 tons weight of turf; and as 3 tons of turf is not more than the equivalent for heating purposes of 24 cwt. of coal, it is a perfect prohibition of that important source of industry.

2084. (*Mr. Horsfall.*) Do you think if there was an increased traffic in coal that it would at all supercede the trade in turf?—The coal trade of Ireland is one source that I would look to for an increase in the traffic. In 1825 the coal trade was about 750,000 tons, and in 1835 it was over one million tons. It is now fully double that, yet, it has only effected an entrance as it were upon the margin of Ireland. I have no doubt it will be four or five millions of tons before many years.

2085. (*Earl Donoughmore.*) Do you think that that will have the effect of very materially increasing the consumption of turf?—I do not think so. I think

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the consumption of turf will increase, but its price will gradually rise. Unless there are some other means of cutting it than those in use at present, it will be only able to supply the places around the bogs. In the south of Ireland turbary is gradually decreasing in quantity. Wherever the upper part of the deep bogs has been cut away, it is reclaimed and used as grass land, which is more valuable than to cut it down to the marl, especially where it is of a large extent. Where coal is dear, then, of course, turf pays for cutting. A ton of turf averages from 90 cubic feet to 250, that is as stacked for sale; it will be easily understood, therefore, that it is not likely in its raw state to be sent in any large quantities. Coal which can be brought in a concentrated form at a cheap rate as compared with turf, will supercede it, except upon the immediate margins of the bogs.

2086. (*Capt. Galton.*) What is the size of a ton of turf as compared with a ton of coals?—It would vary from three to six times.

2087. That is, one ton of turf would occupy the space of six tons of coal?—Yes, that is the extreme.

2088. A railway waggon would not carry more than one ton of turf?—Not more perhaps of the light, which practically would never be carried. Turf cut from the upper portions of a deep bog and air dried in the usual way, would have a specific gravity of 0·4 or 0·6, and towards the bottom of the same bog it would be from 0·8 to 0·9. Some of bottom turf may even have a greater specific gravity than water.

2089. (*Lord Stanley.*) Have all the attempts which have been made at various times to compress it so as to make it easily portable been perfectly unsuccessful? — They have been perfectly unsuccessful in producing an article capable of competing with coal for general purposes, because the cost of pressure is so enormous.

2090. (*Chairman.*) Can you name any other description of traffic which you think would be developed in Ireland by low fares?—I would say generally that there might be a large traffic in most articles of agricultural produce. More cattle, for example, would be sent upon the railways than now. On the Bandon line no cattle are now carried; they are all walked from Bandon to Cork.

2091. (*Capt. Galton.*) Have they ever been carried on that line?—They have to some small extent.

2092. Is the fare higher now than it was then?—Much higher.

2093. (*Mr. Glyn.*) What distance is that?—Twenty miles. In the neighbourhood of Dublin, which is of course the great centre of the cattle traffic, being close to the English market, nearly all the cattle are walked to market. The Honourable Mr. Massey, who grazes a large number of cattle, says that he buys a great many cattle in Tipperary and distant fairs, and he finds that he can always drive them by road for half what it would cost him to send them by rail. At the last fair of Ballinasloe he found that it was better to send the cattle by boat to Dublin, although there is a railway station on the line to Dublin a quarter of a mile from the town. A person who is most largely connected with the cattle trade of Dublin has given me the following information, which I am also able to substantiate myself. That "In October 1863 the Midland and "Great Western Railway Company raised their "cattle rates at all the intermediate stations between "Ballinasloe and Dublin. The following May the "number of cattle and sheep conveyed, as compared "with May 1863, fell off considerably, and in October "1864 the great proportion of the store cattle were "walked home. Within the last two years the cattle "traffic of the Grand Canal has risen from a mere "nothing to from ten to twelve boat loads of live "stock weekly." That bears out what Mr. Massey stated with regard to the last Ballinasloe fair. One of the chief objections urged by owners of cattle against the management of the cattle traffic of the Great Southern and Western, which, upon the whole, being a very long line of railway, is well conducted, is, that the drover who has to go with a whole waggon is charged half a fare with the carriage of the cattle, and will have to pay third-class fare upon his return. In addition to that, they make a distinction at certain stations between half a waggon and a whole waggon. A whole waggon is supposed to hold eight beasts, and they allow three for half a waggon; but if the drover puts four into it they charge him the price of a whole waggon. I would like to mention here another instance of the effect of high fares connected with the herring fishery in the neighbourhood of Dublin, which has grown to be a most important trade. The poor persons engaged in the local trade walk from Dublin to Howth, a distance of nine miles, because the cost of a third-class ticket would be often as much as their profit for a day. The consequence is, that any traffic which would be derived from that source is lost.

2094. (*Capt. Galton.*) What is the rate of a third-class ticket?—The usual fares per mile on the Irish railways are, first-class, 2*d.*, second-class 1½*d.*, and the third-class 1*d.* for a single ticket. A third-class ticket to Howth costs 8*d.*

2095. (*Mr. Glyn.*) A half fare would help them very much indeed?—I have asked several of them, and they have told me that a return ticket, at a half fare, would enable them to travel by it.

2096. (*Mr. Hamilton.*) Are you aware that in the neighbourhood of the metropolis the fares are much less than half the fares by the trains carrying the working classes being something less than one farthing per mile?—I believe so.

2097. (*Mr. Horsfall.*) With reference to a question that was put to you, as to the new lines which have been made in Ireland, there are some as we know which have been nonpaying lines; do you consider, putting those out of view, that for the traffic upon the substantial lines the receipts have decreased?—I think not. Although I have stated that there has been a gradual diminution according to the mileage returns, I am rather hopeful about the future.

2098. (*Mr. Glyn.*) Has not that reduction arisen chiefly from the opening of branches which have not yet developed their resources?—No doubt that is the chief cause; but of course there has been a considerable depression owing to two or three bad years; in fact, the country is in a transition state.

2099. You stated that there was a considerable cattle traffic as between Navan and Dublin?—Yes; Dublin is the chief port for cattle. A great deal goes by Drogheda direct. There is a line of steamers from Drogheda direct.

2100. Are they carrying cattle at lower rates upon that line than upon the rest of the Irish railways?—I cannot answer that question, for the simple reason that I did not apply to that line for their traffic rates, because they do not print traffic rates, and you have to copy them off boards kept in the office. The traffic rates are very liable to vary.

2101. I understood you to say that the cattle traffic had developed itself?—No, they walk all to Dublin now.

2102. You stated some time back that in making the aggregate receipts for one of the northern Irish railways the cattle trade to Belfast formed a very considerable item?—Or, rather, the cattle trade to four ports upon the whole line from Belfast to Dublin, namely, the cattle trade to Belfast, the cattle trade to Newry, the cattle trade to Dundalk, and the cattle trade to Dublin.

2103. Have the rates for cattle upon the railways connected with those towns been at all diminished?—No; in the case of one of the lines feeding Dublin they have actually raised the rates.

2104. In spite of those rates they continue to send them that way?—Yes; but from places 20 or 30 miles off, where the cattle are sent to be finished, they walk them to Dublin, which is a very great disadvantage to the cattle.

2105. Even for long distances?—Even for long distances, and fat cattle especially.

2106. (*Chairman.*) It must require a very low fare, must it not, to enable the store cattle to be carried on the railways? — Certainly, considering the fluctuations in the price of store cattle, the margin left for profit when they are fattened is very small, and to be profitable they ought to be carried at a very low rate.

2107. Has any scheme ever occurred to your mind by which the experiment of low fares can be fairly tried in Ireland?—Beyond that of an amalgamation of lines, I would rather not make any statement as to what would be the best mode of doing it; but I should say that one first step should be to amalgamate the lines, because I do not think that anything can be done unless the whole of the lines are placed under one central management.

2108. Do you see any prospect of that being the opinion of the directors generally, and that they would be willing to concur in an Act amalgamating all the railway companies in Ireland? — I could not say what would be the individual opinion of the directors, but I know that there is a general feeling in Ireland that such a plan would be very advantageous. I do not think the boards of directors would throw any difficulty in the way; that is, always taking into account that the arrangement left them at least in as good a position, financially, as at present, or that it was advantageous to the shareholders.

2109. Supposing the lines to be amalgamated, have you any reason to suppose that they would be willing to try the effect of low fares?—That is a question which I would rather not venture to suggest. If I were a director myself I certainly would venture upon it.

2110. (*Mr. Horsfall.*) Would the amalgamation do any good unless they did agree on a reduction of fares?—It would do good in this way, if in no other; it would enable rates to be made which would suit particular localities; it would make the rates uniform, and enable branches to be made at a trifling expense, because all the railways would concur to have what I think is most important, namely, wharfs established at the different ports. It would also diminish the actual expenditure. These would be the substantial benefits of amalgamation. Supposing the fares were not reduced, there would be still substantial benefits, which could not fail to be effective of much good in the country. I venture to think that it is only when the lines would be amalgamated that the boards of directors would begin to see what they find in other countries, that it is their business to develope the resources of a locality. They have the monopoly of the carriage, and every town or district in which they create a traffic, will ultimately improve their condition.

2111. Would it not be the fact that if the expenditure were diminished, and the rates not lowered, that it would benefit the railway companies?—I should certainly be in favour of lowering the rates, but I only answered a portion of the question, that there would be substantial benefits, even to the country, from an amalgamation by a uniformity of rates, and by the removal of the anomalies which now exist, by the facilities of coal wharves and other matters, even supposing there was no substantial diminution of rates. I was going to add that it appears to me that the same principle ought to be applied to railway traffic which is actually applied to the valuation of land in Ireland through the country, and that is, the further you are from the market the lower the valuation must necessarily be.

2112. (*Captain Galton.*) How do you apply the principle of the value of the land to railways?—I mean the valuation for fiscal purposes, which after all regulates the actual market value of land to a great extent, is in this way—first, you have the actual intrinsic value of the land.

2113. But how would you apply that to railways; do you mean that as far as the railway is from the market so would you diminish the rates?—I would do it exactly in the same way as is practised in Belgium with so much success, and which, with the permission of the Commission, I will add to my answer. The principle has also been tried in France upon two or three of the French lines. In the report recently published by the Railway Commission appointed by the French Government to take into account the whole circumstances of the French railways in 1863, it is stated that this reduction was made by the companies of their own will. It is a differential rate of the kind which I suggest. They have applied it chiefly to ores and other metals. The French commissioners hope that this principle will be adopted generally.

2114. That is a uniform rate of charge?—No; a differential rate according to distance (*a paper was here handed in, which is printed as Appendix* A. E.).

2115. (*Chairman.*) Are you prepared to recommend any change in the Irish railway system generally, such as the amalgamation of all the lines into one great company?—I should say that that is rather a question for the Legislature. I am quite satisfied that in Ireland there is a disposition to have one regular system adopted for the whole country with uniform rates, in the regulation of which the resources of the country would be studied. That was also the opinion put forward in all the reports made on the subject of the establishment of railways in Ireland. In the debate upon Irish railways, after the second report was presented, the late Earl of Carlisle, then Lord Morpeth, proposed to make one great line, and to raise a large sum of money by guarantees obtained for it, and the fact is mentioned by him in his speech that several meetings were held in the towns in favour of the system which we now find would be beneficial; and in the Report of the Railway Commissioners nearly all the advantages which I have imperfectly pointed out are referred to.

2116. (*Mr. Glyn.*) Did they not rather propose to divide the country into districts and not into one central management?—Yes; that was one of the propositions, but that would come more or less to the same thing.

2117. Do you think the whole of Ireland could be managed by one central board?—I think it could.

2118. Do you not think, looking to the separate interests which are at stake, that it could be more easily managed by dividing it into three great districts? —Unless those three different boards could have some intimate relations with each other, and the means of settling their disputes, I am afraid they would be a very great disadvantage.

2119. Suppose there is that legislative power of some sort given?—It is a matter which I can scarcely venture at the present moment to give any fixed opinion upon.

2120. What reduction would you propose in the present rate upon the coal traffic as necessarily to bring about its development in Ireland; take a given rate and say what the reduction ought to be?—Taking 30 or 40 miles the cost of a ton of coal would be from 3*s.* 6*d.* to 4*s.* for that distance. To this you have to add about 1*s.* 9*d.* which is what it costs the Great Southern and Western to carry their coal to the railway depôts. If they were to have a wharf, and reduce the 1*s.* 9*d.* to 6*d.*, and the railway carriage to half the present rate, it would make a very substantial difference to the manufacturer. It would make a serious difference to him to be able to save 3*s.* per ton in the cost of his fuel. I think it should be at least a reduction of one half of the present charge, in order to make a very substantial inducement to anyone who would be disposed to attempt manufactures.

2121. (*Chairman.*) Have you ever thought that the growth of flax might be stimulated by low rates for carriage?—Undoubtedly, especially in the whole of the Midland districts. One of the great disadvantages under which the attempt to cultivate flax has laboured has been the getting up of scutch mills; scutch mills cost a considerable sum of money, and unless they are fed throughout the year and very carefully worked they do not produce a very large profit; a great number of persons are indisposed to erect those in consequence of the high rates of the railways. They may

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grow flax, but the mills may be completely idle, and the consequence is that in the remote districts of Ireland if they do grow flax it is left on the hands of the small farmer and he cannot sell it; if he attempts to send it unscutched of course the bulk is considerable and the rate which he would have to pay would swallow up the entire of his profit if he has to send it for any considerable distance inland. If the rates were very low, that is, if they had that differential tariff which I have spoken of for certain articles, there can be no doubt it would be very advantageous and have the effect of concentrating scutching mills. There would be greater facilities for sending the flax by rail to one central station, and there would be a larger profit realized by it.

2122. (*Mr. Glyn.*) Would not the flax be injured in its transit?—Not when it is steeped and dried; I assume that that should be done by the farmer. When once the straw is dried it can be sent by the rail. Of course the green flax could not be sent.

2123. (*Mr. Gower.*) Have you ever considered what effect the amalgamation of all the railways into one company would have on the future extension of the railway system of Ireland?—It would be beneficial if there were any railways to be made; it would obviate the enormous expenses which are now attendant upon obtaining Bills, because it would remove the opposition to them which now exists, and it would take away the chance of making lines competing against each other and carrying them through districts which do not require them.

2124. Then no new lines would be made competing with the existing lines?—Certainly not, under those circumstances.

2125. Do you think there would be as many lines made in consequence?—I think on the whole there would. I do not think it is always an advantage to the whole country to have lines made through districts competing with others. I do not think it is an advantage to carry two lines through the same district. It may be to the persons immediately concerned for the moment, but ultimately it must be injurious if neither of the lines pay.

2126. Would it not be a great advantage to the districts through which such lines might be taken?—If you have two lines competing for a certain time they will ultimately amalgamate, or one purchase up the rights of the other. We have a very good instance of that in the case of the Grand Canal and the Great Southern and Western Railway. The Grand Canal, which has a separate board of directors, is unconnected in fact with the Great Southern and Western; but its rates of carriage per ton are exactly those of the railway, even for substances like brick and coal. They have had a fight for a long time, and then they have came together and made arrangements by which they created a monopoly. It is a curious fact that it costs just as much to carry a ton of iron ore by railway, or a ton of anything, from Carrick-on-Shannon as it did in 1835 by that canal. I got the rates at which they carried goods upon the Grand Canal, and I find that practically they are, in several instances, the same rates.

2127. (*Capt. Galton.*) The rates are the same upon the Grand Canal now as they were in 1835?—For most of the distances there is very little difference. They are lower in parts, but taken as a whole they come to substantially the same thing.

2128. (*Chairman.*) Are there any other points which you wish to direct the attention of the Committee to in connexion with Irish railways?—I intended especially to have drawn attention to the undue proportion which the cost of carriage of the agricultural produce of our poorer lands bears to its value. Considering that Irish agriculture has now to compete with the entire world, and that we are transferring part of our population from the poor lands of Ireland to the richer ones of Illinois and other portions of America, that, in fact, in the case of a large number of poor farms, the rates of carriage to the markets amount to nearly the rent in some cases, any substantial reduction of fares on the lines, especially with differential rates such as I have alluded to, would be one of the greatest advantages which could possibly be bestowed upon Irish agriculture.

2129. (*Earl Donoughmore.*) Are you aware that it costs less money to transport a fat bullock from Normandy to London than it does from the pastures of Limerick to London?—Precisely. A friend of mine was actually disposed to go to Holland and buy store cattle and take them to Galway to fatten, and he expected a very considerable profit upon them.

2130. I presume you have heard of Mr. Pollock, the great agriculturist?—Yes.

2131. Are you aware that he has very large farms in the neighbourhood of Ballinasloe?—Yes.

2132. Did you ever hear that he was in negotiation with the Midland Railway Company about special rates for the carriage of his cattle to Dublin?—I heard that he and others were negotiating for that purpose.

2133. Did you hear that Mr. Pollock, not being satisfied with the terms which the railway company were inclined to give him, actually went to the expense of hiring land at different distances along the road to Dublin, so that he might be able to drive his cattle?—Yes, that is one of the points which I intended to draw attention to. Mr. Pollock would not send the cattle at all, but drove them along the road, stopping at night on the different plots of land that he had hired. He preferred walking the cattle to paying the rates which were demanded by the railway company. Some of the directors of the Midland line do actually walk their own store cattle alongside the line.

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MR. ROBERT MALLET called in and examined.

2134. (*Chairman.*) Are you a member of the Institution of Civil Engineers, London?—Yes.

2135. And a fellow of several of the scientific societies?—Yes.

2136. And I believe you are President of the Institution of Civil Engineers of Ireland at the present time?—I am.

2137. Have you been long resident in Ireland?—I have. I have not been resident in Ireland for the last six or seven years; but previous to that I resided the greater part of my life there. I may mention that between 1836 and 1856 the engineering firm to which I belong, consisting of my father and myself, (either I as a civil engineer, or our house, as mechanical engineers,) were concerned with almost every public or other large work being carried on in Ireland during that period; and I therefore became familiar with almost every part of the country from one end to the other.

2138. Do you include railways amongst those works?—We executed large quantities of works for the Irish railways.

2139. You are well acquainted with the industrial elements of Ireland generally?—I think I am. We employed several hundred hands for many years in Ireland.

2140. Of course you are of opinion that railways are of great importance to any country: but are you inclined to think that there are reasons which make railways of more importance to Ireland than to almost any other part of the British dominions?—I think there are. It is obvious to those who know anything of Ireland, that its trade is almost wholly confined either to domestic wants, or to export and import trade with other portions of the British Empire. Its outgoing trade is altogether from the east side, the west side which faces the Atlantic is almost a blank. For the produce which goes east it is all important that

it should have a ready means of transport across the land, in fact, the main of the export trade goes across the land in greater or less degree before it reaches the seaports, from whence it is exported. That is one reason. But there is another reason, that refers to its domestic trade. To contrast England with Ireland for a moment, taking for example the Black Country, the coal owners send their coal from perhaps half a mile to a mile to blast furnaces where the pig iron is made; and the sale of the pig iron takes place within a quarter of a mile of the man who puddles it and rolls it into bars. And then again the bars or plates are sold in Birmingham and the neighbourhood. The whole manufacture and trade goes on within a narrow circle up to the point of reaching the consumer. The products of Ireland being mainly agricultural, (although there ought to be a large amount of mineral products which are as yet imperfectly developed,) would have to traverse a much larger space before they would reach the consumer, or any market in which they could be made available. Besides that, they are products very bulky and of small relative value, upon which, therefore, transport bears more heavily than upon a vast proportion of the manufactured products of England and Scotland.

2141. Will you state your views as to the importance of coal being carried upon Irish railways upon low terms?—It may seem at first sight that in a country provided with such a superabundance of peat as Ireland, and with labour presumably at a low figure, coal would be a matter of comparative indifference, inasmuch as peat would be a substitute for it. I have found, however, from experiments conducted in past years on a large scale in Ireland, that the peat even on the bog close to where it is collected, stands at the same value as coal, taking heating power and cost into account, viz. 14*s.* per ton. That was before the Irish famine, when wages were greatly lower than they are now in Ireland. At the present moment the relative value of peat fuel to coal is probably about 17*s.* per ton.

2142. (*Earl Donoughmore.*) That is to say that if you could bring coal at 17*s.* per ton it would be more advantageous to use imported coals than to use peat?—It would. In point of heating power they would be alike; but in actual use at 17*s.* per ton, coal would be the cheaper, because the labour expended in handling, required for using peat as fuel, is enormous. It burns so fast that the reduction of heating power due to almost constantly keeping open the furnace door, to keep up the fire, is considerable, so that this and the amount of labour required form serious elements to the disadvantage of the peat itself.

2143. (*Chairman.*) That is using the peat as fuel for manufacturing purposes, and not for domestic purposes?—Yes; this comparison as to the value of coal and peat, has been derived from long experience in great mills.

2144. (*Capt. Galton.*) Do they use peat on railways?—Peat has been attempted to be used on railways, but in its best state it is scarcely available for locomotive engines at all. It so light that it is either blown up right through the tube in broken particles, or goes off in dust. In the compressed state it may be used in locomotives, but not with advantage. Mr. Vignoles and myself were joint patentees in Prussia for a mode of carbonizing peat by the aid of superheated steam. We expected to have done great things with it upon the Prussian Railways, but we found it was an utter failure. The carbonized peat, although pretty hard, had the fault of breaking up into small fragments as soon as it was heated.

2145. How much peat can a man cut in a day?—That will depend very much upon the nature of the bog. The best way in which peat fuel can be procured is to follow the course employed exclusively in the grand duchy of Oldenburg, and in Northern Holland, where peat bog is found in great abundance; namely, not to cut the peat at all, but to take it out in the state of mud, and make it into what they call in Ireland "hand turf," and then let it dry. You thus break up the natural fibres, which greatly facilitates the evaporation of the water. The peat dried in the best manner upon the surface of the bog contains about 25 per cent. of water, and you must burn as much of the fuel as will evaporate its weight of water before the remainder of the peat can be available. When I say 25 per cent., that is the very best which can be procured; in turf made in unfavourable weather, there is often from 30 to 50 per cent. of water. I consider the existence of peat in Ireland is a positive disadvantage to the country, and I believe the best use that can be made of a large portion of the Irish bogs is to burn up a certain depth from the surface, after drainage, and reclaim them, and turn them into agricultural land. Cutting peat is a sort of work very injurious to the habits of the people, because the season that is occupied in cutting the peat is the spring of the year, when the dry weather is precious to the husbandman, and ought to be employed in labouring in the fields. It is at best a sort of idle gossipping work. Men and women engaged in cutting the turfs, spreading them, and turning them over, are really only half employed.

2145*a.* (*Lord Donoughmore.*) Is it possible to burn the surface of bog to any depth?—Yes. I have ascertained that it is by previous draining, conducted in a proper manner, in ordinarily favourable summers. Where the drainage is deep enough, and the egress for the water secured below the level of the bottom of the drains, the peat dries and contracts amazingly, and can then be burnt to some feet in depth without difficulty. Thus a large portion of the grand canal was executed through bog, merely by draining and letting the original surface subside. This method of treatment, however,, is only applicable in certain cases, burning the bogs universally would be a highly wasteful mode of reclamation.

2146. (*Chairman.*) Ireland possesses a large amount of water power, which is not at the present moment made use of, does it not?—The water power of Ireland is more restricted in its area than is generally supposed. There is a large portion of the middle region of Ireland in which, although there is a great deal of water, there are very few mill sites. The character of the streams is such that natural sites for mills often do not exist, but over almost every portion of Ireland, the character of the streams and land are such as to present facilities for the artificial production at very small cost of mill sites by the impounding of the water. The result of operations of that sort, which have been conducted both in this country and in Ireland, is to shew that for every 500*l.* expended in impounding water in reservoirs, you may impound about 1,000,000 cubic feet. It can be shown that horse-power can be obtained in that way nearly as cheap as you can put down a steam engine, assuming the cost of coal to be 1*s.* per day, of 12 hours, per actual horse power, which is the average at the price of 17*s.* per ton.

2147. (*Earl Donoughmore.*) Would not the consumption of coal in steam engines be very much according to the construction of the boilers?—I am assuming that the engines are well constructed. In engines of 30 horse power or upwards the consumption ought never to exceed 3lbs. per hour per horse power. Power obtained in the way I have alluded to, viz., impounded water power, however, is always liable to serious disadvantages. It obliges the placing the factory where the water power is found, regardless of the proximity or other relations of markets, whereas the steam engine gives us free choice as to the place to locate a manufacture. I come back to this, therefore, that it is all important to get coal into Ireland at a far cheaper rate than it has hitherto been got. I believe by proper arrangements at three of the Irish ports, at one in the north, at Dublin, and at one in the south, for the taking of coal from steam colliers direct, and giving the steam colliers a back freight in mineral produce, and with proper arrangements for low freights along the lines of railways, that coals can be supplied over three-fifths of Ireland, and to

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2,000,000 of its inhabitants, at a reduction of from 3*s.* to 4*s.* per ton. on the present price.

2148. Making it what?—Making it from 10*s.* to perhaps 12*s.* a ton. I do not think it would in any place exceed 14*s.* per ton.

2149. (*Chairman.*) At the railway stations?—At the depôts established along the lines of railway. At those depôts proper arrangements could be made by which the coal could slide at once into carts, free from breakage or needless labour in handling, and be taken direct to the consumers. The great point to be kept in view is, that there should not be any unnecessary handling of the coal.

2150. (*Mr. Glyn.*) In point of fact using the same appliances that they do in England for that purpose?—Yes.

2151. (*Mr. Hamilton.*) What is the price of coal at the port of delivery, take Dublin?—The price of coal in Dublin now varies from 14*s.* or 15*s.* per ton up to 22*s.* per ton according to the state of the wind. Sometimes with a contrary wind the colliers cannot enter Dublin, and then I have known the price of coal to rise almost to a famine price.

2152. You mean that it cannot be delivered at the railway station at that price in Dublin?—No, I am speaking of the actual price at the quay at Dublin.

2153. It can be delivered at one railway communicating with another railway at the price that it is now?—At the port, and then you must add the cost of taking it along the railway.

2154. For a distance of 60 miles what would that be?—I am satisfied that coal can be delivered at a profit upon the Irish railways at present at a farthing per ton per mile, provided you get back freight for the train, and a halfpenny per ton per mile if the waggons must come back empty.

2155. Have you calculated the scale at which it will be necessary to carry coal in order to carry it at a profit?—Coal could be carried at a profit at that rate if you only have 100 tons in the train; you might have 1,000 tons if necessary.

2156. You say that coal can be carried at present at a farthing per ton per mile if the locomotive only took 100 tons?—That would be so, provided the run was 100 miles or more.

2157. Are you acquainted with the evidence which was given in the House of Commons last year upon the subject of coal traffic to the north on a new line to come in competition with the Great Northern?—In part; yes.

2158. Are you aware that it was then stated that in order to carry coal at a farthing per ton per mile your gradients must not be worse than one in 400?—All I can say then is that I dissent from that calculation. I am quite sure you are not likely to get from railway companies very impartial evidence on such a point.

2159. This is not evidence given by railway companies. It is evidence given by some of the first engineers of the day, Mr. Fowler, Mr. Hawkshaw, and Mr. Bidder. Do you dissent from that evidence?—I do not believe that the question of gradients would at all enter so largely into that question. I may remark that as far as regards Irish railways the gradients are particularly good the country being very flat.

2160. (*Capt. Galton.*) You think that coal can be carried at a farthing per ton per mile if they get back freight for the trains; and a halfpenny per ton per mile if they go back empty?—Yes. It is a fact that at this moment on many of the lines in England coals are carried at a halfpenny per ton per mile, and actually pay a profit of between 200 and 300 per cent.

2161. (*Chairman.*) The present price exceeds what you think it ought to be delivered for into the interior at present?—Quite so.

2162. What means do you propose to take for lowering the price at Dublin? that does not depend on the Irish railways?—No; but it depends upon bringing the coal in in suitable vessels, and discharging them in a suitable way. At present the coal comes up to the quay side, and is discharged into bags by hand labour altogether, and is distributed by carts, except a certain quantity which is discharged by hand over the ship's sides into canal barges in the harbour and is transmitted by the two canals which go out of Dublin into the interior.

2163. Is a very large proportion of the cost of coal in Dublin occasioned by the manner in which it is landed in Dublin, and the character of the ships in which it is brought?—There would be a considerable saving by the use of steam colliers and mechanical coal whipping machinery, to take out the coal by mechanical means in place of hard labour, and place it directly into the waggons on the rails.

2164. Are any steam colliers used in the Dublin coal trade at present?—No, not as yet. At this moment there are steam colliers about to be started. I am the author of a project, of which I believe some notice has been taken before this Commission already with a view to making docks in Dublin in connection with the Dublin Trunk Connecting Railway, sanctioned last Session, for the express purpose of carrying out this vast trade in the coal supply of Ireland.

2165. Do you think it practicable that back carriage could be obtained for the coal trucks which would deliver the coal into the interior?—I do.

2166. How is that to be created?—I think that would create itself, if the freights upon railways were diminished to the figures which I have mentioned. It would enable a number of mineral products of small value relatively to their bulk and weight, to be brought into play, which are at present altogether precluded from use or market.

2167. (*Capt. Galton.*) Are you not aware that in England back freights are never adopted, owing to the delay which arises from the coal trucks having to wait before they can be filled; and that upon all the English lines the coal waggons almost invariably return empty?—The fact is as you say, but I do not see that it forms any precedent. It simply arises from want of proper arrangements, and chiefly from the fact that those country stations at which back freight might be obtained are not properly arranged for rapidly filling return waggons; and it is therefore cheaper on the whole to return them empty than to delay them. But it does not follow that if the stations and traffic arrangements are properly managed that would be the case.

2168. (*Mr. Gower.*) Then you think that with proper appliances the coal trucks would not go back empty in England?—Not to the same extent as they do now. I cannot think England is here a parallel case with Ireland. Time is much more money in England than it is in Ireland. It would be of infinitely less importance to retain a train of waggons for an hour or two in Ireland than in England. Very often in England it comes to be a question of obstructing the traffic, and they must send them on in order to get them out of the way.

2169. (*Mr. Glyn.*) The coal trade is so very large in England that waggons are required as fast as they can return for the removal of coal?—Very likely. That would be a question of having sufficient plant.

2170. (*Capt. Galton.*) It is also a question of outlay of capital to a large extent, is it not?—Yes.

2171. (*Chairman.*) And is there not involved an increased quantity of sidings for the waggons to stand upon?—All these points are of course involved, additional plant, and all that follows from that. Of course you cannot develope a new trade without having the necessary means of doing it.

2172. (*Mr. Horsfall.*) You stated that coal is at present delivered in Dublin at 14*s.*, what would be the additional cost of taking it 60 miles inland?—You must add 60 farthings, or fifteen pence per ton, to whatever may be the price landed at the port and put into the waggons.

2173. Do you give it as your opinion as an engineer that, without reference to the gradients, they can

carry coals at a profit at one farthing per ton per mile, provided they got back freights ?—I think there is no railway in Ireland, the physical features of which would sensibly alter the cost of the transport of coal.

2174. Do you know what the gradients are ?—Yes, I do. I think you will find very few gradients upon the Irish railways steeper than 1 in 60, and those which are steeper are very rare indeed.

2175. (*Mr. Glyn.*) Is the return carriage also to come to a farthing per ton per mile ?—I think the same rate should prevail for both the forward and the return freight.

2176. Do you take the wear and tear of trucks and everything into your calculation ?—Yes.

2177. (*Chairman.*) You have actually gone into the calculation, and have satisfied yourself that coal and other minerals can be carried with a profit at one farthing per ton per mile ?—I have. I do not give the calculation at random.

2178. (*Mr. Hamilton.*) Are you aware what the cost of working railways is per ton per mile ?—I am.

2179. What is it ?—I cannot answer the question in that general form, and I do not think I can answer it at all at this instant.

2180. You are not prepared to give any figures upon the point ?—I will supply them. (*See statement at end of evidence.*)

2181. (*Chairman.*) That rate of a farthing per ton per mile applies to trains carrying at least 100 tons, and going at least 100 miles ?—Quite so. When I say 100 tons, of course I do not anticipate that the train will be of that size, because they will be more than that size, probably from 300 to 500 tons each.

2182. (*Mr. Glyn.*) You put that as a minimum ?—Yes.

2183. (*Chairman.*) With no larger load than that you think it would pay ?—I do.

2184. (*Capt. Galton.*) What weight do the railway waggons carry in Ireland ?—There are no special coal waggons upon the Irish lines, but the goods waggons carry from 5 to 8 or 10 tons.

2185. The guage is 5 feet 3 inches, is it not ?—Yes. It would be advisable that the waggons upon the Irish lines should carry at least ten tons each ; that is, that they should be quite as large, if not larger, than those of the Great Northern.

2186. (*Chairman.*) To what class of manufacturing industry do you conceive that this coal is chiefly to be applied ?—It would enable a number of industries to be better developed in Ireland than they have ever been before. I can illustrate that in various directions. For example, there is scarcely such a thing anywhere in Ireland as a good brick, except in the neighbourhood of Belfast, and perhaps on the property of Lord Enniskillen, and one or two other great proprietors. The result of the existence of bad bricks in Ireland for ages, has been that the Irish bricklayers are the worst bricklayers in the British Empire. A mortar joint of nearly an inch thick is thought to be good work in Ireland. The effect again of the want of good bricks or good workmanship puts brick architecture out of use in Ireland. It is owing mainly to that that the Irish towns present some of the meanest architecture in the world. It is owing to that also that in the cottages of the peasantry, stone and mortar partitions are employed at an unnecessary cost, *i.e.*, when the cottages are of masonry and not of mud. Thus the size and comfort of the building is depreciated by it. The clays for brick-making in all the counties in Ireland, with the exception of five, are of very excellent quality for making first-class bricks, but at present a very inferior kind of clay is frequently employed, as the clay is chosen not so much in regard to its goodness as to its proximity to fuel for burning it into brick on the cheapest terms. It results from this often that the bricks have to be carried to an unnecessary distance. Thus, for example, when the Drogheda Railway was in course of execution the bricks were entirely made at Balbriggan, because the coal could be landed there close to the shore and to the clay-field. The clay there is a highly calcareous clay, and very much too poor in alumina to make good bricks, and so the bricks were of a very inferior quality. I mention that as one illustration.

2187. (*Capt. Galton.*) Would bricks ever become an article of export ?—I do not think bricks would be worth exporting. There are plenty of clays and fuel in England for brick-making purposes, and excellent bricks.

2188. (*Chairman.*) That is one purpose to which coals can be applied ?—Yes, there are many manufacturing purposes to which they may be applied also, in fact, coal is the obvious basis of all manufactures—coal and power together—power as the means of giving movement, and coal as the means of transmuting matter by change of temperature.

2189. Are there any other manufactures that you have especially looked to as being likely to arise in Ireland with an increased importation of coals ?—There are. It has been commonly said that Ireland can never be a manufacturing country, that it has been destined by providence to be merely an agricultural one. That is not true. There are certain classes of manufactures where the proportion of fuel consumed is very great in relation to the manufactured product, which cannot succeed in Ireland ; for example it would not be possible to establish crown glass works, where a ton of made glass requires eight tons of coals. It would not be possible to establish copper smelting works in Ireland, because a ton of copper requires about 15 tons of coal ; nor would it be possible to make iron in Ireland, where about five tons of coal are required to produce a ton of made iron. But there are a number of manufactures which might and ought to succeed in Ireland where the quantity of coal required is much smaller in relation to the value of the manufactured product.

2190. What manufactures are those you are speaking of now ?—I may mention *en passant* in connection with the late brick question, that drain and roofing tiles and other things, as well as coarse pottery and earthenware, such as would suit the wants of the agricultural labourer, might be made with advantage. I will now mention one or two sources of manufacture which might become large ones in Ireland in relation to coal, and in relation to its mineral products also. At this present moment, or at least very recently, for various public works in Ireland hydraulic lime was brought from Halkin Head, from Aberthaw, &c. There exist in the middle limestone of Ireland, in what is called in Ireland the calp series, large numbers of beds of limestone quite of the same character as the Aberthaw. That was ascertained by an elaborate train of experiments by a member of the Board of Public Works in Ireland several years ago. A very large trade in that Irish hydraulic lime might be developed by lower freights. Artificial cements having all and more than the qualities of hydraulic limes, and of the nature of the Portland cement which is made here, might become a manufacture in Ireland. The Antrim chalk, in some places, consists naturally of a chemical compound of silex and lime, and such silicious chalk burnt and ground, with the addition of colourless clay, in fact, if the process which is employed for obtaining Portland cement here were employed upon the materials naturally existing there, a large trade might be made in a very superior cement equal to the English Portland cement in setting quality, and far superior in point of colour, for it might be made perfectly white. Pottery and earthenware works might be developed in Ireland with profit and advantage. I have been informed by Messrs. Kerr, of the Worcester Potteries, who are large dealers in earthenware in Ireland, that the loss from the breakage of earthenware sent into the interior of Ireland amounts to something like 1-6th of the value of the article. That loss alone would offer a considerable inducement to the production of earthenware in Ireland. There are some of the very finest porcelain clays existing in Ireland. I discovered myself a porcelain clay at Howth

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not many miles from Dublin, which we use in our works for making crucibles for melting brass and copper, and which has since been so employed by many others. Similar clays to that exist in many parts of Ireland from which earthenware might be made in Ireland, through which not only the habits of the people might be greatly improved, but a certain amount of wealth produced for the country ; to do that it is indispensable to have coal at lower prices than they have it now. I have directed my attention, in the evidence I proposed to give, rather more to the question of the actual back freights which could be at this moment obtained, than to the developement of new or special works.

2191. Will you give your opinion as to the back freights that could be obtained ?—I will just mention a few as an illustration of those materials which exist in Ireland beyond question in sufficient abundance, and which by ready means of communication and lower freights could be brought into play. Sulphur stone or sulphur ore is exported from Ireland. The greater part of it is sent from Wicklow or Arklow. Some years ago it was attempted to export sulphur ore at the time of the Sicilian monopoly from a place called Silvermines in the interior of Tipperary, but it had to be given up on the ground of the expense of transport. The material was undoubtedly valuable, and there was no end to the market which could be obtained for it ; but it was not valuable enough to be able to pay the inland freight and sea carriage afterwards. If they could get it transmitted at the low rate of one farthing per ton per mile it would become a valuable commodity. Sulphur-stone is not of the same degree of importance now that it was at the time of the Sicilian monopoly, but still it is a material capable of being made available. At this moment vast quantities of sulphur-stone come from Germany. I had to report upon some very large deposits existing in the neighbourhood of Minden whence large quantities of ore now come to Newcastle. If it can be brought from that district there is, *à fortiori*, no reason why it should not pay to bring it from Ireland.

2192. Is not the German ore richer than the Irish ore ?—No ; iron pyrites always give the same quantity of sulphur unless mixed with inert material which is not the case with the Irish stone. I do not think the German stone has got any special advantage over the Irish stone, unless it be that the Irish stone contains arsenic, while the German stone is free from it, and produces a vitriol which is free from arsenic. There is a great deal of ironstone in the county of Leitrim and elsewhere in Ireland, and there is also hematite as well as clay ironstone. At a place called Arigna, in Leitrim, there are several beds of ore which are quite as good as the black band, which could be sent at a profit into England and even Scotland if they could reach the coast at a very moderate rate.

2193. (*Capt. Galton.*) At what rate ?—I think a farthing per ton per mile would enable them to be brought into market at present.

2194. They would go to Belfast ?—They would probably go to Belfast and probably to Newry.

2195. (*Earl Donoughmore.*) The richer district is on the edge of Lough Allan ?—Yes.

2196. Is there not a communication to that by means of the Shannon ?—Yes, but water communication by means of the Shannon is of no use for the transport of these ores. I do not say it might be of no use in connexion with railways, but then you would have double handling. What is essential is, that there should be railway sidings right into the iron ore quarry, and that the ore as taken out should be put directly into the waggons, and that without a change of waggons or handling a second time it should reach the port of shipment, and then be mechanically put on board. I do not think it is likely that iron will ever be made at Arigna. The quantity of coal there is very limited, and the character of the coal is bad, but the coal that is there might be made available for roasting ore so as to reduce its bulk and weight, so that in that shape the ore might be transmitted even at a still better rate of profit than it could be in its raw state.

2197. Have you ever known iron attempted to be smelted with turf fuel ?—Every attempt to smelt iron with turf fuel has ended in utter failure. It cannot be done. It has been tried by the ablest metallurgists in the world, by the Germans, over and over again, and they have given it up as a failure. After the pig iron has been once obtained every subsequent process can be performed with peat. You can puddle iron with peat ; you can roll bars with peat, and do everything with peat except smelt iron ; that is not possible, for the fuel is too fragile to "bear the burthen" in the blast furnace.

2198. (*Capt. Galton.*) Why cannot you smelt with it ?—You cannot get peat into the condition to, what is technically called, "bear the burthen." In the blast furnace peat crushes under the weight of the iron-stone and flux, and the furnace gets "gobbed," or it so reduces the temperature that you cannot make iron. Hematite exists in large quantities in the county Tyrone, where I may also state that there are enormous deposits of sulphur-stone which have as yet been absolutely untouched. At Sawell mountain, in the county of Londonderry, between Maghera and Newtown Stuart there are beds of iron pyrites of great magnitude and thickness.

2199. (*Chairman.*) Is the hematite of a rich description ?—The hematite is not so good as that from Cumberland, but it is very good, and quite as good as a large quantity of the hematite which is smelted in the west of England. I should think it would fetch in the English market, delivered into the ironworks, from 12*s.* to 15*s.* per ton. There are also in the south of Ireland, in the county of Cork, beds of brown hematite containing a large quantity of manganese ; these are, in fact, iron-ores very rich in manganese. Attempts have been made to get them into the market to form oxide of manganese for bleaching purposes, but without success.

2200. What part of the county of Cork ?—They are in the southern part of the county. These ores if smelted would produce iron highly valuable for producing steel, owing to the large quantity of manganese that they contain, I believe these ores would find a ready market in England.

2201. Are they not worked at all at present ?—I do not think they are worked at all. They have been attempted to be worked for the oxide of manganese, but without success.

2202. (*Mr. Glyn.*) To what has the want of success been due ?—They are in fact relatively poor in manganese ; therefore, for the purposes to which oxide of manganese is applied, they are a very bad material, for oxide of manganese, almost chemically pure, is not largely imported. I may illustrate this point of mineral resources further by noticing the fact that on the north west coast of Ireland, in the neighbourhood of Donegal, there is to be found sand of remarkable purity for making glass ; in fact, it is so pure that glass made from it is very much better than that made from the Dorsetshire sand or any sand that they are in the habit of using in England. That sand is at present absolutely isolated from use ; it would not be worth while to send round to a wild west coast without a harbour, and bring it by ship to any glass manufacturing place. But if that sand could be brought by rail to Newry or Belfast or Dublin and transported across to Lancashire it would be considered a precious commodity in the plate glass works at St. Helens and elsewhere. It would improve a trade which exists to a small extent in Ireland already, namely, the making of wine bottles. Our British wine bottles are a national disgrace to us ; they are the ugliest and worst glass bottles in the world, as all know who have seen foreign wine bottles. The French bottles are made from the sand of the Paris basin and other sands of the tertiary formation. This Donegal sand is almost chemically pure silex,

and is superior to any foreign sand that I am acquainted with. In the range of mountains north of Newry there exists white granite ; it is a very beautiful building stone which of itself might become an article of transport if the rates were lowered. The marbles of Ireland are very various and valuable, but they are almost unwrought. Both the white granite and the white limestone, as building stones, and the marbles, might be sent, if the rates were low, as back freight to Swansea or to Lancashire, where coal is raised and shipped in return. I may also observe lime for agricultural purposes could be greatly reduced in price in Ireland provided there were cheaper modes of transit.

2203. (*Capt. Galton.*) What is the price of the lime ?—In Ireland it is from 6*d.* to 10*d.* a barrel. A barrel is about five cubic feet.

2204. How many bushels would that be ?—It would be about seven or eight bushels. We burnt lime for a considerable length of time for our own works. We burnt it with the "breeze" or refuse coke from our iron foundries, and we could produce lime at the kiln's mouth for about 3¼*d.* per barrel, prime cost. There the fuel I might say cost nothing because it was waste fuel, or that which could not be used for any other purpose. The price of lime I understand at present is as low as 6*d.* per barrel in some parts of Ireland, at least so I have heard, but I cannot say so from my own knowledge, having been resident out of Ireland for some years ; but I know that lime could be bought five or six years ago at 10*d.* per barrel in various parts of Ireland.

2205. (*Chairman.*) You are not looking to lime as an article of traffic upon the railways, but as an article the cost of which might be greatly reduced by having coals cheaper ?—Yes. Turf is most expensive to use for burning lime, it takes about 25 cubic feet of turf to burn a ton of lime. Returning to other mineral products, there are many portions of Ireland from which flagging of very valuable kinds could be obtained if transport were cheaper on railways. At Mountmellick there are sandstone flags of great hardness and good appearance, and they can be got of extreme soundness, but they are almost unknown in the market at present. I know of but one instance of their having been largely used lately, namely, by Mr. Guinness for flooring St. Patrick's Cathedral, Dublin, after its restoration by him. The Yorkshire flags are imported at the present time into all parts of Ireland.

2206. Are there a good many Carlow flags used in Dublin ?—Yes ; the Carlow quarries might be better developed than they are. At this moment the streets of Dublin are being paved with paving sets obtained from Penmanmaur in Wales, whereas they might have obtained them within 40 miles, in Carlow county, and quite as good, if they had had the intelligence to look after them. There is no doubt with reference to the development of these things that you have got to deal with a country in which the lower classes are absolutely ignorant of even the rudiments of technical education. This is one of the very reasons why I conceive a reduction of the freights upon the Irish railways for passengers as well as minerals, would be of importance. Lord Bacon himself recognised travel as one of the most direct modes of education. I think it would have a decisive effect upon the peasantry of Ireland if they could travel about more freely, and so learn more what their neighbours are doing. It is very rare at present that they ever go 10 miles from the place where they were born.

2207. Has there been any tendency heretofore towards the development of these branches of industry ?—There have been desultory attempts at different times, but very slight. Ireland has been unfortunate with regard to its industrial developments from the want of technical knowledge displayed on the part of the promoters of projects. About 15 years ago a company was established in Dublin for making crown glass, and I was requested to become a shareholder. My reply was : When you can show me that you can make crown glass without using eight tons of coal to a ton of glass I will become a shareholder. No one who had the very rudiments of technical education could honestly attempt making crown glass in Dublin ; it is not possible that it could pay.

2208. (*Mr. Ayrton.*) How far are these flag-stones from any railway ?—The Carlow flag-tones must be from five to six miles, and those at Mount Mellick must be double that distance if not more, but flag-stones and other mineral produce of an extremely low value in relation to weight will not pay for carting five or six miles, nor even for carting at all.

2209. You want a railway made into the quarry ?—What is wanted is a tramway made from the quarry to the railway.

2210. How deep are the flagstones in the strata ?—The Mount Mellick stones are found quite near the the surface. The quarries are extensive, but of small depth. The Carlow flagstones are found by digging into the side of the hill. Again at Kilrush, on the Lower Shannon, there are flagstones of considerable value, which are employed at Limerick and the immediate neighbourhood ; but they are not known anywhere else.

2211. How far are they from the water ?—They are but a moderately short distance from the waterside, they are brought up the Shannon and carted from the waterside to Limerick. The latter distance is small. The Valentia slate has been acknowledged as a material of extreme value as a constructive material, but comparatively little use can be made of it from the fact that it is isolated where it is.

2212. (*Chairman.*) Is it a good slate for roofing purposes ?—It is not used for roofing at all, it is in slabs, it is not a fissile slate, it does not split.

2213. Do you know of any slate quarries in Ireland which produce slate for roofing purposes ?—There are several. I was pleased at the Industrial Exhibition of last year at Dublin to see roofing slates produced from no less than eight localities, some of them were very fair slates. The Killaloe slates are not bad ; there are some slates in the county of Wicklow which are very good. But the finest slates in Ireland will be found in Kerry, where the beds have received a greater amount of compression and where the lamination produced by compression has been most perfectly and regularly developed.

2214. (*Earl Donoughmore.*) If you were consulted by any person about to build a large building in any part of Ireland, would you not recommend him to employ Welsh slates in preference to the Killaloe slates ?—I certainly should prefer Bangor slates to the Killaloe slates, for this reason, that the latter slates are a good deal the heavier ; but that arises partly from the Killaloe quarry not being worked to a sufficient depth. There are thousands of buildings in Ireland which have no better roof than thatch, and although Irish slate may be inferior to Welsh, it would be important to develop the trade in these roofing slates, because it would obviate the necessity of these cottages being covered with thatch, which is at once the worst and dearest of all roofs.

2215. I suppose you will admit that no landlord in Ireland in these days would think of building a new house and thatching it. Would he not roof it with slate of some kind ?—Yes. I think even Welsh slate would be found to be a far cheaper roof in Ireland.

2216. (*Mr. Ayrton.*) Are you aware that the Irish tramway Act requires all tramways to be made of the same gauge as the Irish railways ?—Yes. I hope to live to see that condition repealed. I think a permissive power to execute railways both for passengers and goods on the narrow gauge would be of importance to many of the poorer districts of Ireland, and many of the districts of the other portions of the kingdom as well.

2217. (*Chairman.*) What do you call the narrow gauge ?—I mean a gauge not exceeding three feet.

2218. (*Mr. Ayrton.*) For slate quarries and all their ancillary purposes, you think there should be

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as much freedom with reference to the gauge of the tramways as there is in England?—Quite so; for quarry purposes I should not think that a gauge of about more than perhaps two feet would be desirable.

2219. (*Capt. Galton.*) Would you make such narrow gauge railways in connexion with existing railways through a poor district?—I would make them as feeders.

2220. You would not object to the transhipment that would be necessary?—You cannot avoid that as a necessary consequence of the difference in gauge, but you may mitigate it to the largest extent that mechanical appliances will enable you.

2221. But still the fact of having a narrower gauge for branch lines would necessitate transhipment?—It involves a break of gauge no doubt.

2222. You do not look upon the objection to that as sufficient to prevent your thinking it desirable to adopt it in poor districts?—I do not.

2223. (*Chairman.*) What sort of districts?—I am alluding to Mayo and to the remoter west of Galway. To take one example of the minerals we have been talking of; we have all seen the green serpentine from Connemara. I myself accidentally discovered a serpentine greatly superior to the Connemara serpentine, in a totally different district of the west of Ireland. It is said to be worth 10*s.* per cubic foot in London, but at present quite unapproachable.

2224. (*Capt. Galton.*) But it is a long way from a railway, is it not?—It is miles from a railway.

2225. Could a branch line be made at a reasonable expense?—There would be no difficulty whatever in making a narrow gauge line; and I conceive that in these large thinly peopled and undeveloped regions, those narrow gauge lines should be made not only as mineral lines, but for passenger lines as feeders for the great lines.

2226. What gauge would you adopt?—I should adopt a gauge not exceeding three feet, and probably less.

2227. Does Mr. Fowler propose anything of that sort?—I do not think Mr. Fowler has. Ten years ago I proposed to form a line on the narrow gauge in the neighbourhood of Dublin, but the project dropped through for reasons which I need not detain you with. Since that I understand that Sir John McNeill has seen the importance of narrow gauge lines; and recently at the institution of civil engineers we had a paper read by Captain Tyler, R.E., giving an account of a Welsh narrow guage railway which has been made a passenger line. I may also mention that Col. Yool of the Bengal engineers has strongly recommended the Indian Government to adopt as feeders for the great trunk lines a number of small narrow gauge lines. The vast difference in the cost between a railway of 2 feet 9 or 3 feet and of 5 feet 3 inch gauge is not at all apparent at first sight.

2228. (*Chairman.*) How much saving per mile would it be in your opinion so to construct them?—I can best answer that question by saying that I believe in the west of Ireland, or over any portion of Ireland, in fact, narrow gauge lines might be constructed for from 3,000*l.* to 4,000*l.* per mile.

2229. (*Capt. Galton.*) Then in Ireland you consider that the gauge of 5 feet 3 has been one of unnecessary cost?—No, I do not, I think the Irish 5 feet 3 gauge is the very best in the United Kingdom, but I think that that gauge should not be compulsorily employed for every part of the country. All the great trunk communications should be of that gauge for carrying heavy locomotive engines and carriages; but when you have got a smaller traffic, and a traffic of a character which will bear subdivision, and the narrow gauge is suited to it, then I think the narrow gauge would be more advantageous.

2230. Have you considered what the average cost of transhipping from any of these narrow guage lines to the ordinary gauge would be for minerals?—I have not brought it out into figures, but I have considered what the cost would be, and I am satisfied that it would be very small with proper mechanical arrangements for changing the mineral produce from the waggons of one gauge to that of the other. For example, the small gauge waggon might go up a higher bank and the larger waggon be put below, and the upper waggon might be made to shoot its contents into the lower waggon.

2231. For flags and marbles the expense would be very much greater?—Flagging would admit also of mechanical means of transferring it from one to the other. For example, on the bottom of each narrow gauge waggon there might be an iron grid on which the flags might be laid, and attached to that there might be four hooks, and by means of an hydraulic lift the whole contents of the waggon might be taken up and dropped into the broad gauge waggon. It might be so arranged that the contents of five or six small waggons might be transferred to one large waggon.

2232. (*Capt. Galton.*) Are you aware that the Great Western railway in fact find very great inconvenience from the difficulty of transhipping, with all the appliances they have got, the coal and ores from the very narrow gauge lines which connect colleries and other works with their own broad gauge line?—It is not found to be the case in Durham and Northumberland where the coal is brought up from the pits in trucks running on narrow tramways. Very frequently the coal is transmitted from these over a screen and passes thence into the larger waggons.

2233. It breaks up the coal very much, does it not?—There is a certain breakage, but that depends upon the skill with which the machinery is devised. The coal slips by which, at Cardiff and the Tyne Docks, the coal is caused gently to slide in a continuous stream on board the ships, now scarcely break the coal at all.

2234. Was not the discussion upon the paper read at the Institution of Civil Engineers by Capt. Tyler very adverse to the adoption of the narrow gauge?—I think it was, but there were very few present except myself and one or two others who entered into a discussion of the merits of the narrow gauge at all.

2235. (*Mr. Ayrton.*) After all, each case will depend upon its own particular facts, will it not?—That is true only to this extent, the first element that must fix the gauge for any railway is the amount of traffic and the sort of material to be carried.

2236. And whether it is a hilly country or a flat country?—Quite so. Hilly countries will show themselves most favourable to the narrow gauge.

2237. (*Chairman.*) Do you think that no additional lines are required in Ireland upon the broad gauge?—I think there are some. A general feature of the Irish Railways is that they start like a fan radiating out from Dublin, and there is a great difficulty at present in making your way direct by railway from the north to the south of Ireland, especially in a direction north-east to south-west. If you attempted to send goods from Cork now, and sent them by rail by the shortest connexion of lines along the centre of Ireland, I apprehend they would not reach Londonderry under a fortnight. There have been considerable efforts made of late years to induce the cultivation of flax in the south of Ireland, in order that the flax cultivated there might be sent to the manufacturers of linen in the north. If that were successful (and it has been partially successful so far) it would be important to have the readiest means of transmission between the one and the other, both for those who grow the raw material and those who are concerned in the manufacture. It would be very desirable that the requisite number of links of communication should be formed which would be necessary to unite the northern system and the southern system without those breaks which now exist; but I think it far more important with reference to the extreme west of Ireland, which is not likely to be opened up for a considerable time upon the broad gauge, that it should be laid upon, and connected by means of tramways upon a narrow gauge. More important, however,

than either, is to make the best of the existing system, which is not done.

2238. Have you given much consideration to the cattle trade of Ireland ?—I have considered it with reference to improved means for the transport of cattle. At present the cattle suffer very much, both upon the railways and in the boats, between Ireland and England, and improved appliances and improved management are very much wanted.

2239. Are they as well managed in Ireland as in England ?—I apprehend there is not very much difference. The sufferings of the cattle are very great in both countries. Of course, upon the score of humanity it would be of no use saying a word ; it is merely a question of the value of the meat when it comes to the market. An unfortunate fat ox, or cow, goes up from Tipperary to London, and is kept standing upon a hard plank the whole of the time. The feet of the animal are off the grass, or other comparatively soft and damp substance which he has been standing upon for months, and will not bear the pressure of his great weight resting upon a timber floor, often for days, without intense pain, and the animal suffers very much in consequence, and he loses flesh and value by it. I think the cattle waggons ought to be provided with a stratum of dry peat. I have kept horses myself standing constantly in the stable on peat with great advantage to their feet. The peat might be thrown out of the waggons at the end of one, or after two or three journeys, and would be in itself manure. The droppings of the animals and their urine, which latter is all now lost, would be all mixed with it, and would be rendered comparatively inodorous by the peat, and the hoofs of the animal would be greatly relieved by it. Besides that, there ought to be means by which the cattle could comfortably stand without leaning against one another ; there should be bale-bars between every pair, and there should exist the means of supplying them readily with water ; there should be sidings in which there might be contrived troughs, by means of which the cattle without being removed from the cattle-vans could drink comfortably and without loss of time. The cattle boats are of an extremely defective description. The cattle are driven on board by blows and violence, and they stand either on the deck or confined in the hold. If the sea is rough in the winter-time, those who are in care of them, as well as the seamen, are sometimes afraid to go near them for fear of being crushed to death, and the cattle suffer very much. I have seen cattle arrive in Liverpool with their horns knocked off, and other injuries of a similar description. I have myself designed a special class of cattle boat which I hope to see employed hereafter in the Irish ports. These are boats of a greater beam, drawing a smaller quantity of water, and designed especially for cattle, sheep, and hogs, in which there would be the means for the cattle walking or board, and walking on to the shore. The cattle would be under deck cover, and their drovers would have the means of obtaining easy access to them through the voyage ; the cattle would have the means of lying down, and they would be foddered and watered during the whole voyage, and their manure would be carried off mechanically, so that they should not get covered with it as at present.

2240. (*Earl Donoughmore.*) If those steam boats were specially designed for cattle how would they get back freight from England ?—They could carry bale goods of almost every description, and they might even carry passengers.

2241. You think the peculiar adaption of them would not prevent their being used as ordinary steamers ?—I think not ; they would not answer for certain classes of freight, for instance, it could not be desirable to carry pig-iron in them because that would injure the fittings belonging to the cattle, but manufactured articles coming from England to Ireland might go in them just the same as in the present steamers.

2242. (*Chairman.*) Are you acquainted with the charges for cattle traffic at present in Ireland ?—I am generally acquainted with them.

2243. Are those charges higher than you think they ought to be, so as to be remunerative to the railway companies ?—I should not like to give an opinion upon that point. The cattle trade is one that I am not sufficiently acquainted with to be able to do so. I am clear that the fares for all mineral produce ought to be lowered materially ; I may also say that the fares for passengers ought to be lowered very considerably.

2244. I believe you have some observations to make as to the connexion between the Dairy Farms in Ireland, and the Railway system ?—I may most briefly answer that question by saying that, in the United States the large cities are supplied with milk brought from a very considerable distance by railway trains. The climate of the Northern States is very hot in the summer, and very cold in the winter, which necessitates special precautions by which milk can be brought very long distances by rail. A gentleman of the name of Borden has taken out a patent for concentrating milk to about one-third of its bulk for such journeys ; the process is peculiar. There have been many bygone attempts made in France to obtain a sort of portable milk, but none have been successful hitherto, arising from the want of knowledge of the organic chemistry of milk. This plan of Mr. Borden's has been successful ; he submits the milk in tall cylindrical cans to a temperature of about 190°, until it arrives at that temperature it is kept constantly stirred by machinery in these cans ; the milk at that temperature is withdrawn from the cans by means of suction into a large boiler or cauldron in which by an air pump worked by steam a vacuum can be produced. The air pump is kept going until the aqueous portions of the milk maintained at 190° Fahrenheit are evaporated nearly to two-thirds ; at that point the heat is withdrawn and cold water is permitted to pass outside the vessel where the steam for heating it was applied before, so as to cool the milk gradually. The air pump is still kept going simultaneously with the water process ; the effect of that is that some peculiar fœtid animal ether is withdrawn from the milk which seems the great element by which the fluid becomes putrescent in its natural state. After this has been removed the milk will bear to be transmitted to almost any distance and will remain many days without undergoing any sensible change. New York is supplied with concentrated milk in this form ; they mix it there with two-thirds of water and those who use it affirm that the milk so mixed has a richer taste than it had originally.

2245. Do you think that any trade of that kind can spring up in Ireland ?—I see no reason why the rich pasture land in the South of Ireland and also that in the North-west should not become sources from which a supply of milk to a large portion of the manufacturing districts in the south and north of England and the west and south of Scotland should be brought. By proper arrangements with the railway companies to provide milk trains, I have no doubt that a supply of milk might be sent from Ireland to England which would cheapen the price of milk in England.

2246. (*Mr. Ayrton.*) Do you know the price of milk in Ireland ?—I know some years ago in Dublin, milk was sold at 3*d.* per quart. It is cheaper now than in England.

2247. (*Earl Donoughmore.*) Do you think it would be worth the while of the dairy farmers, in the South of Ireland, who are now making a very considerable profit, so entirely to change their system of trade as to introduce this system of desiccating milk ?—I see no reason why one trade should interfere with the other, I suppose it will be admitted that the production of milk in the South of Ireland might be increased tenfold.

2248. (*Mr. Ayrton.*) Are you acquainted with the relative profits of farming, with reference to selling milk, and making butter, using the butter-milk ?—I had better say that I am not ; although I had 21 acres of grass in the neighbourhood of Dublin, and I found that if I chose to become a milk farmer, and

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sell the milk, I could have made out of those 21 acres of land a large profit.

2249. Do you know whether it is more profitable for a farmer, within 50 miles of London, to make the butter and use the milk afterwards, than to sell the fresh milk?—I should consider it would have been more profitable within 50 miles of London, to have sold the milk than to have made butter of it. A great deal of the best butter which comes to London, comes from Cambridgeshire.

2250. (*Chairman.*) Have you formed any opinion as to the advisability of a temporary state control over Irish railways?—I think a control by the State, if it compelled the experiment to be tried of reducing the fares and freights, would be valuable and likely to be highly advantageous.

2251. Do you contemplate an Act of Parliament compelling the railway companies to reduce their fares very much below the present rate?—I presume some legislative means would be necessary in order to induce them to do so. I do not think they would have the courage to make the experiment themselves without that, and therefore, I think that amount of control would be necessary. I think it would be disadvantageous that the management of the railways should be at all placed in the hands of the state even in Ireland.

2252. You do not see any prospect of the railway companies themselves making the experiment of low fares and charges?—I think not. The management of the Irish railways betrays the utmost want of energy on all sides. They seem to lay on their backs and let the traffic come to them if it will, and if not, it cannot be helped. They have even shewn occasionally the most marvellous impolicy. Thus, where their freights have been falling off, they have actually raised their charges in order to keep up their dividend, and thus have totally destroyed that which was already a declining trade.

2253. Can you state distinctly to what extent you think the control ought to be exercised over the railway companies, and in whose hands that control should be placed?—I think the control should be placed in the hands of a mixed commission, upon which probably there should be some traffic managers and engineers. They should operate under an Act of Parliament. The lowering of the fares to a certain extent should be compulsory, and then the working of the railway boards of Directors should be merely supervised as it were, by such a commission, so as to be assured that they did their best under the existing new system, to develop their traffic, and did not in fact wilfully or perversely interfere with its operation. Beyond that, I do not think much control would be advisable or necessary, but to do that, I apprehend that a guarantee must be given, otherwise legislation would become a sort of spoilation. If these directors think they shall be at a loss for a time, and they would be at a loss no doubt for a time, you must guarantee them against that loss, although you compel them to make it up afterwards.

2254. (*Earl Donoughmore.*) From what source is this guarantee to be derived?—I think it ought to be derived from three sources; from the railway companies themselves, from the country at large, and from the State.

2255. By the country at large, you mean Ireland?—Yes. I think it ought to extend over a given number of years and be divided in something like this sort of way. I may just state here that when the Midland Great Western started they had fourth-class passenger carriages, but they very soon dropped them, and now they have nothing but third-class passenger carriages. The charges for third-class passengers over a large portion of Ireland are such as almost precludes the Irish peasant from travelling on the railway.

2256. (*Capt. Galton.*) Is it not the fact that it was the same charge as used to be charged by Bianconi's cars, a penny per mile?—Yes, the lowest fares are nearly double what the peasant ought to travel for in the interior.

2257. (*Mr. Ayrton.*) Do I understand you to suggest that this State administration should be on the basis of making the railway system profitable; that is to say, there should be return enough to pay a fair dividend after payment of all working expenses, or would you leave them unprofitable?—My opinion is, make the experiment, and it will be attended ultimately with a successful result. I think that you will create such an enlarged traffic in the course of eight years that the railway companies will not only be able to pay as large a dividend as they do now, but a great deal more.

2258. (*Capt. Galton.*) It would not be fair that the loss which might arise from such a guarantee should fall upon the country; ought not the railway companies to pay that eventually out of their future earnings?—I think that would be scarcely fair. You call upon them to make a great experiment, which they believe will be a perilous one, and which everyone must admit is an experiment.

2259. I am assuming that they will get larger dividends eventually than they get by their present arrangement?—I think it might be fair that if the dividends at the end of eight years were considerably better than they are now, the railway companies should be called upon to recoup the State and the country (that is, Ireland) from any guarantees which it has had to pay in the interval. I doubt, however, if after three years there would be any guarantee to pay at all. I should propose to divide the guarantee into four periods of two years each, and divide the guarantee between the railway companies and the State in the following ratios. During the first two years, the railways should pay three-ninths of the whole, the country two-ninths, and the State four-ninths. For the next two years I should propose that the railways paid four-ninths, the country two-ninths, and the State three-ninths. For the third two years I should propose the railways still to pay four-ninths, the country three-ninths, and the State two-ninths. For the last two years, or to the end of the eight years, the railways should pay five-ninths, the country four-ninths, and the State none.

2260. (*Mr. Ayrton.*) Do you mean that each county is to pay in respect of the railways in that county, or the whole of Ireland is to pay?—I think the whole surface of Ireland should be rated, but it should be rated upon the same principle that the watershed of a district is determined, that is by taking a dividing line between the railways, and that they should pay in some ratio to their distance from the lines.

2261. Do you mean that Ireland should be divided into certain railway areas?—Yes.

2262. Then that each of those areas should guarantee the lines within that area?—That would be one mode of doing it. I think it would be the fairest mode to have a universal assessment based upon this principle, that all land within 10 miles along the line will be assessed at a certain rate, and land within 20 miles at a certain other rate, and outside that again at a third rate; but that some rate should be universal over the whole country. If the tax came to be levied, and if there was a really serious loss, it might be better borne if spread over the whole country.

2263. Would it be right that a district at a distance from a railway should be taxed to support it?—I think so, because it would really be benefited by the railway in proportion to that distance.

2264. How would that district be benefited which is at a distance, unless the railway was used as a means of sending goods?—Assuming the railway to be in operation, I certainly conceive that those who are nearest the railway are mostly benefited by it; but all are benefited more or less.

2265. Would not that depend upon whether he sent his goods to market?—Clearly, a man might be rated who might say I have no interest in this railway, but I should consider him to have an indirect interest, and therefore he ought to pay as well as others.

2266. (*Earl Donoughmore.*) Take the city of Dublin, which is a seaport town, of course there is no part of the city of Dublin which is not within 10 miles of a railway. You propose, by your scheme, that the inhabitants of Dublin should be taxed upon the highest scale. How are the inhabitants of Dublin interested in this question at all? how is it just or fair to call upon them to pay upon the highest scale, when they have no interest whatever in the question?—I cannot admit that they have no interest in the question; on the contrary, I think that every man in Ireland is most vitally concerned in the attempts to make railways available, because in proportion as they are available so is the country prosperous.

2267. I will take the instance of my Lord Pembroke, who is the proprietor of large estates in the city of Dublin, how would the reduction of fares, which would enable coal to be transported to the centre of Ireland, or which would bring serpentine from Galway or sulphur ores from Wicklow, or stone from Kilkenny, effect the value of Lord Pembroke's property?—I might answer that by saying that they would raise the value of his property if they made Dublin more prosperous. But if the rate were an acreable rate as I propose, it appears to me that it would affect Dublin very little more than the other parts of the country.

2268. Then your proposition is that it should be an acreable rate, and not a rate upon the value?—I think so.

2269. So that an acre of poor mountain land, similar to that on the top of the Galtee mountains, would have to pay as much as an acre of rich pasture land?—No, because those mountain lands would be situated a great distance from the railway.

2270. (*Mr. Ayrton.*) Is it not the case that along the Galtee mountains there is a good deal of stony land?—There is some.

2271. Would it be right that this stony land, because it was within the narrow zone, should pay in a greater ratio than the rich fertile land which happens to be in the distant zone, and which would therefore produce probably three or four times as much agricultural value?—It should not only be a rate upon the acre, but the value should be taken as an element. I do not at all pretend to go into the details of how such a tax should be levied, or what might be the exact best mode of assessment. I think it is obvious that the country would be benefited by such a system, and I think it is therefore fair that the country should be called upon to pay its quota towards the risk or expense, and so in some way you must tax it.

2272. Is not the value of the land in Ireland regulated by its distance from ports and large towns?—That is one element.

2273. If you are to carry produce into the country at a loss, and tax the community for that loss, are you not in fact subsidising persons who have less valuable land at the expense of those who have the more valuable land?—I have no doubt that for a time, and in so far as the guarantee would become operative at all, that a certain amount of such apparent injustice would be done; it would be scarcely possible to do it otherwise, but I apprehend that the guarantee itself would melt into an exceedingly small sum when it came to be put into money value. I calculate that the loss could under no possible circumstances reach to more than 80,000*l.* a year.

2274. Would not the immediate effect be to raise the rates of the accessible land, and would not the relation of landlord and farmer, as regards their relative interests, be just as it was before; would not the effect be to raise the value of property, and so raise the rent of the less accessible land?—I think the amount of the assessment would be so small on the acreage that it would be almost infinitesimal, and perfectly without effect in altering the relations of value in land, or those of landlord and tenant.

2275. I am asking you as regards the whole of the land, would not the immediate effect of this be that the landlords would put on in the shape of rent all that the railways reduced in the shape of charge?—It would be the tendency of the landlord to do it no doubt, but he would scarcely find it worth his while to do it.

2276. Is there not such a competition for land as to keep the tenants at what may be called the lowest rate of tenant's profit?—Yes.

2277. Has not that been carried to such an excess that the tenant who is competing for the land will be content with even a less profit than he ought to receive with a view to the payment of his rent; has not that been the character of the relation of landlord and tenant?—That is unfortunately the fact. I do not think it arises so much from excessive rents as from the fact that the rent is not taken out of the land by the application of capital and industry to it.

2278. Has it not been from the extreme competition upon the part of the tenants to get possession of holdings?—In part.

2279. Are you not aware that if the landlord puts his farm up to bid by auction, or what they call in Ireland sets it, that he very often gets an active competition for taking the farm?—Yes.

2280. That being so, would not the immediate result of reducing the charge upon the produce of the land be to put the whole amount of that reduction after the next set of the farm takes place into the pocket of the landlord?—Yes; of course whether it was paid through the landlord in the shape of rent, of paid directly by the tenant, it would be a tax on what came out of the produce of the land, which is the source from which this and all taxes must come.

2281. Then the effect of the transaction would be this, that we should, out of somebody else's pocket put a great deal of money into the pockets of the landlord of the less accessible parts of Ireland?—I do not think practically that would be the result, for my impression is that, the guarantee would be found to be merely a just preservative against a possible contingent evil, but one that would to a very small extent come into play at all. I apprehend that after the first three years there would be no loss. I think it very questionable whether upon passenger traffic there would be any loss at all even at the very commencement.

2282. (*Chairman.*) To what extent do you think the passenger fares ought to be reduced?—I think the first and second class passenger fares ought to be reduced one-third if not one-half. The third and fourth classes for the working population I think should be reduced one-half, which would bring them to about a level with the continental Prussian, German, and French fares.

2283. (*Mr. Gower.*) Do you conceive there would be any danger, if you were to guarantee certain existing interests, of there being a great addition to the expense of the management of railways?—It is to guard against that, that I think Government control would be indispensable.

2284. (*Capt. Galton.*) What do you mean by Government control?—I mean that the working expenses of railways, their books, and their mode of conducting their business should be open to the inspection of competent Government officials at all times, in order that they may see that they were not engaging in reckless expenditure.

2285. Would not that fetter the whole of their proceedings most enormously? Would not that be practically taking the whole affair into the hands of these Government officials, or else referring every question to some central board to say whether anything can be done or not, and so create great delay?—I do not see that much difficulty of that sort would arise. I would only exercise a negative species of influence over the companies; I would not control their proceedings beyond a certain point.

2286. The question was whether the company would not be likely to be more careless in running their trains if there was to be this guarantee given to them. Suppose they put a train which was in the

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opinion of the government official not likely to produce full receipts, would he not be likely to stop that train, or would it not be taking away entirely the responsibility of the company if you fettered them by means of a government official?—Some sort of ultimate appeal might be necessary, but I think the government official's duty should be, in the first instance, merely to point out in such a contingency to the railway company, "You are putting on a train here which I consider to be extravagant and useless; you must modify it in some way." Of course it is very easy to multiply supposed difficulties to the working of any plan, but I apprehend in practice there would be no serious difficulty felt.

2287. (*Mr. Ayrton.*) Do you think it possible, if any loss was to be paid out of these rates, to have any specific contract made for any particular district, or would not the railways have to be placed under some general rules as to uniform mileage rates to be rigidly enforced all through the country?—Yes, I think there ought to be uniform rates established throughout the country for special classes of merchandize and passengers.

2288. Would not the whole system have to be managed under a set of public rules in which the subordinate officers would not be allowed to make any change or modification?—Clearly there should be some such rules, which I conceive, if judiciously drawn up would greatly avoid mere questions of detail.

2289. Do you think the effect of the officers working under those general rules, not being allowed any discretion, would or would not be to lead them into a more formal mode of conducting business, like as government business is generally conducted without any energy or enterprise and very little skill?—Of course you would bring in that element more or less; but I apprehend if the controlling power was one in itself exercising discretion and energy, that the difficulties would be very much less than they appear. I have always remarked that in any new project it is very much easier to find supposed difficulties than it is to vanquish them when they come in your way.

2290. Is not the tendency of all government administration upon a system of method and rule and general order, just the reverse of that which is supposed to be characterised by private enterprise?—That is not found to be quite universally the case, in Germany for example, where every branch of industry is, more or less under government control, yet the Germans are not deficient in individual energy, nor do they lie helpless on their backs waiting for providence, nor is the control found to degenerate into officious interference.

2291. Do you think that the absence of effective industry in Ireland results in any degree from the habit the people have acquired of relying on the State for so many things rather than relying on their own industry?—There was a feeling of that kind which had grown up many years ago, when a large portion of the population of Ireland, before the Famine, was employed upon public works as a means of finding employment for them, but I think that has greatly diminished of late years.

2292. Is there not a Board of Works in Ireland through which the Government undertake to do a great many things which in this country are done by local enterprise?—The functions of the Board of Public Works in Ireland are almost identical with those of the Office of Works here, and it has a central bureau in Dublin which to a certain extent controls the expenditure on all works connected with the State. There are very few things going on now in the shape of public works that could be done by private enterprise.

2293. Is not the drainage of Ireland going on?—The drainage is now all over. The landlords put an end to it, but they are beginning now to find out that they had better have left the Arterial Drainage Act alone, the want of which, in operation, they now feel.

2294. Do you think that the effect of the system to which I have alluded has been to direct the minds of the Irish people to State assistance rather than to their own enterprise?—I think more has been made of that than is true.

2295. Do you think that the introduction of Government control over railways would tend to develope that private enterprise which you say is dormant, or the reverse?—I do not think you will have any rapid or great development of the industry of Ireland coming from the Irish people themselves, but if by altering the rates of freight on these Irish railways you were in a position to show that they could improve their condition by employing the material that Providence has thrown at their feet, and putting it into trucks for England, I think you would give them an incentive to follow our example here.

2296. Would not that be an indirect way of giving a bounty to any particular branches of industry if you carried goods at a less charge than would allow a profit to the people engaged in them?—Apparently so. I am ready to admit that the whole thing seems to conflict with theoretical political economy, but I do not think that theoretical political economy will turn out to be applicable to the facts in this instance.

2297. Do you think it possible if all the railways of Ireland were amalgamated into one system, or two or three large groups, that capitalists might be found who would be willing to lease the lines for a term of years, trusting to make their own profits from a better system of management, and a greatly increased traffic from a general reduction of charges?—I think that is not at all impossible. I say in answer to the first part of the question, that it would be of the utmost importance to amalgamate the lines, on account of the inconvenience which results at present from there being a number of little separate systems, for example, if you travel from Dublin to Belfast at present, you pass over what is in itself a continuous and not a very long line, and yet you travel through three if not four distinct railway properties, each with its little imperium of directors and officers, &c., and you are tormented at every hour to show your ticket, because you must show it at the end and at the commencement of every new property.

2298. (*Earl Donoughmore.*) Has such a plan as this ever occurred to you? Supposing that the Government were, by making acceptable propositions to the shareholders of these 18 companies in Ireland to become the proprietors of all the railways in Ireland, of course then they would become responsible for their obligations, and would become possessed of their assets; and then the State, having so made themselves the masters of the property, were to enter into an arrangement with a company to work and manage the lines upon certain conditions; first, with respect to rates for passengers and goods traffic, and also with reasonable accommodation to the public by the number of trains to be run in the day, and other conditions of that character, upon a lease for a certain fixed number of years: do you think it would be possible to get a great company to undertake that management on payment of such a rent to the Government, that they would be able, although perhaps losing something in the first period of the term, to recoup themselves in the latter period of the term in case there was a loss. I suppose the rent to be a rising rent?—I think it very likely that such an arrangement could be brought about. It would look a more symmetrical arrangement, probably than that which I have imperfectly sketched of a guarantee, but it would practically amount to the same thing. It would have to be a guarantee in any case. As regards the theoretical political economy of the thing, it is six of one and half-a-dozen of the other. If the Government became possessed of the railways, and assumed the responsibility of the companies, they must do either one of two things: they must either give leases at a low rent, which is tantamount to giving a guarantee, or they must take a reasonable rent as derived from corresponding traffic in England, or based upon the English lines, or upon the existing state of things on

the Irish lines, and then they would have to give a guarantee to the losses for a certain length of time.

2299. You are aware that a great portion of the capital which has been employed in making the Irish railways is borrowed capital, that is, capital raised up on debentures?—Yes.

2300. Upon that capital the railway companies are now paying a comparatively high rate of interest? —There would be no doubt considerable advantage in having the Government responsible for the interest, produced by the difference between paying a high rate and a low rate of interest.

2301. If the Government were to become the proprietors of the railways and responsible for their debts, as these debentures fell due the Government would be able to float them in the market at a far lower rate of interest than the companies themselves could ever expect to do?—Yes.

2302. Therefore, in that respect, as time went on, the Government would make a saving every year?—Clearly.

2303. That would be one source from which in time they would expect a reduction in the charges? —Yes.

2304. Then might it not be so arranged that the rent payable by the managing company to the leasing company should be a rising rent, perhaps not the first year or two, but rising gradually at fixed periods. Do you think it might not be possible, taking into consideration those two elements, first, a reduction of the charges arising from the debentures being gradually floated in the market at a lower rate of interest, and, secondly, the periodical raising of the rent payable to the company, that at the end of 21 years the Government might find itself entirely recouped? —I think the Government would find itself recouped, and probably within a shorter period, but I apprehend there would be found considerable difficulty in getting railway companies or proprietors who would speculate in Irish lines if you made such a reduction in the fares as would alone be likely to make the experiment successful in the end. If you were to reduce the fares to one-half or one-third of what they are now, I dare say you might still get them to undertake it, but I think they would undertake it only upon terms commensurate with the risk.

2305. I understand from your last answer that you do not feel quite so sure that the experiment of the reduction of the fares to half would be successful?—No. What I have just stated is not from any doubt on my own part as to the effects of the change, but from the difficulty of convincing those whose knowledge must necessarily be imperfect, and who would have the risk of advancing the money, and would take care to secure terms commensurate to their greatest supposable risk.

2306. (*Mr. Gower.*) I suppose you consider that on every railway a reduction of fares would prove advantageous?—I think so. I am quite satisfied that on some of the lines the effect would be almost electrical. Perhaps upon others the effect would be much slower, but I apprehend that within three years the advantage would be without question.

2307. But still you would recommend the same reduction to all railways?—I think in Ireland, to which I have alone referred, you would have to establish uniform rates both for goods and passengers all over the country. I do not see upon what principle you could take any other method.

Statement referred to in the Answer to Question 2180.

COST of WORKING COAL or MINERAL TRAINS.

Each train consisting of 30 waggons, with break-van, for a nett load of 200 tons average.

Cost of transport per train mile.

	Pence.
Locomotive power	9·50
Maintenance of way	1·00
Attendants on train	1·00
Use, wear and tear of waggons	3·50
Signal lamps	0·50
Offices and general management	1·00
Cost per train mile on a level	16·50

As the mean co-efficient of traction for waggon trains in good order is $\frac{1}{270}$, the only effect on the above of a gradient is proportionately to increase the consumption of fuel. The cost for fuel only per train per mile, included in the part mentioned above, (coal being at 14*s.* per ton), is 2·60 pence.

Hence we shall have with a gradient of 1 in 270. The cost per train mile - - - Pence $16·50 + 2·60 = 19·10$

Or with a gradient as steep as 1 in 90 - - $16·50 + (3 \times 2·60) = 24·30$

But the return on the nett load of 200 tons at one farthing per ton per mile is = 4*s.* 2*d.*

So that on a level line the nett profit returned will be—

pence. pence. pence.

50 — 16·50 = 33·50 or rather more than 200 per cent., and upon a continuous gradient as steep as 1 in 90—

pence. pence. pence.

50 — 24·30 = 25·70 or rather more than 100 per cent.

If the trains as proposed carry coal one way and return filled with minerals, the same rate of profits will be returned for the double journey, or each way.

If however the waggons return empty, the cost of return transport may be taken as follows:—

Engine and empty train per mile,—

Locomotive power	8·00
Maintenance of way	0·80
Attendants on trains	1·00
Wear and tear of waggons	2·00
Signal lamps	0·50
Office of general management	1·00
Cost per empty train mile on level	13·30
Or with a continuous gradient of 1 in 90, add	5·50
Pence	18·80

It is thus obvious that with such coal trains, returning empty waggons, a freight charge of less than one halfpenny per ton per mile would yield an ample profit.

Adjourned to Wednesday next at 12 o'clock.

Wednesday, 17th May 1865.

PRESENT:

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE HON. E. F. LEVESON GOWER, M.P.
THE RIGHT HON. ROBERT LOWE, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ.
J. R. M'CLEAN, ESQ., Pres. Inst., C.E.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

MR. JOHN RICKARD TINSLY examined.

2308. (*Chairman.*) You are mayor of Limerick? —Yes.

2309. Are you connected with the Chamber of Commerce in that city?—Yes.

2310. Has its attention been turned to the accommodation afforded by the railway companies and the fares charged upon them?—Yes.

2311. Has the Chamber of Commerce any com-

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plaint to make as to the accommodation or as to those fares ?—They have not authorized me to make a complaint.

2312. Has the management of the Irish railways been under the consideration of the Chamber of Commerce, and have any faults been found with respect to the traffic to Limerick ?—It has not been under the consideration of the Chamber of Commerce as a body, but the directors of the Chamber have had the subject under consideration, and requested me to appear here to give my impressions upon it. The members have considered the matter amongst themselves individually.

2313. Have you individually any cause to complain of the arrangements on the Irish railways ?—Yes.

2314. Will you state generally to the Commission on what points you have to make complaint ; first as to the passenger traffic ?—With respect to the passenger traffic, it is generally complained that the charges are too high, which prevents that intercourse with the western districts of Ireland that we would otherwise have if we had a lower rate upon the traffic from the metropolis and a lower rate of passenger charge.

2315. Do you ground your opinion that the traffic would be much increased by lower fares upon any facts, or, speaking generally, is it your opinion that low fares would naturally have that effect?—That is the general opinion of the gentlemen with whom I have been speaking and also my own.

2316. Have any experiments ever been tried between Dublin and Limerick with a low scale of charges ?—Not that I can recollect.

2317. What is the fare from Dublin to Limerick ?—23*s.* 8*d.* first-class.

2318. (*Mr. Glyn.*) What is the distance ?—I think the distance is about 129 miles.

2319. (*Lord Donoughmore.*) By which route do you mean ?—By the junction.

2320. (*Capt. Galton.*) What is the distance by the Roscrea route ?—I have not got the particulars of that.

2321. (*Chairman.*) What is the second-class fare ?—17*s.* 8*d.*

2322. What is the third-class fare ?—10*s.* 9*d.*

2323. In the opinion of business people at Limerick is there a sufficient number of trains each way daily ?—We want a four o'clock train from Dublin to Limerick ; the train at present leaves at one o'clock and arrives at half-past six, and the persons engaged in trade travelling from Dublin consider it a very great inconvenience to be obliged to leave so early, or they must wait till a late hour.

2324. (*Capt. Galton.*) Can you leave Limerick in the morning and go to Dublin and return in the evening ?—No.

2325. At what time does the morning train start to Dublin ?—The general train is the 11 o'clock mail train.

2326. How many hours is that going to Dublin ?—There is a delay of two hours at the junction ; it gets to the junction at 20 minutes past 12, and remains there till the Cork train comes up, and it is a late hour in the evening when it gets into Dublin. I have travelled by the four o'clock train, and it gets to Dublin at half-past nine, taking five hours and a half.

2327. Is there a morning train to Dublin ?—Yes, it leaves at 6 o'clock in the morning.

2328. When does it reach Dublin ?—It is due, I think, at half-past 11.

2329. There is no train which travels between Limerick and Dublin in less time than five and a half hours ?—No.

2330. (*Chairman.*) Going a distance of 130 miles ?—Yes.

2331. (*Mr. Glyn.*) You cannot return the same afternoon, can you ?—Yes.

2332. What time can you leave Dublin ?—At one o'clock.

2333. You only arrive at half-past 11 by the first train, and you must then leave at 1 in order to return ?—If you return the same day you should ; but in fact I do not know of anyone going up in the morning from Limerick and returning the same day ; you cannot do it, you would not have time to transact business.

2334. You cannot return the same day ?—Not since the four o'clock train was taken off ; there was a four o'clock train that landed passengers at half-past nine in Limerick.

2335. (*Lord Donoughmore.*) There is a night mail train to Limerick ?—Yes.

2336. (*Capt. Galton.*) When does it leave Dublin ?—I cannot tell you the exact hour ; it is after the arrival of the Kingstown mail.

2337. (*Mr. Glyn.*) What time does it reach Limerick?—At half-past one in the morning.*

2338. (*Mr. Horsfall.*) Do they issue return tickets upon that line ?—They do for the same day.†

2339. But they are comparatively valueless, are they not ?—Yes.

2340. (*Chairman.*) Do you believe that any large number of persons in Limerick are prevented from going to Dublin for want of sufficient railway facilities ?—Yes ; I think that a great many persons would travel to and from Dublin if there was a lower rate of charge.

2341. (*Lord Donoughmore.*) If they could return the same day ?—Yes.

2342. (*Sir R. Hill.*) Why was the four o'clock train discontinued ?—I do not know.

2343. Were there many passengers who travelled by it ?—Yes, a great many.

2344. (*Mr. Glyn.*) Is there much intercourse between Dublin and Limerick ?—Yes.

2345. Would that be increased, in your opinion, if facilities were afforded for a daily return train to and from those places ?—Yes.

2346. Is Limerick a market that the Dublin people look to very much ?—There is a great deal of business done between those two places.

2347. (*Chairman.*) Is there much communication between Limerick and Cork ?—There is.

2348. Are the trains convenient between those two places ?—Yes, they are.

2349. More convenient than between Dublin and Limerick ?—Yes.

2350. Do you attribute the want of accommodation to the means of communication being in the hands of two different companies ?—I should suppose that it would be more convenient if the matter was in the hands of one company, and that it would be more easily arranged.

2351. Between Limerick and Waterford what accommodation is there ; are there as many trains as you want ?—I believe so ; there is not much passenger traffic between Limerick and Waterford.

2352. And perhaps there never will be ?—I do not know that ; it may be promoted. I have not heard any complaint of want of trains.

2353. (*Capt. Galton.*) Do the Limerick people come to England by Waterford ?—They do ; but I have never travelled that way myself.

2354. It is the cheapest route, is it not ?—Something cheaper than the other, but the sea passage is longer.

2355. (*Mr. Ayrton.*) What is the class of the population who require additional railway accommodation ; are they private residents, or merchants, or retail traders chiefly ?—Merchants and traders.

2356. How many wholesale merchants are there in Limerick ?—I suppose about from 30 to 40.

2357. Do the retail traders in Limerick deal much directly with Dublin, or do they deal with the wholesale merchants in Limerick ?—They deal with the

* Witness subsequently explained that there was an error in the times given in the text. The morning train to Dublin started at 7.30 a.m., arriving at 3.35 p.m., and the return train to Limerick left Dublin at 7.45 p.m.

† Return tickets were available for next day.

wholesale merchants in Limerick, and a good many of them deal in Dublin also.

2358. Have you any resident population at present residing in Limerick of independent fortune, who may be termed idle persons?—Not resident in the city; there are some, but not very many.

2359. (*Capt. Galton.*) What is the population of Limerick?—Something under 50,000.

2360. (*Mr. Horsfall.*) Is there any great trade in cattle between Limerick and Dublin?—Yes.

2361. Are they sent by railway or by road?—By railway principally, I believe.

2362. What are the rates charged for cattle?—I do not know the rates for cattle.

2363. (*Mr. Ayrton.*) Do many travellers come to Limerick from the wholesale houses in Dublin with samples to take orders, or do they go out from Limerick to the surrounding districts?—A good many.

2364. By what class do they travel?—I am not very certain what class they travel by.

2365. (*Mr. Horsfall.*) Are the fares, in your opinion, considerably too high between Limerick and Dublin?—Yes. I have heard it generally complained of, that the fares are high, and that if they were reduced it would increase the trade and business of the city of Limerick, as well as give greater facilities for travelling, and many more persons would travel.

2366. It would increase the traffic both in passengers and goods?—Yes.

2367. (*Chairman.*) Have you any reason to suppose that the third-class passengers would increase in numbers by a reduction of the fares?—I think they would be very much increased.

2368. Do you ground that opinion upon any facts within your own knowledge?—Not particularly within my knowledge, but from having heard it spoken of.

2369. Is there any third-class passenger traffic between Dublin and Limerick, or is it chiefly from places in the neighbourhood of Limerick?—The larger proportion would be from Limerick. I believe that there is only one third-class train which leaves Limerick in a day, and that is very early in the morning—7.30 a.m.

2370. Do you think that, under any circumstances, any considerable third-class passenger traffic could arise between Dublin and Limerick?—I think it would.

2371. (*Mr. Ayrton.*) From what cause would it arise?—From a reduction in the rates.

2372. What third-class traffic would it be, persons going to pay visits in Dublin, or going there for occupation?—Persons going to Dublin for occupation.

2373. And when once they had gone they would remain in Dublin?—They may not.

2374. Do you mean that people would go there to be employed for a short time with the view of coming back?—Yes, tradespeople.

2375. Do the people in Limerick travel third-class when they go to Dublin?—I am alluding to tradesmen.

2376. Do you mean workmen?—Yes.

2377. Is there much movement of workmen between Limerick and Dublin?—Yes, at times. When there was a considerable amount of work in Dublin, and they required tradesmen, they would go from Limerick—labourers also—and come back again as soon as they found it convenient to come back to their families. I think there would be a good deal of third-class passenger traffic in that way created by a moderate rate of charge.

2378. What reduction in the rate would induce them to go up to Dublin in that way for employment for short periods of time?—I think about half of what it is now.

2379. (*Chairman.*) Is there any considerable influx of people into Limerick on market-days?—Yes, very great.

2380. How many market days have you in the week?—Two.

2381. From what distance do persons come into Limerick?—20 and 30 miles.

2382. Do a large number of them come by railway?—Yes, and for considerable distances too—20 miles—but for the short distances they consider it cheaper to come in on their own horses and carts.

2383. (*Capt. Galton.*) Do the railway companies run excursion trains on the market days?—No.

2384. They do not allow the third-class passengers to come in at a lower rate with a return ticket?—No.

2385. Do they issue no return tickets?—I do not think they do.

2386. (*Mr. Ayrton.*) Are there steamboats on the lower Shannon from Limerick?—Yes.

2387. Are they crowded with passengers?—They are not crowded with passengers, except in the summer season.

2388. Is that pleasure traffic or business traffic?—Both.

2389. Do you know the rates at which they carry passengers on the Shannon?—It is 2*s.* from Limerick to Kilrush; 3*s.* for first-class passengers.

2390. (*Chairman.*) Is there any large permanent population at Kilrush?—Yes, there is a large population.

2391. (*Mr. Hamilton.*) What is the distance from Limerick to Kilrush?—About 46 miles.

2392. (*Capt. Galton.*) Is there much traffic to Foynes?—No, there is not.

2393. (*Mr. Glyn.*) Did you say that they issued return tickets for the first-class passengers from Dublin?—I think they do.

2394. At what rate?—A fare and a half is the usual rate.

2395. (*Mr. Hamilton.*) I thought you said that that would only be good for the same day?—That is all.*

2396. Before that you could have gone to Dublin and have returned the same day?—Yes, but you cannot do that conveniently since the four o'clock train has been taken off.

2397. Then what is the good of a return ticket?—I suppose no one would take one now. I have not done so myself.

2398. Practically a return ticket is of no great value?—None whatever.

2399. (*Chairman.*) Have the fares been the same as they are now for many years?—They have been so.

2400. Has there been no alteration made, either in raising them or lowering them?—I think they have been advanced; three years since I think the fare was 21*s.*, I am not certain, and it was advanced to 23*s.* 8*d.*

2401. (*Mr. Hamilton.*) What is the ordinary line of communication between Limerick and England?—Through Dublin.

2402. Have you through rates by way of Dublin for passengers?—Yes.

2403. There is another line of communication by way of Waterford, is there not?—Yes.

2404. Can you book through by way of Waterford?—Yes, I believe so.

2405. (*Mr. Ayrton.*) Is it cheaper by way of Waterford than by Dublin?—Yes.

2406. Why do not persons go by Waterford?—The longer sea voyage prevents it.

2407. (*Chairman.*) Have they as good boats?—I have heard that they are excellent boats. I have not travelled in them.

2408. Pigs go over in those boats, do they not?—Yes, and cattle.

2409. (*Mr. Hamilton.*) You do not know whether you can book through from Limerick to Milford?—I do not, but I think I have seen it in one of their booking tables that you can do so.

* See note to question 2338.

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2410. (*Chairman.*) Are there any complaints in Limerick as to the charges upon the carriage for goods?—Yes.

2411. Will you be good enough to state the nature of those complaints?—Some time since the different railways into Limerick, the Great Southern and Western and the Waterford and Limerick, carried goods through from Liverpool to Limerick at a through rate of 15*s.* per ton.

2412. (*Mr. Dalglish.*) What class of goods do you refer to?—Heavy goods, iron, tallow, palm oil, sugar, and such heavy goods, and within the last two or three years they advanced the rates to 27*s.* and 30*s.* a ton, something equal to from 80 to 100 per cent., and we consider that that has done very considerable injury to the trade of our locality.

2413. (*Chairman.*) Are you able to state that the traffic of that description has fallen off since the raising of the charges?—It has.

2414. (*Mr. Ayrton.*) Are the sea risks included in the rates you have mentioned, or are they thrown upon the freighters; does the company bear the sea risk?—No, you have to insure.

2415. Are the goods carried over sea subject to the ordinary sea risks?—Yes.

2416. (*Lord Donoughmore.*) The Waterford and Limerick route to Liverpool is made up of the Waterford and Limerick line from Limerick to Waterford and the steamship company from Waterford to Liverpool?—Yes.

2417. The Great Southern and Western route is made up as far as the junction with the Waterford and Limerick and from the junction to Dublin of the Great Southern and Western, and from Dublin to Liverpool by the City of Dublin Steam Packet Company?—Yes.

2418. In order that there should be a uniform through charge by both routes, it is necessary to have an agreement between five companies, is it not?—Yes, the Cork Direct Company is now just as much interested as either of the others; it is another means of importing goods to Limerick and of exporting.

2419. Have you not some traffic by sea from Limerick to Liverpool direct?—Yes.

2420. What are the rates?—Twenty shillings; formerly it was only 12*s.* 6*d.*

2421. Who are the parties who are the owners of steamboats?—They are Limerick merchants.

2422. You stated, I think, that the railway companies charged 15*s.* a ton?—Yes, but now they charge 27*s.* When the railway companies were charging 15*s.* the Limerick Steamship Company charged but 12*s.* 6*d.* a ton.

2423. Is there not another route from Limerick to Liverpool by the river Shannon and the Midland line from Athlone to Dublin?—Yes, there is, but their rates are proportionately high.

2424. (*Capt. Galton.*) Is there not a route by Cork?—Yes, but they have advanced the charges; there is a combination amongst the companies to make those extra charges, and they have compelled or induced the Limerick Steamship Company to make the same high rates of charge proportionately with the longer sea voyage and the greater risk. They gave them an opportunity of charging from 20 to 30 per cent. lower than the railway charge. There are heavy town dues upon goods in Limerick coming by the long sea voyage, and also the uncertainty of so long a voyage from Limerick to Liverpool direct. They have given them the advantage of the difference between 20*s.* and 27*s.*

2425. What is charged by the River Shannon and the Midland route from Limerick to Liverpool?—I think it is 24*s.* 9*d.* to Limerick.

2426. That is cheaper than by the other route, by the Great Southern and Western?—Yes, it is 24*s.* 9*d.*

2427. (*Mr. Ayrton.*) Why is not the sea route used in preference, the charge being 20*s.* against 27*s.*?—Because it is a longer sea voyage, and there is also uncertainty as to the time of the sailing of the boats. They do not sail so regularly as they do from Cork and Dublin or from Waterford, and they have undertaken to pay heavy town dues, as much as 3*s.* 4*d.* a ton, in addition to the freight at Limerick, upon some of those articles.

2428. Referring to the articles which you have mentioned, do you suppose that that increased charge of 7*s.* a ton interferes with the consumption of goods in Limerick?—It interferes with the trade of Limerick, but whether it interferes much with the consumption of goods there I cannot say.

2429. Have you any reason to suppose that the consumption of those articles is diminished in Limerick by reason of the charge made for conveyance being increased to the extent you have stated?—I do not go the length of saying that.

2430. Sugar, for instance?—I cannot say.

2431. How then does it interfere with the trade?—It enables the merchants of Dublin and Waterford and of Cork to import goods at a freight I think of 10*s.* or 15*s.* into those places, and then they can send them within a very short distance of Limerick to some of the smaller towns, to the disadvantage of the Limerick import merchants.

2432. That is in competition one port with another in Ireland?—Yes.

2433. Is not that the necessary result of situation, the one being better situated than the other, and being nearer to the market or place of production, so that they can send the goods cheaper?—No, I do not think it is so in this case.

2434. Do you propose that the rates should be adjusted with a view to placing a more distant port on the same footing as a port nearer to the place of production?—The increase in the charge by the railway company to 27*s.* has been attended with this disadvantage as regards Limerick, that it has compelled our local companies or it has induced them to advance their rates to 20*s.*, whilst goods of the same class are imported into Dublin, Cork, and Waterford at 10*s.* or 15*s.*

2435. If the increase of the rate does not interfere with the consumption of the articles, the reduction would simply have the effect of making you a present of so much per ton to enable you to carry on your business in competition with the merchants of Waterford and Dublin?—We should have equal rates with them.

2436. But it would in effect be asking the railway companies to give you a sort of bounty or present to enable you to compete with the merchants of Waterford and Dublin?—Not to make it a present, the fact is the goods now do not come by the railways; in fact the rate is a prohibitory rate, for since they advanced it to 27*s.* the goods have scarcely come by the railways at all.

2437. I thought you stated that the grievance was that the goods were sent from Waterford a distance that brought them too near to Limerick, and that they ought to be sent from Limerick into the interior?—Yes, that is to places nearer to Limerick; a district that ought to be in connexion with Limerick is taken advantage of by a more distant city.

2438. The effect of a reduction would be to give you a bounty to that extent, and so enable you to send your goods further into the interior?—Not a bounty, but to give us the advantage of our local position.

2439. Are you not now suffering from the disadvantage of your local position by being further from Waterford or from Wales, where the iron is produced?—I think very little.

2440. What would be the difference in freight by sea from Cardiff to Waterford, as compared with from Cardiff to Limerick?—About 2*s.* a ton.

2441. (*Chairman.*) Is there any understanding between the Limerick Steam Ship Company and the railway companies as to the rates which they are to charge?—Yes.

2442. Have any of the railway companies an interest in the Limerick Steam Ship Company?—I believe one company has got some shares in it, one of

the managers; but there is an understanding between them, and a combination that none of them will take lower rates than those which I have named.

2443. Do all the steamboats trading to Liverpool belong to one company?—Yes.

2444. Has there ever been any proposal among the merchants of Limerick to set up steamers on their own account?—No, not in opposition.

2445. (*Capt. Galton.*) Who are the proprietors of the Limerick steam boats; are they Limerick people?—Yes.

2446. Are they merchants in Limerick?—Yes.

2447. Persons having an interest in the charges made for goods?—Yes.

2448. Does their interest as proprietors in the Steam Packet Company overweigh their interest as merchants?—Yes, and that makes them raise their rates.

2449. (*Chairman.*) Does the whole of the traffic from Liverpool now come by steamboats?—Yes, nearly all of it.

2450. (*Mr. Ayrton.*) Did they, in your opinion, make a large profit when they charged 12*s.* 6*d.* a ton?—No.

2451. Did they make any dividend at all?—Yes, they did.

2452. Why did they not continue to charge 12*s.* 6*d.* a ton?—Because I believe it was threatened that there would be an opposition if they did so.

2453. (*Mr. Hamilton.*) An opposition promoted by whom?—By the railway companies.

2454. (*Mr. Ayrton.*) You mean that there would be more steamers put on if they continued that charge?—Yes, very likely.

2455. (*Capt. Galton.*) Are you in business in Limerick?—Yes.

2456. In what trade?—I am an import merchant.

2457. Do you import any goods by means of the railways?—I have not done so for the last three or four years, or scarcely anything by the railways, but I did a great deal, almost all my business, by the railways until they advanced the rates; my goods are now carried by the direct steamers.

2458. (*Mr. Ayrton.*) Are the Commissioners to understand that the raising the rates from 12*s.* 6*d.* to 20*s.* has had the effect of preventing opposition by sea?—Yes.

2459. (*Mr. Horsfall.*) Opposition by the railway companies?—Yes.

2460. (*Mr. Ayrton.*) Is it open to anyone to offer opposition?—Yes.

2461. If 12*s.* 6*d.* is a profitable rate, how can you account for no one proposing to carry goods for that rate?—I do not know why persons do not do it.

2462. (*Mr. Hamilton.*) I understand you to mean this, that unless the steamboat company raised their rates to 20*s.* they would be run off the line, or would be met by active competition on the part of the railway companies?—Yes.

2463. (*Mr. Glyn.*) Can any of the railway companies establish steamboats?—Not as railway companies, but as individuals they could do it.

2464. (*Mr. Hamilton.*) In the interest of the railway companies?—Yes.

2465. (*Capt. Galton.*) What advantage has it been to the railway companies to raise the rates by the steamboats, seeing that by raising their own rates, as you say, they have driven all the traffic off their line of railway?—It takes the traffic direct to Limerick off their lines; but it gives them a great advantage as to the traffic coming within 20 miles of Limerick.

2466. (*Chairman.*) You mean the traffic from Dublin along the line?—Yes; the goods are imported into Dublin, into Waterford, and into Cork, and this has interfered with the direct trade to Limerick, while it has given the merchants of those places the advantage of supplying places all along the line.

2467. (*Capt. Galton.*) Has the result been to raise the price of goods in Limerick?—To that extent.

2468. Do you sell iron, for instance, in Limerick at a higher price?—Yes, to that extent.

2469. Is coal dearer in Limerick than it used to be?—It is rather dearer.

2470. What is the price of coal?—About 20*s.* a ton.

2471. How is coal brought to Limerick?—The greater part of the coal is brought by steamers.

2472. By steam colliers?—Yes, and trading vessels.

2473. Where is it brought from?—From Liverpool and Newcastle, and some is brought from London and from Glasgow.

2474. Do the vessels come laden with coal only?—No; they take in about half a cargo of coals and fill up the remainder with goods.

2475. Does any coal come from South Wales?—Very seldom.

2476. How does it come from South Wales?—It comes by sailing vessels from South Wales.

2477. And that coal costs 20*s.* a ton, delivered at Limerick?—Yes, there are steam coals as low as 16*s.* or 18*s.* a ton.

2478. Is much coal carried from Limerick into the interior of the country?—A great deal.

2479. The price is consequently enhanced beyond Limerick?—Yes.

2480. (*Mr. Ayrton.*) Is the trade in coal a close trade, so that the freights are regulated by any combination, or do the rates result from ordinary competition in the market?—I think the prices are regulated by ordinary competition in the market.

2481. (*Mr. Dalglish.*) What is the distance between Liverpool and Dublin, as compared with the distance between Liverpool and Limerick?—It is about one-half the distance, or less than half.

2482. Perhaps one-third?—Yes.

2483. Do you know what the freight is from Liverpool to Dublin?—From 10*s.* to 15*s.* a ton.

2484. Are there any town dues to be paid in Dublin?—I believe they have some small dues.

2485. The freight by steamboat is from 10*s.* to 15*s.* from Liverpool to Dublin?—Yes.

2486. But you do not know anything about the town dues?—They are very light. I believe there are dues, but very light ones.

2487. Nothing to compare with 3*s.* 4*d.*?—No.

2488. If you add 3*s.* 4*d.* to 20*s.* that gives you 1*l.* 3*s.* 4*d.*?—Yes.

2489. So that at Limerick you get goods carried from Liverpool to Limerick for about a third of the price that they would be carried from Liverpool to Dublin for; that is to say, the cost of goods to Limerick is 1*l.* 3*s.* 4*d.* per ton, including your town dues, whereas the cost of goods to Dublin is from 10*s.* to 15*s.* per ton—take 12*s.* 6*d.* as the average—and the town dues you say are very light; you get your goods from Liverpool to Limerick by steamer for 1*l.* 3*s.* 4*d.* per ton, the distance being nearly 500 miles, and the Dublin people pay 15*s.* per ton, the distance being only 120 miles?—Yes; the same rates apply both to Waterford and Cork as to Dublin, although the distances are greater.

2490. (*Mr. Horsfall.*) The insurance from Limerick to Liverpool is considerably more than from Liverpool to Dublin?—I suppose it is about 2*s.* 6*d.* per cent. more to Limerick than to Dublin.

2491. (*Chairman.*) When the charges upon goods were raised from 15*s.* to 27*s.* was it stated by the railway companies that the old fares were unremunerative?—I do not know that they made any public statement to that effect.

2492. (*Capt. Galton.*) Do you know what the charge is upon goods from Dublin to Limerick by railway?—It is 15*s.* a ton for the same class of goods.

2493. Is there any steam communication between Dublin and Limerick?—There is canal communication, and also by the upper Shannon.

2494. What is the freight by that course?—I think it is 12*s.* 6*d.*

2495. (*Lord Donoughmore.*) Is not the differential rate settled by the canal company in concert with the

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railway company ?—I presume it must be ; they will not carry for less.

2496. (*Capt. Galton.*) With regard to the cost of coal, can you explain of what the charge of 20*s.* per ton is made up, because we have been informed by other witnesses that the freight was 5*s.* a ton from Wales to Limerick ?—It is no such thing, at least that I am aware of. I think that 8*s.* is the freight by sailing vessels.

2497. From what place ?—From Wales or from Liverpool.

2498. What is the cost of the coal put on board ship ?—The Welsh coals are not generally used for housekeepers' purposes, and the price is about 18*s.* I spoke of housekeepers' coal when I said 20*s.*

2499. What is the freight from Newcastle ?—12*s.* 6*d.*

2500. What is it from Liverpool ?—8*s.*

2501. What is the price of the coal put on board ship in the river Mersey ?—I think from about 7*s.* 6*d.* to 8*s.* a ton.

2502. Are there any town dues to pay in Limerick for the coal ?—Yes.

2503. What is the rate paid for town dues ?—3*d.* per ton.

2504. (*Mr. Horsfall.*) The coal which you speak of as being put on board ship in the Mersey is called smiths' coal, is it not, at 7*s.* or 8*s.* per ton, and not household coals ?—I think that there are some household coals put on board at 7*s.* 6*d.* a ton, but there is a better class of coals than those ; some are as high as 9*s.* a ton.

2505. (*Lord Donoughmore.*) What would orrel coal be if put on board at Liverpool ?—I do not know ; but I believe there are two or three classes of orrel coals.

2506. When you state that the price of housekeepers' coal at Limerick is 20*s.* a ton, does that include the orrel coal ?—I think there would be some of that coal as high as 22*s.*, but I give you the average price at about 20*s.* ; the price of some goes as high as 22*s.*, and probably some runs to 24*s.*

2507. (*Mr. Ayrton.*) Is turf much consumed in the neighbourhood of Limerick ?—Yes, a good deal.

2508. How close to Limerick is it to be obtained ?—Within 6 miles.

2509. Is it much used in the city of Limerick ?—It is not so much used as it was, but turf is getting scarcer and dearer, for, in point of fact, the bogs are being worn out, and labour is not so cheap.

2510. Can you state the relative prices at which turf and coal come into competition with each other ?—When turf goes beyond 3*s.* 6*d.* a kish it is generally considered dear. All last winter it was as high as 5*s.* a kish.

2511. (*Capt. Galton.*) What is a kish ?—It contains a certain quantity of turf ; in fact, it is a horse-load.

2512. How many kishes go to a ton ?—It is not weighed ; a great deal depends upon the quality of the turf ; some bogs are very heavy and others are very light.

2513. (*Lord Donoughmore.*) When you say 3*s.* 6*d.* a kish, is that good Clare hand turf or common cut turf ?—Good turf, or hand turf.

2514. (*Mr. Ayrton.*) Do you mean to say that when turf is more than 3*s.* 6*d.* a kish it is cheaper to burn coal ?—It is generally supposed to be so, because coals are found to go more into consumption.

2515. (*Mr. Hamilton.*) Do you think there is likely to be an increase in the consumption of coal in Limerick and the neighbourhood ?—Yes, I think so.

2516. Owing to an increasing scarcity of turf ?—Yes, and also a scarcity of labour.

2517. (*Mr. Ayrton.*) When you say that it is cheaper to buy coal than to buy turf, you assume that the coal is 20*s.* a ton ?—Yes.

2518. And the turf at 3*s.* 6*d.* a kish ?—Yes.

2519. What is the price of turf per kish at the present time ?—About 4*s.*

2520. How far from Limerick will the price be reduced below 3*s.* 6*d.* by reason of economy in the cost of conveyance ?—Perhaps 10 or 15 miles.

2521. (*Lord Donoughmore.*) Does not a good deal of turf come from very low down the Shannon ?—Yes, a great deal of it comes from Kilrush and that district.

2522. (*Mr. Ayrton.*) Is any turf brought in by railways ?—Yes, from Castle Connel there used to be ; but the charge was so high that they were obliged to give it up.

2523. (*Chairman.*) Is any coal brought into Limerick by railway ?—There was, but there is not so much now.

2524. Where did it come from ?—From Waterford and also from Cork, but principally from Waterford.

2525. (*Mr. Hamilton.*) What is the present rate charged by the railway companies for coal ?—I cannot tell you, for I do not know, but somewhere about the same as the Limerick price now charged by the steamship company.

2526. What is the rate per ton per mile that is charged by the railway company on coal from Cork or Waterford ?—From Waterford to Tipperary they charge 4*s.* 9*d.* a ton.

2527. What would that be per mile ?—The distance is 55 miles to Tipperary.

2528. And the charge is how much ?—4*s.* 9*d.*

2529. (*Capt. Galton.*) Does the coal go from Limerick into the interior of the country now ?—Not much.

2530. Where does the coal that is supplied in the interior come from ?—It comes principally from Waterford and from Cork.

2531. At what price could you get coals delivered in Limerick through Waterford ?—I will give it you to Tipperary, that is within 22½ miles of Limerick and 55 miles from Waterford.

2532. At what price is the coal sold in Tipperary ?—I will give you the rate of charge first to Tipperary. The rate to Tipperary is 4*s.* 9*d.* per ton from Waterford. I believe the distance is 55 miles. Then from Limerick to Tipperary I find they charge 3*s.* 3*d.* a ton, and the distance is 22½ miles, and that is a very great disadvantage to Limerick in sending coals into the interior.

2533. Has the railway company ever been remonstrated with with respect to that disadvantage ?—Yes, I have remonstrated with them, and as to another article in which I deal largely, salt, they did advance the rate, and then they reduced it again.

2534. What is the rate at the present time ?—At the present time it is 4*s.* 9*d.* to Tipperary, and 3*s.* 3*d.* from Limerick to Tipperary ; that is, for a distance of 55 miles they charge, as I said, 4*s.* 9*d.*, and for 22½ miles they charge 3*s.* 3*d.*, which gives a great advantage to Waterford over Limerick.

2535. (*Mr. Hamilton.*) Do you include in the price of coal at the port of Waterford good domestic coal ?—No, I do not.

2536. You do not know what it could be put on a railway truck for at Waterford, coming by sea to Waterford ?—That depends upon the rate of freight to Waterford.

2537. (*Chairman.*) As far as the coal traffic is concerned, you think there is not much opening for the introduction of coal into Limerick by railways, and for the distribution of coal from Limerick ?—Yes.

2538. You do not anticipate under any circumstances it is likely that Limerick would be supplied with coal for its own consumption by railway ?—Not so long as we have direct steamers, because they must bring coals as ballast. As long as they trade and bring goods, they must carry a certain quantity of coals underneath the goods.

2539. (*Lord Donoughmore.*) And that you think would be almost sufficient for the local consumption ?—No, not if we had the same amount of trade that we had before the railway company reduced their charges.

2540. They increased them, did they not?—No, they have reduced them for certain distances within 20 miles of Limerick.

2541. But what I referred to was the consumption of coals in the city of Limerick, as distinguished from the consumption of coals in the surrounding district?—Then it would not be sufficient.

2542. (*Capt. Galton.*) Do you know at what price coal is sold at Tipperary?—No, I am not aware of that at the present moment.

2543. Are there facilities now at Limerick for putting the coals direct on to the railway trucks from the ships?—No, they have to be carted from the ships.

2544. For what distance are they carted?—From about half a mile to a mile.

2545. What is the cost per ton for carting the coal?—From 6*d.* to 1*s.*

2546. That charge has to be added to the cost of the railway freight?—Yes.

2547. (*Chairman.*) Besides the coal traffic, are there any other descriptions of goods traffic with respect to which you have complaints to make against the railway companies?—The only thing is that the general rate which they charge is 27*s.* per ton for those goods coming from Liverpool.

2548. I am referring to traffic confined to Ireland—internal traffic?—No, I am not aware of any other.

2549. (*Capt. Galton.*) You have mentioned salt?—Yes.

2550. Do you send salt into the interior from Limerick?—Yes.

2551. To what parts of the interior?—To Tipperary, Charleville, Roscrea, Ennis, Kilrush, Tarbet, and to very considerable distances round Limerick.

2552. (*Mr. Ayrton.*) Do you know of any commodity produced in the interior that would be brought to the port of Limerick in greater quantities than it is now if the railway charges were greatly reduced?—I think that turf would be brought in greater quantities.

2553. Can you mention any other commodity?—As it is principally an agricultural country I suppose corn would be, because it must find a market somewhere if it does not find a market in Limerick.

2554. The surplus corn, that remains after feeding the population in the interior, I presume, is brought to market?—Yes.

2555. Then there could be no great increase in that unless there was an increase in the products of agriculture?—No.

2556. Is there any particular reason why you think there would be any great increase in agriculture?—Not unless we had an increase in population, which I do not think we shall have. If we could get better prices for corn there would be an inducement to sow corn.

2557. Is there any other commodity that you think might be increased and sold in greater quantities in the interior if it were brought at a cheaper rate to Limerick?—Besides corn there is butter, and all other agricultural produce would be increased.

2558. Do you think that the production of butter in Ireland is retarded by the cost of carriage to Limerick and any distances round Limerick?—I do not think it is.

2559. Do you think that the rates charged are such as to keep down the growth of corn in the districts round Limerick?—I do not know.

2560. Do you think that turf might be dug at some distance from Limerick and be brought into Limerick in greater quantities if the rates were less?—Yes.

2561. What reduction do you think would be necessary to give a stimulus to the digging of turf?—I suppose that the rate should be considerably lower than it is now.

2562. What district do you think would be chiefly stimulated?—The county of Limerick; and from Ennis turf could be brought, also from the district of Castleconnell, by the Castleconnell railway.

2563. Do you know of any commodity that would be carried into the interior in any considerably greater quantities than at the present time, if there was a considerable reduction in the rates of conveyance?—I daresay coals would be carried to a distance considerably further than they are at the present time.

2564. In what direction would they be carried?—In the direction of Nenagh, for instance, and Roscrea.

2565. Bearing in mind what you stated, that by the present rates Dublin and Waterford send goods too near to Limerick, do you think if there was a still greater reduction in the rates from those ports goods would be sent from Limerick to Roscrea, or from Dublin to Roscrea?—That is a longer distance; Roscrea is a greater distance from Dublin than from Limerick.

2566. Having mentioned the different rates to the different ports, Dublin, for example, as compared with Limerick, would not the effect of a reduction of the rates be to bring the coals from Dublin to Roscrea, and not from Limerick to Roscrea?—If there was a uniform mileage rate by the railways I think the difference in the freight to Dublin would still leave to Limerick an advantage by railway.

2567. Is there no turf in the neighbourhood of Roscrea?—A good deal of coal goes there.

2568. But are there no peat bogs in that neighbourhood?—Yes, there are some.

2569. Are they worked?—Yes, they are; but it is principally to Nenagh, and between Nenagh and Roscrea, that the coals go from Limerick.

2570. Is it high ground thereabouts, and free from bog, between Nenagh and Roscrea?—There is a good deal of bog there, there must be, but a certain quantity of house coals are carried there notwithstanding.

2571. Is that consumption of house coals, in your opinion, likely much to increase, or is it an article of luxury at the present time with which turf comes into competition?—The turf would come into competition with it when the price was moderate.

2572. (*Capt. Galton.*) Is there any cattle trade from Limerick?—Yes.

2573. A large cattle trade?—Yes.

2574. Do the cattle come by railway to Limerick, or do they walk into Limerick?—I am not conversant with the cattle trade, but I have heard them say that they preferred driving the cattle to paying the high charges.

2575. If the charges were lower do you think that the traffic would increase on the railways?—I think so.

2576. Is there any mineral produce anywhere near Limerick?—Very little.

2577. Are there any mines near Nenagh?—Not sending minerals into Limerick.

2578. Are there any mines of any sort?—Yes, but not sending into Limerick for shipping at present.

2579. (*Chairman.*) Is there any flax manufactured in Limerick?—Yes.

2580. In Limerick itself?—Yes.

2581. Is the produce of those manufactories increasing?—I do not think it is.

2582. Is any quantity of flax brought into Limerick by the railways?—Very little, I should say, by railway.

2583. (*Mr. Ayrton.*) Is there any great water power on the falls of the Shannon?—Yes.

2584. Is that utilized for any purpose of industry?—Very little.

2585. (*Chairman.*) Are those flax manufactories which you have mentioned worked by water or steam power?—They are worked by steam power.

2586. (*Mr. Ayrton.*) Is the water power on the Shannon so constant that it could be utilized without steam machinery in addition?—Yes, a great deal of it is constant; it is principally used for corn mills and flour mills.

2587. (*Chairman.*) Are there any suggestions that you wish to make to the Commission as to any improvements that could be introduced with respect to

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the traffic on the Irish railways?—The only suggestion that I would make is, that I think if the different lines of railway were under one uniform management it would be a very great advantage.

2588. (*Mr. Glyn.*) Do you mean under one board?—Yes.

2589. To have all the Irish railways under one board?—Yes. I think it would be an advantage to have a Government board.

2590. On what grounds should you prefer a Government board?—I think that each locality would then have the advantage of having a board that would be independent of anything like local interest.

2591. (*Mr. Ayrton.*) Have you found any difficulty in booking through in Ireland, or is there any complaint in Limerick of any difficulty in booking goods through to the different ports of Ireland?—No, I am not aware that there is any difficulty in doing so.

2592. (*Chairman.*) Have you any trade with the north of Ireland?—Scarcely any.

2593. You are not in favour, I think, of competition as respects the railways?—I would be in favour of competition, but not of combination.

2594. Do you wish that all the railways should be amalgamated?—Yes, under a Government board, or such an independent board as would make equitable uniform rates, according to the mileage.

2595. Has it ever been in contemplation to take the railways at Limerick down to the wharves on the banks of the river?—It has been spoken of.

2596. At Waterford, I believe, the railway is in communication with the water?—At one side, I believe, it is close to it.

2597. (*Capt. Galton.*) With regard to the trains which run from Limerick to the junction line, do many of the trains correspond with the South Western down trains at the junction?—Yes, I believe they all correspond, with the exception of the mail train; it leaves at 11 o'clock, and it has to wait two hours.

2598. The only train that does not correspond is the mail train?—Yes.

2599. All the other trains do meet?—Yes, I believe so.

2600. (*Mr. Gower.*) You would then propose that a Government board should be constituted; by whom should the members of it be elected?—I suppose the Government would devise means for doing that.

2601. You would propose that the Government should name the board?—Yes.

2602. Would you have that board consider the interests of the railway companies or the interests of the public?—Of the public. I think that they should consider the interests of both to a certain extent; but I think that the interest of the public should be first consulted, both as to the number of trains required and the rates of charge.

2603. (*Lord Donoughmore.*) Supposing that the adoption of those alterations in the interests of the public were to result in a very serious diminution of the dividends to the shareholders, what should be done then?—I think that the rights of the shareholders should be preserved in any case.

2604. What do you conceive the rights of the shareholders to be; is it not to make as much money as they can out of the railway?—Yes, in proportion to what they are now making. I do not think that they are making a very large dividend just now. I daresay that the Government would deal with the shareholders in an equitable manner; but I cannot suggest the means of doing it.

2605. (*Mr. Ayrton.*) You think that the Government should buy up the railways and take them into their own hands?—To take the management as they may think proper to do.

2606. They could hardly undertake to manage any other person's property without their consent?—No, but to take it at a valuation.

2607. (*Capt. Galton.*) Having done that they would have to pay a certain sum to the shareholders to buy them out, and that sum must be borrowed or obtained in some way and interest must be paid upon it?—Yes.

2608. Supposing that the working of a line resulted in a loss to some extent of its interest, how would you propose to meet that loss?—That is assuming a case that may not occur.

2609. You ought to provide against all contingencies in those arrangements, and suppose that a loss did occur, how would you meet the loss; ought there to be a general taxation in England, or ought it to be by local taxation in Ireland?—I should say that it should be a taxation in Great Britain, an imperial taxation.

2610. You would not have the railways managed on the principle that the expenses connected with them should be paid by the persons who used them?—I think that the expenses would be paid with proper management under a Government arrangement.

2611. Would you have them managed upon the principle that the expense of the railways should be defrayed by those who used them?—I think that that is a most equitable way.

2612. You would consider, I suppose, that part of the expense of a railway was the cost of making it?—Yes.

2613. Therefore you would propose that the Government board should so regulate the rates that they should return an interest upon the cost of making as well as upon the working charges?—Certainly. I do not wish it to be inferred that the present shareholders should be injured by the Government taking possession. I rather think that their rights should be preserved, but I think the public ought to have more convenience and lower charges.

2614. (*Mr. Glyn.*) Suppose the lower charges did not realize quite so much money as before, what would you do then for the shareholders?—That is a question that I can scarcely answer.

2615. (*Mr. Ayrton.*) Of course they must make such arrangements as would make it pay?—Yes.

2616. You would raise the rates again?—Yes, raise them moderately, without raising them so much, that it would leave a profit to the Government.

2617. At the present time you say there is scarcely any profit realized for the shareholders?—On some of the lines there is not.

2618. (*Mr. Hamilton.*) The Great Southern and Western line has paid a dividend as high as five per cent. for many years?—Yes; but the Waterford and Limerick line is not paying so well, nor the Ennis and Limerick. The Foynes and Limerick line is a very bad one.

2619. The fares on the Foynes and Limerick line are very low, are they not?—They are low.

2620. Lower than any other line in Ireland nearly?—I cannot exactly say; I have not travelled by that line.

2621. (*Mr. M'Clean.*) If the Government purchased the railways in Ireland, how would you provide for further extensions?—I daresay by an advance of Government money.

2622. (*Mr. Hamilton.*) Is it your opinion that if the fares were moderately reduced the traffic would sufficiently increase to enable the Government to meet all the charges, pay a reasonable dividend to the shareholders, besides paying the working expenses?—That is my opinion.

2623. (*Mr. Dalglish.*) Do you not fancy that local government in a district would be better for the management of the railways than general management by the Government?—I do not quite understand the question.

2624. Would they not be more conversant with the interests of the place?—Government management would in my opinion be quite as good as any local directory.

2625. For instance, take all the railways south of that blue line on the map between Dublin and Galway and place them under local management, would not the persons having the management in that district

understand the wants of the district better than mere Government servants sent from England ?—It does not follow, I think, that Government servants would be sent. Irishmen might be appointed.

2626. But the servants, whoever they were, must be under the control of the Government ?—Yes.

2627. Would not persons belonging to the district understand the wants of the district better than any Government officer ?—I do not think they would. I think that Government officials could be made as well acquainted with them as any local directorate. If I understand your question, it is whether a local directory would not manage and understand the requirements of the locality better than Government officials ?

2628. Yes.—I do not know that they would.

2629. Supposing that a fair bargain was made with the railway proprietors of all the lines south of the blue line between Dublin and Galway, and that the whole management was placed under a board nominated in that part of Ireland by persons interested in railways, would not that be the best plan ?—What power would the Government have over that board ?

2630. They would have nothing to do with it. My question is, would not a board so appointed be better than a mere Government board ?—I think that a Government board would do it quite as well and in some cases better, for they would have no local influence brought to bear upon them to induce them to make extreme charges at one place and lower charges at another.

2631. Why should the servants of a district have any local influence exercised over them ?—It is natural, I think, that they would have.

2632. Why should they not be equally honest with Government officials ?—You are talking of Government officials and not of directors.

2633. I am talking of the persons who are to manage a great amalgamation of railways. Suppose a board to be appointed by the people living south of that blue line to represent the interests of that district ?—Then there must be shareholders who have an interest in the railways to appoint them.

2634. That does not follow.—If I understand you the Government are to appoint persons connected with the locality.

2635. No ; the Government are to have nothing to do with the locality, they are to appoint their own people ; and supposing an arrangement of that kind made, I wish to ascertain what your views are, whether the amalgamated railways would be better managed by a board appointed by persons living in the district, or by officials appointed by the Government ?—I do not see what power the people living in a district would have to appoint a board unless they were shareholders and they had some interest in the matter.

2636. But I am supposing the board to be appointed.—Then I must say that I should prefer a board of Government officials, because I think they would be more responsible.

2637. Would it not be more fair to the country generally, if the railway system in Ireland is to be put under one control, to put it under the control of the people of the district, who might be assessed for any falling off in the receipts that might be realized by the working of the system ?—How could you do that without taking the ownership out of the shareholders' hands ?

2638. You must do that if the Government is to work the lines. You say that an amalgamation of all the railways under the Government would be an immense advantage to Ireland ?—Yes.

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2639. I want to ascertain from you whether, if it became necessary to make some arrangement for the benefit of the district through which the railways to which I have called your attention run, and a board was appointed by the inhabitants of that district to manage those railways, whether they would not be better managed by a board so appointed than by Government officials ?—Taking the question as I now understand it I do not think it would be so. I think the system could be quite as well managed by Government officials. I do not see why they should not be selected from persons in the locality as well as coming from a distance.

2640. Supposing that to be done and the system was managed for the benefit of the people, do you imagine that the locality would be content to be assessed for any loss that might arise ?—I do not think it would. I think that if once the Government took the management of the railways into their hands they would be responsible for any loss, if there should be any.

2641. Although under their management, with the proviso that the railways should be managed entirely for the benefit of the people in the district ?—The management, of course, would be for the benefit of the people.

2642. Do you not think that it would be very likely to lead to this, if the Government assumed any such power over the railways in a particular district, that whenever an election came on the people in the district would say, " You did not do what we wanted " you to do, and unless you do that we will have you " out ?"—I do not know that it would have any effect upon the election at all. I do not see any effect that it could have.

2643. You do not think that it would be made a handle of ?—I do not think it would.

2644. (*Chairman.*) You do not think that the people of Limerick would be willing to be assessed in order to make up any temporary deficiency that might arise by a general lowering of the rates on the railways running into the town ?—No, they would not.

2645. Would they rather go on with their present rates than incur the liability of having to make up any deficiency ?—Certainly.

2646. (*Lord Donoughmore.*) What do you think the country gentlemen would say of having a tax put upon them to compensate for any deficiency arising from lowering the rates ?—I do not think that any portion of the inhabitants would like it, but I do not assume that such would be the effect of a reduction in the rates ; I assume the contrary.

2647. (*Chairman.*) You think they would not like to run the risk of it ?—Yes.

2648. And that they would rather go on with the present scale of charges than run any risk of that kind ?—I think so.

2649. (*Mr. Ayrton.*) Would the effect of taxing a district be to tax the whole incomes of the country gentlemen, and to reduce the charges upon the merchant in conducting his business with a view to his ultimate profit ?—Yes, and I think it would be very unfair.

2650. (*Mr. Dalglish.*) Would it not be unfair to tax the whole of the kingdom to benefit the railways in Ireland ?—I take it that it would not be if it was an imperial tax.

The witness withdrew.

Mr. Michael Robert Ryan examined.

Mr. M. R. Ryan.

2651. (*Chairman.*) You are a merchant of Limerick ?—Yes.

2652. Are you a member of the Chamber of Commerce in that city ?—Yes.

2653. Have you had occasion to form any decided opinion as to the effect of the present rates charged upon the railways coming to Limerick ?—Yes, I have.

2654. Are you able to speak both with respect to the passenger fares and the rates charged upon goods ?—Yes, but of the passenger fares principally.

2655. Will you be good enough to state what opinion you have formed as to the effect of the present passenger rates ?—I think that they have prevented a great deal of traffic which would otherwise have taken

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place; the people are very poor and they have not got much money to pay for railway transit, and I think that if third-class trains were placed more within the reach and circumstances of the people they would be more available; but there is another matter which I think operates upon the traffic as much as the high prices, the want of a better arrangement as to keeping time between our principal lines of railway and the tributary ones. We have six lines of railway coming into Limerick, and by some extraordinary arrangement they do not at all keep time for the third-class passengers.

2656. Do you mean that that they do not keep the time as published in their time tables?—No; they keep that time, but they do not hit off the trains which arrive; that is to say they do not correspond. There is only one third-class train in the course of a day out of Limerick to Dublin; it leaves at half-past seven in the morning, and there are no other means or opportunity for third-class passengers to travel until the following morning; and all the country trains, those five or six trains of which I have spoken, arrive in Limerick after the departure of that train, and the passengers have consequently to remain at Limerick all that time and during the night in order to get off the following morning. If I may be allowed I will quote from a few memoranda which I have put down in writing upon this subject. What I am about to state will show the inconvenience and delay to the public, the result of the present railway system, particularly arising from small local companies. There are in connexion with the city of Limerick no less than six railway companies, namely, the Great Southern and Western, the Waterford and Limerick, the Cork and Limerick direct, Limerick and Foynes, Limerick and Ennis, and the Limerick, Castleconnell, and Killaloe. The passenger traffic between Limerick and Dublin is carried on by the Waterford and Limerick and the Great Southern and Western viâ the Limerick junction, also by the Limerick, Castleconnell, and Killaloe, and Great Southern and Western viâ Nenagh, and Roscrea and Parsonstown Junction viâ Limerick junction. There is only one third-class passenger train from Limerick to Dublin by this route. This train leaves Limerick at 7.30 a.m., and arrives at the Limerick junction at 8.35 a.m. Passengers, &c. are here detained until 10.44, over two hours, and then proceed by the train on the Great Southern and Western line by the train which left Cork at 8.0 a.m. This train arrives in Dublin at 3.35, whereby passengers, &c. going from Limerick to Dublin, a distance of 129 miles, are detained over eight hours on the road. This journey in the old coach times was performed in 12 hours. The next train for Dublin by this route is a mail train which carries the principal English mails, leaving Limerick at 11.0 a.m., and arriving at the Limerick Junction at 12.0 at noon; passengers and mails are here detained until 1.57 p.m., nearly two hours. This train arrives in Dublin at 5.35. If this train did not start from Limerick until 12.40 p.m. it would give the citizens of Limerick 1 hour and 40 minutes additional time to answer English letters received in the morning, and would also be a great convenience to passengers. There is no train from Limerick to Dublin on Sundays except the mail train at 10.45 p.m. In fact there is no train into or out of Limerick on Sundays except the night mail train, and an excursion train to Cork and Killaloe viâ Nenagh and Roscrea. There is no third-class train by this route. The first train by this route leaves Limerick at 10.15 a.m., and arrives in Nenagh at 11.30. Passengers, are detained in Nenagh until 2.0 p.m., two hours and a half, and arrive in Dublin at 5.35 p.m. 7 hours and 20 minutes on the road; whereas if this line was in the hands of one company, or the Government, the journey could be easily performed under five hours. The second train by this route leaves Limerick at 2.0 p.m., and arrives in Nenagh at 3.15 p.m.; again passengers are delayed until 5.15 p.m., two hours, and arrive in Dublin at 9.30., seven hours and a half on the road. This line of railway is about five miles shorter than the one viâ Limerick junction, the distance by this route being 124, by Limerick junction 129. This route from Limerick to Dublin clearly exemplifies the evil of allowing railways to remain in the hands of rival and short companies. This railway is held by lease from the Limerick, Castleconnell, and Killaloe to the Limerick and Waterford Company as far as Birdhill, 14 miles, and of course the Waterford and Limerick Company throw every impediment in the way of passengers, &c., proceeding by this line, in order that they should go by the Limerick Junction on their own line. The Great Southern and Western own this line from Dublin to Birdhill, 110 miles, the Limerick, Castleconnell, and Killaloe from Birdhill to Limerick, 14 miles. Passengers can leave Nenagh, an unimportant town and only a few miles from Limerick, at 6.40 a.m., arrive in Dublin at 11.0 a.m., leave Dublin at 4.0. p.m., and arrive at their homes at 8.30 p.m. This line being in the hands of one company the public at Nenagh have the advantage of leaving their homes in the morning, have five hours to transact their business in Dublin, and can return same evening to their homes; and if the entire of this line was in the hands of one company or the Government the Limerick public would have the same advantage as Nenagh. The first train from Limerick arrives in Dublin at 3.35 p.m.; the last that leaves Dublin for Limerick is at 1.0 p.m. From the present railway system, so far as Limerick is concerned, the several companies connected with Limerick seem to throw every obstacle in the way of the public and put them to every possible inconvenience, and it is no great wonder their receipts should be so low. The Waterford and Limerick Company paid no dividend for many years; the last was about one per cent. The Limerick and Foynes, Limerick and Ennis, and the Limerick, Castleconnell, and Killaloe have paid no dividend since opened. The Government should by all means purchase up all railways, but more particularly small and non-paying ones, as they are great obstacles to large and extensive undertakings by running their trains at such times as are most inconvenient to them.

2657. The detention at the Limerick junction has been only a very recent occurrence?—Yes.

2658. Within the last two or three months?—Yes.

2659. Has the traffic between Limerick and Dublin diminished in consequence of that delay?—I should certainly think so, because persons who would otherwise go to Dublin more frequently do not wish to remain for a space of two hours in one of the most unpleasant places imaginable—the Limerick junction.

2660. Is there a considerable class of persons in Limerick who would be likely to travel to Dublin if they could return on the same day?—A very great number.

2661. Both first, second, and third class passengers?—Certainly.

2662. Do you think there would be a large third-class traffic between Limerick and Dublin?—Yes, not of the labouring class, but certainly of the shop-keeping class or the trading class. They obtain their supplies both from Dublin and from Cork, and they cannot travel to either of those places third-class and return on the same day.

2663. Not from Limerick to Cork and back on the same day?—I think not. I know that to Dublin they cannot do so. We had very great hopes when the Great Southern and Western Company were permitted to extend their line from Roscrea to Limerick, and they promised at that time to give us great facilities, to have a continuation of their line to Dublin, and that would have given us the same facility which they formerly gave us when a train started at 6 o'clock from Limerick, leaving Dublin at 4 o'clock again, so that the Limerick people had time to transact their business in Dublin and return to Limerick.

2664. To what do you attribute the discontinuance of that train?—I cannot officially say, but the im-

pression made was lest it might create a contest in opposition from the Waterford Company, who were, of course, anxious to carry goods through their own junction and 20 miles of their line ; but the new line is perfectly useless because there is no third-class train from Limerick to Dublin viâ Nenagh.

2665. It was not discontinued, was it, in consequence of not paying ?—I think not ; the experiment has not been tried.

2666. You stated that at one time there was an early train from Limerick to Dublin by which you could go and return to Limerick on the same day ?—Yes, by the junction before the opening of the Nenagh line, and which was a very great convenience.

2667. (*Capt. Galton.*) Was that a third-class train ?—Yes.

2668. It came back from Dublin at 4 o'clock ?—Yes.

2669. Did they issue return tickets for third-class passengers ?—No, they charged full fares for them.

2670. (*Mr. Ayrton.*) What class of persons travelled by that train ?—The persons, I think, were cattle dealers, and even poor shopkeepers—country shopkeepers—persons not in very good circumstances, who went to Dublin and selected their articles and then came back again. By the present arrangements a shopkeeper in Ennis, which is the capital of the county of Clare, and a very important town, as a third-class passenger, requires, in order to give him one day in Dublin to transact his business, four days to accomplish his journey.

2671. (*Capt. Galton.*) How do you make that out ?—In this way; a third-class passenger must leave Ennis at 3 o'clock in the afternoon, that is, by the third-class train from Ennis, and remain in Limerick, which is distant only 25 miles, all night, and then proceed by the morning train to Dublin, which arrives at 3.35.

2672. At what time does the morning train leave ?—At half-past 7; there is no train from Clare.

2673. That train does not correspond at the junction with another train ?—No ; and it waits at the Limerick junction for the train from Cork, which leaves Cork at 8 o'clock. The passenger must come the night before to Limerick, there being no train from Clare, and the passenger is 24 hours on the road, the distance being 154 miles by this arrangement. It takes the same time to return, as to go from Ennis to Dublin, and transact one's business. In the old coach times the journey would have been accomplished in the same time.

2674. This of course very much limits the third-class traffic between the district you have referred to and Dublin ?—It entirely precludes it.

2675. (*Mr. Ayrton.*) Is there no afternoon train from Limerick to Ennis?—Yes, but it goes at a most inconvenient hour. It leaves before the arrival of the other local trains.

2676. It leaves before the arrival of the Dublin train?—Yes ; and a person coming from Cork to Limerick, and wishing to go to Ennis third-class, cannot get off at night.

2677. (*Capt. Galton.*) It is cheaper for them to travel second-class than to stay a night in Limerick ?—I fancy it is ; but that class of people will not travel second class. You cannot make them understand it, when there is not a third-class train going from their homes they remain until there is one.

2678. Every impediment seems to be thrown in the way of third-class travellers ?—I think so.

2679. (*Chairman.*) Do you attribute that fact mainly to the number of the small railway companies, and the conflicting interests which exist?—Yes. Each of the six lines to which I have referred is very short, and they have local directories, and they certainly do not hit off well. They appear not to understand each other; and I have not the slightest doubt that if all those lines of railway were under one central management, the times of the trains could be so adapted to the convenience of the public that it would induce a large amount of additional traffic.

2680. (*Mr. Glyn.*) Has the Great Southern and Western Company ever tried to buy up the small railways ?—I believe that they sought to buy up the Limerick and Castleconnel line, or to lease it.

2681. Have they power under their existing Acts to do so ?—I think not.

2682. Nor any power with regard to the other lines ?—I think not. I think they came to Parliament last session to buy up the Limerick and Castleconnell line from Nenagh to Birdhill, but they lost their bill, and the Waterford Company got an Act, and the Limerick and Waterford Company has the haulage of all those lines. It is an impression certainly of my own that it is from hostility on the part of the Limerick and Waterford Company and the Great Southern and Western Company that there is any impediment placed in the way of the traffic. It seems very odd that the direct route from Dublin viâ Nenagh should be perfectly useless, and that there should be no through traffic carried on, and no third-class train upon it, running uninterruptedly to Dublin, for it was made expressly upon those conditions.

2683. Is there no obligation upon the company under their Act of Parliament to put on a third-class train ?—I cannot say ; they run a third-class train to Nenagh.

2684. (*Mr. Ayrton.*) You think that all this inconvenience arises from the Waterford and Limerick Company trying to force traffic over the line from Limerick to Tipperary, rather than let it go over the line from Limerick to Nenagh ?—I do ; that is the legitimate channel for it, that is the straight line.

2685. (*Chairman.*) Do you wish to state any facts as to passenger fares on any other lines besides those between Limerick and Dublin ?—I can state in general terms that the railways about Limerick are not doing the work of the country ; carriers are still numerous on all the roads where railways are. I must state that we have not much experience on the subject, it has not been tested. The public think, from what the traffic managers tell them, that things are as low as they can go to pay, and those who are inexperienced in railways take that as the state of circumstances, and they have not pressed the matter; but my own impression is that when one sees the traffic of our own country all going by road by a route running parallel with railways, that the cattle are driven long distances, having been bought in the west of Limerick and Clare, and going up through Dublin on to Meath, where they are fattened—it strikes me that that being our principal traffic, as we have not got any manufactories, the attention of railway directors ought to be called to the matter to see how they could manage to get that traffic on to their lines ; they say that it will not pay them to carry them under a certain rate, but the railway waggons go empty, and there is no prospect of filling them, when, if they even tried the experiment of taking them at a very considerable reduction, such a reduction as would pay the breeder of the cattle to rear them, I think that it would pay the railway companies something. There is no buyer who will drive cattle long distances without knowing that it deteriorates them very much, and brings them into bad condition, and who would not be willing to pay a moderate price for their carriage.

2686. Have you calculated the matter, and quite satisfied yourself that cattle would be carried profitably by the railway companies ?—No, I have not ; but there is a gentleman coming from my district, Mr. Cooper, of Cooperhill, who is extensively engaged in the cattle trade, and farms a large quantity of land, who is prepared, as I have understood from him, to give evidence on the subject, and he is certainly a very high authority, being a very large buyer of cattle.

2687. (*Mr. Glyn.*) Do the few passenger trains

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which are run now, go tolerably full?—Indeed they do not, most of our trains are very empty indeed.

2688. Even without adding to their present expenses, with lower fares you think the traffic might be increased?—Decidedly; our smallest trains could carry many more passengers.

2689. (*Mr. Hamilton.*) If the fares were considerably reduced, do you think there would be a very large increase in the number of the third-class passengers?—I should anticipate such a result.

2690. (*Mr. Ayrton.*) From what do you think that increase would arise?—I think, with regard to the labouring classes, we have not many of those who would travel by a railway train, unless placed within the reach of their limited resources, but the small farmers and men going to market with their butter, corn, and other farm produce, would do so, who now drive their cars along the road carrying their butter to sell in the markets, and there are other persons who would go with their produce into a town and sell it, leaving their horse and car at home.

2691. (*Mr. Hamilton.*) Is it not the fact that the present high fares have compelled many persons to walk who would otherwise travel by the railway train?—There is no doubt of it, and in my own district. I am a shareholder in the Limerick and Foynes Railway; it has never paid one shilling dividend, and I do not expect that it ever will. The line runs parallel to the road leading to Askeaton and all that district; but the people never think of going by the railway, although the distance is very little more, if anything, than by the main road; the railway and the road are nearly parallel lines.

2692. (*Capt. Galton.*) I believe the fares are very low on that railway?—They have advanced them recently, but this is an instance of the effect—in April 1863 a considerable increase was made in the passenger charges of 10 or 12 per cent.; in the year previous to the change the number of passengers was 87,000, and in the year after the change the numbers fell to 63,000, showing a falling off of 24,000. So likewise there was a similar falling off in the traffic of the "Kelpy" steamer, working in connexion with the Foynes line, in which there was a similar raising of the fares, the falling off of passengers being from 15,000, making a receipt of 17,000*l.*, to 8,300, bringing 9,060*l.* That was the effect of increasing the rate.

2693. You reason from that, that if they lowered the rate they would get a still larger number of passengers?—Yes.

2694. Do many of the farmers of the agricultural community generally travel by railway within distances of 10 miles from Limerick to come to market?—No, they never think of doing so.

2695. Do they travel by railway within 15 miles of Limerick?—They very rarely do, I think, beyond the limit of 15 miles from Limerick; they do up to 15, but otherwise they employ their own horses and cars.

2696. If the fares were reduced would more persons travel by railway?—Yes; for I am certain that no farmer would take his horse and car into a town if he could avoid it, for he has to put his horse up at livery at very considerable cost, and, besides that, it takes his horse from the farm where it might be usefully employed.

2697. Are there no special passenger fares for market days?—Sometimes there are, but very rarely.

2698. Not as a regular rule?—No. One of the principal market towns on the Foynes railway is Rathkeale, which is a town of considerable importance; there are several fairs held there in a year, and the arrangement of the trains is such that a man can only get by any train half an hour to transact his business in the town, and then come back again.

2699. (*Mr. Ayrton.*) Do you know the precise nature of the passenger traffic in which the falling off took place?—Yes; it was in the general traffic from Clare. Persons pass over from Kilrush to the other side of the Shannon by a fast steamer and come to Foynes. Limerick was the supplying city for all the small towns in Clare, and there is also a fashionable watering place called Kilkee on the coast of Clare.

2700. Was the falling off in the pleasure traffic or in the business traffic?—I cannot say, but I should say both. I know that there were a great number of persons who had their families down there, and who took lodgings in Kilkee to have the advantage of the cheap fares up and down the river; but when they found that the fares were advanced they went away to other watering places.

2701. That prevented a great number of persons from going backwards and forwards to that watering place?—Yes.

2702. Do you think that the falling off was chiefly in that class of persons, or in persons going to Limerick for business purposes?—I rather think it was in the former.

2703. (*Mr. Gower.*) I understand you to say that the shareholders have grounds for complaining of the management of their railways, and that if the rates were altered, and the trains differently arranged, they would receive larger profits than they do now?—That is really the feeling of the shareholders.

2704. Do they never remonstrate with the directors?—I have done so myself, and I have more than once heard other shareholders remonstrate with the directors at the half-yearly meetings; but our directors do not appear much to mind that. I was one of the promoters of the Foynes line at the original starting of it, and that was a line that was said to be required.

2705. In England, when shareholders are dissatisfied with their directors, they elect others. Has any attempt of that kind been made in Ireland?—The fact is that all our local lines have got into the hands of one party; a few persons who hold the shares and the few small shareholders who hold but a limited number of shares are powerless; the larger number of the shares are represented by one or two large holders of them, and they control the voting.

2706. But the interest of those shareholders is the same as that of the small shareholders?—Yes, it should be.

2707. (*Mr. Glyn.*) Are they satisfied with the present system of management?—They differ from me in opinion, and they do not reside locally. Our shares are principally held by one individual who does not live in Limerick and has no connexion with the place. I allude to Mr. Malcolmson.

2708. (*Mr. Ayrton.*) He has the greatest interest, has he not, in seeing that the railway is well managed?—Certainly.

2709. (*Mr. Gower.*) As to the third-class train from Limerick to Dublin, is it your opinion that if a later train was put on it would not be a loss to the company?—I think it would not; I think it would be a profit to them, as it would convey the passengers who arrive by the several local trains during the day. I think that there would be more persons travelling by it, and that it should be entirely a matter of discretion with the traffic manager, to put on a train that would catch the public traffic.

2710. Have you considered the effect it would have upon other trains by which there were no third-class fares, I mean second-class trains, in diminishing the number of the travellers?—I have not considered that very thoughtfully, but it strikes me that the class of persons who would go by a third-class train would not go by a second-class train; they abstain from going, and they probably make an arrangement with a neighbour from one particular village to go up and transact the business of three or four. I rather think that those persons would go up and do their business if the opportunity was placed within their reach.

2711. (*Capt. Galton.*) It has been stated by a witness that instead of people going to market towns themselves to sell their goods, or to buy fresh articles of consumption, it was the custom for hucksters to go through the country buying up the produce, and also selling small wares; is it the same in your part of Ireland?—Yes, it is.

2712. Do you think that that state of things would be altered if lower fares were charged?—I think so. I think that that is the impression on their minds, that the fares are high, and that they would not cover their expenses in addition to the price that they get at home, and that keeps them at home.

2713. Are eggs and butter sold in that way?—Yes.

2714. Would the produce of those persons who now sell them to hucksters be sufficient to make it worth their while to go to market and try to sell it if the fares were lower than they are? — Yes, I think so. On the line, about the Tipperary district, which is in the hands and management of the Limerick and Waterford Company, they encourage as much traffic as they can between Tipperary and the towns near Tipperary and Waterford. Persons going with their firkin, or perhaps two casks of butter, they give them a free pass to accompany it there, and the result is that a good deal of butter goes in that direction, and at moderate charges.

2715. In that case they charge for the firkin of butter, and not for the passenger?—Yes.

2716. Do you think that that creates much traffic?—It prevents this, that when these hucksters come to these people to buy, they will not deal with them; they go to the market themselves with their butter. In Limerick we complain of the absence of that accommodation; but probably it is not a question that should be considered when dealing with the question of the general management of the country. From those very points, Tipperary and nearer to Limerick than Tipperary, the charge upon butter is more than twice the price it is to Waterford, for the passenger has to pay his passage as well, so that the company that manages the other line gives a greater inducement to a person to send his butter in the direction of Waterford, and imposes a penalty upon the person sending it to Limerick.

2717. What is the object of that?—The fact is, that the chairman of the company is also the proprietor of the steamships going out of Waterford, and of course by getting the trade to Waterford the vessels earn freights which they would not earn if the trade came, and probably to a better market, in Limerick.

2718. You think that in order to drive the traffic into Waterford he actually allows the passengers to travel for nothing if they bring their firkins of butter with them?—Yes, he allows them to travel for nothing to Tipperary, which is nearer to Limerick than to Waterford.

2719. Is the butter sold in Tipperary?—Yes.

2720. To merchants?—Yes, and it is then sent to Waterford.

2721. Is it carried at a lower rate?—Yes, at a lower rate than to Limerick. I think the rate to Waterford is 9*d.*

2722. Would the same gentleman allow a person going a mile or two from Limerick to go to Tipperary for nothing?—Yes.

2723. Would he let him come into Limerick without paying the high charge?—No, and the consequence is, that in Limerick we feel that it is a very great grievance to our trade. We say that we have a shorter mileage, and we have a cheaper carriage by water, and if we could get an equivalent mileage rate, a certain portion of the trade nearer to Limerick would be done at Limerick instead of at Waterford.

2724. This kind of proceeding discourages trade from Limerick and favours it from Waterford?—Yes.

2725. (*Mr. Hamilton.*) You stated that you had a lower freight, to what place?—We have a cheaper freight from the Shannon by sea.

2726. As compared with Waterford?—Yes.

2727. How is that?—The general water carriage is cheaper.

2728. I understood you to mean that the sea freight was cheaper from Limerick than from Waterford?—No; the steamboat freight from Waterford is cheaper than the steamboat freight from Limerick, being on the other side of the land; but the railway charge being added to the freight makes it higher.

2729. (*Capt. Galton.*) You say that the butter is allowed to be carried very cheaply to Tipperary?—Yes.

2730. It is, I suppose, as near from Tipperary to Cork as from Tipperary to Waterford?—I think not; at all events they must travel over the line of the Limerick and Waterford Company to get upon the line of the Great Southern and Western into Cork, so one checkmates the other.

2731. You say that the butter is sold to merchants in Tipperary?—Yes.

2732. Do these merchants forward it to Waterford?—Yes.

2733. If the merchants there could get a favourable rate from the Great Southern and Western Company they would probably not be induced to send it to Mr. Malcolmson's steamboats?—Probably so.

2734. (*Mr. Horsfall.*) To what extent do you think it would be necessary to reduce the rates both for passengers and goods in order to secure a traffic that would be remunerative to the shareholders?—I cannot venture to offer an opinion upon that. I am not sufficiently acquainted with the charges, or what would pay, to hazard an opinion.

2735. (*Chairman.*) Do you know what the fares were on the Limerick and Foynes line before they were raised?—The increase of the fares was between Limerick and Adare, from 1*s.* 8*d.* to 1*s.* 10*d.*

2736. For how many miles?—I think about seven miles, but I will see exactly by this time table.

2737. Was that the first-class fare?—I think so. Then the increase in the second-class fare was from 1*s.* 2*d.* to 1*s.* 4*d.*; and from 8*d.* to 11*d.* for the third class.

2738. Were those the lowest charges that were ever made?—I think so.

2739. Those were not low charges at any time, if the distance was only seven miles?—It is excessively difficult to get at the exact rate of carriage; we are under the impression that there are several rates made. I believe that the distance from Adare to Limerick is 11 miles.

2740. Is Adare on the line between Limerick and Foynes?—Yes.

2741. Can you give any evidence as to the goods traffic?—Very slightly; I have some knowledge of the management of some property in the neighbourhood, at Bruree, which is under my agency. I find that in that neighbourhood they are very much dissatisfied with the restricted price put upon turf as against coal.

2742. Do they complain that the coal traffic is encouraged at the expense of the turf?—Yes.

2743. Where is Bruree?—It is on the Cork and Limerick direct line. The hauling is done by the Great Southern and Western Company.

2744. From Cork?—Yes; it is between Charleville and Limerick.

2745. (*Capt. Galton.*) Where would the turf go from to that district to which you have just referred, Limerick or Cork?—To the Bruree district, not exactly from Limerick but from Kerry, from a bog called the "Rathmoor" bog on the Great Southern and Western line.

2746. Is coal carried more cheaply to that district than turf is?—Yes, it is.

2747. Can you state what are the relative rates?—Yes, I think I have got them here; a truck of coals from Cork to Bruree, containing five tons, is conveyed for 17*s.* 1*d.*

2748. How many miles?—41 miles. A truck of turf, or waggon, carries three tons; and the cost of conveying that from Rathmoor to Bruree is 1*l.* 7*s.* 9*d.*, the distance being 49 miles.

2749. (*Chairman.*) Does it pass over the lines of different companies?—No, it is hawled by the same company, the Great Southern and Western.

2750. (*Mr. Hamilton.*) 1*l.* 7*s.* 9*d.* for carrying three tons 49 miles?—Yes.

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2751. (*Mr. Horsfall.*) Are there any manufactories at Bruree?—There is a very large flour mill there, indeed it is one of the largest in our part of the country.

2752. (*Mr. Glyn.*) Is it worked by steam power?—I do not know; I know that it is worked by water power. I was going to mention that this state of things is considerably felt by the tenants with whom I have to deal, and by the people generally, because it is one of the most extensive dairy districts in the vicinity of Limerick, and we find from practical experience that turf is much more suited for dairy purposes than coal is, it is much cleaner; and the advantages of it are that it does not soil either those who handle the butter, or the vessels which are used, and the people like it the more for that reason. Experience also shows us, and the people inquire very closely into these things, that it is cheaper; it is lighted immediately and it is extinguished immediately; and altogether there is no dairyman in the country who would not prefer working his dairy with turf in preference to coal.

2753. (*Chairman.*) In what way is it cheaper than coal; does not that depend upon a variety of circumstances, whether it is in the vicinity or far off?—Previously to the advance being made upon it, it had been used extensively in preference to coal, but since the advance has been put upon it its use has been discontinued.

2754. (*Mr. Ayrton.*) Is a low fire required for dairy purposes rather than a quick one?—I think so. The great thing is, that the girls do not dirty themselves, and there is much cleanliness required in making butter.

2755. (*Mr. Hamilton.*) Is the rate you have spoken of an exceptional rate, or is it about the ordinary rate per ton?—It is the ordinary rate.

2756. Have you calculated what it is per ton?—I have not.

2757. It is more than 2*d.* per ton per mile, and do you say that that is not an exceptional rate for the carriage of turf over Irish railways?—I am not aware that it is, it was lower some months since, probably some five or six months since; there was a large quantity of turf coming into Bruree; since that time it has been advanced, and a gentleman informs me by a letter I have received this morning, what I know to be the fact. He says, "The charge "for a box of turf to Bruree had been 18*s.* 6*d.*, and "it is now 1*l.* 7*s.* 9*d.*; great complaints are made of "the want of fuel, and particularly among the dairy "farmers, who were in the habit of getting turf at "Bruree. You must know that the poor people must "feel it also."

2758. (*Chairman.*) Has there been a corresponding rise in the charge for the conveyance of coal?—No.

2759. Is it for the interest of the Great Southern and Western to carry coal rather than turf?—I do not know, indeed, but it is the interest of the steamboat proprietors to carry it, and there is a very large amount of steamboat influence exercised in the directory of this company, and it is the interest of the large steamboat proprietors to get freights for their ships, to the exclusion of our own fuel.

2760. (*Capt. Galton.*) The charge for the coal is a halfpenny per ton per mile, and the charge for turf is about 2*d.* and one-fifth per ton per mile; it used to be 1½*d.* per ton per mile?—Yes.

2761. (*Mr. Hamilton.*) Do you say that the increase in the rate for the carriage of turf is not exceptional, and that it is universal?—It is universal between those points which I have mentioned.

2762. You cannot speak as to other parts of the country?—No; I can only speak as to this particular locality.

2763. Do you attribute it to the circumstance of the railway company being interested in increasing the trade in coal?—I imagine so. I believe that the leading parties are largely connected with steam vessels running from all those ports, Waterford, Cork, and Dublin, and their interest is to bring as much coal as they can into the country for the purpose of getting back freights.

2764. (*Mr. Ayrton.*) How many tons of turf do they load in a truck?—A waggon contains three tons of turf, and a waggon of coal contains five tons.

2765. Do you know whether the not being able to load up to the full weight in a truck has some effect upon the charge for haulage?—Yes, I should fancy it has, but it also ought to be considered that it is a less heavy article to haul and therefore that it runs lighter; if they are paid by weight it is easier for the engine to pull three tons of turf than to pull five tons of coal.

2766. (*Mr. Glyn.*) Are the directors of the Great Southern and Western Railway much engaged in steamboats?—I do not know, but I have said that I thought they were large shareholders; the public men in Dublin are almost all engaged in steam ship companies.

2767. (*Lord Donoughmore.*) Is not Mr. Pyke a very large steamboat owner in the port of Cork?—Yes, he is the principal owner of the line out of Cork.

2768. (*Mr. Hamilton.*) Is there no maximum charge in the Railway Acts beyond which the companies cannot raise the rates for goods traffic?—I am not aware at all.

2769. (*Chairman.*) Have you given much consideration to the question whether any great alteration could be introduced into the railway system in Ireland with advantage?—I have always considered that if we could have all our railways placed under one management the interests of particular towns and particular districts would not be interfered with from any interested motives, particularly as we are circumstanced on the west coast of Ireland; we have no directors there, the railways that run to Limerick are centred either in Waterford, Cork, or Dublin, and the eastern ports of shipment, and I think that those three directories vie with each other to see which port shall get the greatest loading for their steamers, and the port of Limerick does not get a fair mileage rate in consequence of that. As an instance, butter, per firkin, Bruree to Cork, 41½ miles, is 5*d.* per firkin, while from Bruree to Limerick, 19 miles, it is 9*d.*, being double the distance for half the price; that is, the charge to Limerick is fourfold in proportion to that to Cork. Again, timber from Cork to Bruree is charged 6*s.* 3*d.* per ton, while from Limerick to Bruree it is 4*s.* per ton. The proportionate charge, according to mileage, ought to be 2*s.* 10*d.* from Limerick.

2770. (*Lord Donoughmore.*) Is it not the fact that Sir David Roche was for many years a director of the Great Southern and Western Railway?—Yes.

2771. If he had any local interest it was in Limerick, was it not?—Yes, but he never shipped any produce from Limerick; he had a large flour mill in Limerick, but he never exported. I am glad that you referred to Sir David Roche, he has recently died, but his son, the present Sir David Roche, is now the owner of the very large mills there, and I am satisfied that there are very few men in the country who could give more information to this Commission as to the inconvenience which is suffered from the present state of things than the present Sir David Roche. I have known him complain very sadly with respect to his mills; he has one at Croome, and he does not use the railways at all; he keeps a stud of horses on the road, and he does not send a pound weight by the railways.

2772. (*Capt. Galton.*) On account of the high rates which are charged?—I suppose so.

2773. (*Chairman.*) What distance is it from Limerick to the mills you have spoken of?—I think the distance is about 12 miles.

2774. (*Capt. Galton.*) Is the railway communication in the hands of one company?—Yes; it is on the Cork and Limerick Direct line, and the haulage is done under the management of the Great Southern and Western Company.

2775. It appears by the map as if the traffic would run on the line of the Waterford and Limerick ?—No, his produce would run into the Foynes line at Patrick's Well; there is a rental paid of 1,400*l.* a year by the Cork and Limerick direct line, and they run over it. He would have only to deal with the Great Southern and Western Company, who have the line; but he will be able to explain that to the Commission better than I can. I think that the Cork and Limerick directors have a voice in those rates, but the Great Southern and Western Company do the haulage for 40 or 45 per cent., and they have to consult the Cork and Limerick directors upon certain things. I know that Sir David Roche feels it very much. There is another miller in the same town. There are, also, very extensive flour mills belonging to Mr. Lyons, and he also keeps a stud of horses on the road, but he does not avail himself of the railway, though his mills are in the town of Croome, and close to the railway station.

2776. (*Chairman.*) Have you any definite scheme to submit to the Commission as to any alteration you would like to see introduced in the Irish system of railways ?—My view is this : I should feel happy if the government of the country should take charge of the railways for some little time, and try the experiment whether one central management would do for them all. If the experiment was not successful, it could not be more unsuccessful than the present system.

2777. (*Capt. Galton.*) If it proved unsuccessful, how would you meet the loss that would accrue ? by levying a rate upon the different towns in Ireland ? —I should not do that at all The towns in Ireland are now taxed for the support of the poor and other charges to their utmost ability, and could not endure more. I think the nation should be prepared to undertake any such contingency, but in my opinion it would be no loss incurred. I should say, try this experiment, for I think it is really of national importance, having regard to the development of the resources of the country. We have found that since the introduction of railroads, a great deal of good has been done, but not so much as I believe might be done; they have promoted good feeling among the people, and a better understanding with each other, by bringing them together; they travel more about the country, and more money is expended than there was before.

2778. (*Mr. Ayrton.*) But who is to bear the loss, if that is to be the result of the experiment?—I should think it ought to fall upon the country at large. I would extend it to this side of the Channel. Ireland's prosperity or adversity must affect the national interest; and as the people of England are the great consumers of our produce, they have a direct interest in removing the grievance we suffer under.

2779. You would extend the system of reducing fares upon railways to England ?—Yes, if it required it—if the material improvement of the country were retarded by not doing it.

2780. (*Mr. Hamilton.*) If a loss was sustained by the experiment you have recommended, do you think the traffic would recover itself in a few years ?—I do. I am entirely of that opinion. I cannot but believe, when there is a certain amount of population in Ireland, and a certain amount of produce from the soil, which is brought to this side of the Channel, and when I see that going by roads running parallel to railroads, that traffic ought to be got, and would be got, and when once the people would acquire a habit of railway travelling, they would be sure not to return to the old slow system.

2781. If the railway charges were lowered, you believe that there would be an increase in the produce ?—Yes, for I believe that one of the things that prevents that increase is the expense of the transit. When produce is purchased, it is always subject to the charges of transportation; and the higher they are the less remunerative is the transaction to the farmer, and the less he is disposed to produce.

2782. (*Capt. Galton.*) What is the charge made for passengers, compared with what it was before the railways were opened, when they travelled by Bianconi's cars ?—I do not know; but I know that when the first line ran out of Limerick from the Great Southern and Western, in 1848, the rate was only 8*s.* third-class to Dublin, and all the shares were at a premium, and they were able to declare large dividends, but since the increase in the charges those shares have gone down in price, and their dividends have diminished.

2783. Do you know what the fares used to be per mile by Bianconi's cars ?—I do not.

2784. To Dublin, for instance ?—I do not know.

2785. (*Chairman.*) Are there any other matters that you wish to submit to the Commission ?—At the moment I cannot remember.

2786. You have mentioned the most important points within your knowledge ?—I think so; but may add that there are cars running at the present time to certain points upon that line, and there is an immense traffic that is not taken by rail; from the Bruree district there is a four-horse car, and there are others running from Bruff, Kilmallock, and Kilfillan to Limerick; and all people living between Bruff and Bruree, even some of those living in Bruree walk a distance of seven miles to get upon that car, because they only pay half fare. From Bruff to Limerick the charge is only 9*d.* for a distance of 12 miles.

2787. (*Mr. Ayrton.*) Is Bruff upon a railway ?—No, it is seven miles from Bruree; but all those who live midway never go by the railway.

2788. What is the fare from Bruree ?—I think it is 1*s.* 6*d.*; some of the people living about Bruree, which is seven miles off, walk to Bruff.

2789. (*Chairman.*) Is there a railway station at Bruree ?—Yes; there is station in the town. I may quote an instance to the Commission to show how these cars are loaded. Last week a case came before the county sessions, and I happened to be on the bench at the time. A man was summoned for having 40 people on his car when he was licensed to carry only 24, and it was not the first offence. The man said that he could not help it; his evidence was that the people rushed upon the car, and that he was obliged to get the constabulary to assist him. He was only fined nominally 1*s.*, the bench believing that he was not courting trade. This offence is not unfrequent. Those four cars are allowed to carry 20 or 24 passengers each, and prove unequal for the traffic. It is reported other cars are to be put on the road.

2790. (*Mr. Ayrton.*) What was the fare by the car ?—Ninepence for 12 miles. I refer to that case as affording evidence that if the railway fare were reduced to 9*d.*, I do not think anybody would travel on the outside of a car, exposed as they would be to the weather, if they could go by railway.

2791. (*Mr. Hamilton.*) Nor walk ?—No.

2792. (*Chairman.*) Can you give any other instances of cars competing successfully with railways ? —I believe there are other instances, but those I have given are the most familiar to me. I witnessed the other day a very curious thing; some people were coming from Kilrush to the other side of the Shannon; there were about 70 emigrants going to Cork and Dublin, and coming from the west of Clare by Foynes; they arrived in the afternoon at Limerick, and those 70 persons had to remain in Limerick all night, there being no third-class train after that time to take them on to their place of embarkation. Some were going to Cork to embark by steamer for America, and others were going to Liverpool viâ Dublin. There was no means to convey them, and it was most pitiable to see those poor people disappointed in that way, being of course put to very great expense.

2793. (*Lord Donoughmore.*) Is it not the custom with railway companies in Ireland to give special rates for emigrants ?—Not at present; they used to do so but they do not do so now, though they ought, and

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these are the reasons why I think, if there was one intelligent governing body sitting in Dublin, they would not let these things longer exist. I believe that the heavy expenses of separate management and separate establishment charges could be reduced to a considerable extent, which would be a set-off against any losses that might be incurred by the experiment. I know that if I were to put myself in the position of the proprietors of all those lines of railway, or if I had anything to do with them in the way of management, I would have but one governing staff, only one establishment, because I am certain that that would work more harmoniously, and certainly more economically than several.

The witness withdrew.

Dr. M. Longfield.

Dr. MOUNTIFORT LONGFIELD examined.

2794. (*Chairman.*) You are the chief judge of the Landed Estates Court in Ireland?—I am the senior judge.

2795. Have you given much attention to Irish railways?—I have.

2796. Have you formed any opinion as to the effect of the rates now charged upon those railways both for passengers and goods?—I think that we should have more passengers and more goods if the rates were reduced; but I think that we could not reduce the rates without diminishing our profits very much; I say our profits, because I have been for nearly 20 years a director of the chief railway in Ireland.

2797. You are a director of the Great Southern and Western Railway?—Yes.

2798. You are of opinion that it would not be safe for the directors to make any large reduction in the rates, either for passengers or goods?—I am. I think there would be a considerable diminution in our profits for several years at least; in the meantime many of the existing shareholders being deprived of their dividends must sell out and perhaps be ruined.

2799. Upon what grounds do you rest the opinion that there would ultimately be a large increase in the traffic?—Upon this, that there is a natural desire to travel, and there is a great deal of utility in it, and that would be felt more and more, and of course the effect of a reduction of the charge made for a very useful privilege, or upon any commodity, would increase the number of passengers and the consumption of the commodity.

2800. Has your company ever tried the effect of making low charges upon any portion of their line?—At one time we tried the effect of having fourpenny parcel rates, and it did not answer; perhaps it was not tried long enough.

2801. (*Capt. Galton.*) Will you be good enough to explain that?—I mean that it did not pay.

2802. Not the cost?—More than that; but it did not pay enough.

2803. (*Chairman.*) It paid better at the old rates than the reduced ones?—Yes.

2804. (*Capt. Galton.*) How long was it tried?—For about eight months.

2805. (*Chairman.*) Was there any considerable increase in the parcels traffic?—Not enough to justify its continuance.

2806. (*Mr. Gower.*) What was the reduction made from?—It varied; it was from 8*d.* and 1*s.* to 4*d.*

2807. (*Chairman.*) Was there any perceptible increase in the number of parcels sent?—Indeed we thought not. I think it is probable that the reduction was not well known. I was not satisfied that it had had a perfectly fair trial.

2808. Have any other experiments been tried upon other descriptions of traffic on that line?—I do not think there has been any experiment made; we are rather afraid of experiments.

2809. Do you think there would be a considerable increase in the passenger traffic if the fares were considerably reduced?—Yes; but not of course so much as in England, for the working classes are not so rich, and time is therefore not so valuable; they are not so well able to pay. Then the agricultural traffic does not admit of the same increase that the commercial traffic does; for instance, a fat beast has only one occasion in its lifetime to travel to town, and that is to be killed and sold.

2810. (*Capt. Galton.*) Is it not the case that cattle are sent from one part of Ireland to another to be fed?—They are first bought by the graziers, who fatten them, from the people who breed them.

2811. Is there no opportunity of sending them by railway to the place where they are to be fattened?—Yes, there is some opportunity to send them, not very much.

2812. Is there a very large cattle traffic on the Great Southern and Western Railway?—There is a considerable traffic, but it has become diminished of late years with the reduction in the quantity of cattle in the country.

2813. (*Chairman.*) Is it chiefly fat or store cattle?—On the Great Southern and Western line it is chiefly fat cattle; there is a great number of store cattle driven along the roads, and some people attribute that to the high rates charged upon railways, but the reason, in my opinion, is that driving is more convenient, and for another reason, which is this, that the people who drive them sell them along the way to their customers, merely taking them from town to town.

2814. (*Lord Donoughmore.*) Supposing a Midland grazier buys a couple of store cattle in the fair at Ballinasloe, would it not be natural to get those cattle carried by railway at a reasonable rate so as to convey them to Meath sooner than by driving them along the road?—I think it is probable that if the charge for the carriage was very cheap he would do so.

2815. Do you think that a rate that would tempt a grazier to send his store cattle by railway would be so low as to be unremunerative to the railway company?—It would remunerate us, but not so much as the present rates, at least it would be doubtful, and people do not like trying experiments when the dividends are rather low.

2816. (*Capt. Galton.*) Your dividend is reduced from what it was, is it not?—Yes.

2817. To what do you attribute that?—To the bad harvests in the country, which have diminished the wealth and the population in the country to a great extent.

2818. (*Mr. Ayrton.*) Have you made any inquiries as to the quantity of store cattle driven along the roads and the quantity of cattle carried by railway with a view to ascertain whether there is really a diminution in the quantity carried on account of the excessive amount of the charge made?—Inquiries have been made, although not in a very official way; but inquiries have been made about the exportation of cattle from Ireland and the importation into England, and I have been informed that it has become reduced in about the same proportion as the number of the cattle that we have carried, showing that there has been a general decrease and that it is not confined to our railway.

2819. Apart from that, have you made any inquiries as to the cost of driving cattle as compared with carrying them by railway, which leads you to believe that you do not get all the traffic you ought to do on the railway?—No; but I am sure that the traffic would increase if we diminished the rate, although I cannot say in what proportion.

2820. (*Chairman.*) Does your board ever take into consideration any proposals which hold out a prospect of any increase of traffic of any description, minerals or otherwise?—Yes; if any person makes a sug-

gestion, that suggestion is taken into consideration, and we act accordingly.

2821. Have any proposals ever been made to your board which, after consideration, you have thought it advisable to decline?—A good many. We generally do decline them, for they are frequently made very recklessly by persons who promise a very large increase of traffic, and then when we come to inquire into it we find these persons have been consulting their own interests very much, and that there is nothing to countenance the idea that an increase of traffic will arise.

2822. Has there been any material increase upon any description of traffic within the last few years?—I do not think there has been.

2823. You do not think that any reduction in the rates charged could be made with profit to the railway companies?—I think with ultimate profit it could be, but not immediately.

2824. Upon what articles chiefly do you anticipate that a large reduction of the rates would ultimately bring an increased return to the railway companies?—I hope it would in coal, and probably in minerals. I think that the people would gradually find out the advantages to be gained by travelling and by the transmission of goods by railways; and (although we do not anticipate it beforehand), I think a great deal would arise from unexpected quarters.

2825. We have been informed that there are some mines in Tipperary, which I believe have been under consideration?—Yes.

2826. (*Lord Donoughmore.*) It is in evidence that there are mines in the county of Tipperary, the Adare mines, situated not very far from the Birdhill station, about six or seven miles from Birdhill, and that a railway should be connected with those mines, and it has been stated that the rates of carriage are so high as practically to prohibit the export of all the poorer descriptions of the ores. Have any complaints been addressed to you upon that subject?—I do not remember any, but I am sure that if the proprietor would show that he would supply us with sufficient traffic to return us a profit we should be glad to carry it.

2827. Would you be inclined to open a special station or make a special siding for him if he could show you that he could supply you with a certain number of hundred tons per week?—Certainly I should be in favour of it, and the entire board, I think, would willingly listen to it or to anything that we should not lose by.

2828. The witness stated that practically the rich ores are sent by cart from the mines to Birdhill, where they are placed on the line of the Castleconnell and Limerick Railway, and sent by Waterford to England, but he stated that if the Great Southern and Western Company would give him full facilities it would pay him better to send them by that line and from Dublin to England. Is it possible, do you think, for your board to tempt that gentleman to send his ores by Dublin instead of Waterford?—Until I know what he expects I could not say; but for the sake of getting traffic I am sure that the board would do everything that was reasonable, and that they would reduce their profit as low as possible.

2829. (*Mr. Glyn.*) If the proprietor was ready to send you a given quantity, you would reduce the rate now charged to a lower rate?—Yes, if he sent us full train loads.

2830. You would reduce the rates to him?—Yes.

2831. (*Mr. Ayrton.*) Has this subject ever been under the consideration of your board?—I do not remember the subject of the mines ever coming before the board, but the subject of reduced rates on particular occasions is discussed almost every board day.

2832. (*Chairman.*) But you have scarcely ever decided upon making any experiments?—Very seldom.

2833. (*Mr. Ayrton.*) I understand that when these suggestions are made you direct special inquiries into the supposed sources of increased traffic, and you are guided by the result?—Yes.

2834. (*Mr. Glyn.*) I believe that some years ago, when Mr. Thomas Smith was one of the directors of the Great Southern and Western, he advocated very strongly a reduction of fares, founded upon his experience in England?—He never attended the board except upon a few occasions. I do not think that he attended twelve board meetings in his life.

2835. Did he not advocate a reduction of the rates?—I think he did several years ago, and another English director, who is now deceased, Mr. Boothby, opposed it.

2836. The subject has been very much discussed, has it?—Constantly.

2837. (*Chairman.*) Do you know whether a train to carry third-class passengers from Limerick to Dublin by Nenagh has ever been under the consideration of your board?—Yes.

2838. We have been informed that there is no train at present?—There must be a third-class train. According to the Act of Parliament we are obliged to carry passengers at a penny a mile once a day.

2839. I believe there is a third-class train from Dublin to Nenagh, but none between Nenagh and Limerick?—There must be; the company can be compelled to provide it. It is not our line, but the railway company can be compelled to run a third-class train from Limerick to Nenagh.

2840. Have you any power over the line from Nenagh to Limerick?—Yes.

2841. Have you running powers from Nenagh into Limerick?—Yes, I think so.

2842. (*Mr. Glyn.*) It has been stated that there is no possibility for a first-class passenger to get from Limerick to Dublin and back again conveniently in the same day; is that so?—I cannot say; but looking at the time table I think it is not improbable, and I think it is likely they would not much care for the privilege, for there is some little disadvantage in consequence of it, for in going from Limerick to Dublin they have to pass over two lines of railway not belonging to the same company, and which are not always working harmoniously.

2843. (*Mr. Ayrton.*) Are they at present in harmony, or is there much discord between them?—Not so much harmony as I should wish.

2844. Have you any joint committee to manage the traffic that is required to be worked through?—No.

2845. (*Lord Donoughmore.*) Was there not some time ago a proposition made on the part of your board of directors to amalgamate with the Waterford and Limerick Railway Company?—Yes.

2846. And that proposition was refused by the directors of the Waterford and Limerick line?—By the shareholders. I do not know whether the directors were favourable to it or not, but it was refused.

2847. Do you believe it would be a great advantage to the public if those two railway companies could be amalgamated?—Certainly.

2848. Would it facilitate the traffic arrangements all through that country?—Yes.

2849. (*Chairman.*) You could not offer terms to the Waterford and Limerick Company that they would accept?—No; and with regard to the terms that were then rejected, I thought they were a great deal too high, and I opposed them.

2850. (*Mr. Gower.*) The negotiation failed as to the terms?—Yes. We offered what I considered were too high terms, and they thought that they would be better by standing out for a time.

2851. (*Lord Donoughmore.*) Have the earnings of the Waterford and Limerick Company, since that offer was made and declined, been at all equal to the terms offered by the Great Southern and Western Company?—No; neither since that time nor before it, but whenever a negotiation is pending the public necessarily know it, and that raises the price of the line that is to be bought, and then the shareholders think that that rise in price is part of the intrinsic

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value of the line, and they insist upon something more, and all these things cause delay.

2852. (*Mr. Ayrton.*) Have you ever been able to form any definite idea as to the percentage of reduction necessary to produce an increase of traffic, and the probable number of years that would be required to bring back the income to its present state on the Irish railways?—I think that everything of that kind must be merely vague conjecture. I think that every reduction of rates will produce some increase of traffic, and the greater the increase the longer the period that must elapse before it has its full effect upon the country.

2853. Have you considered the question sufficiently to be able to reduce the general proposition to any practical figures?—I should not venture to do so, it is entirely a matter of conjecture. A sanguine man will say that it will take place in four years, and another man will say it will take ten years, and another that it will never take place.

2854. Have you considered the matter sufficiently in detail to be able to suggest any particular item of traffic that would be capable of great development and increase consequent upon a reduction of the rates?—I think that corn and coal and third-class passengers would be the chief; but I think that a great many others would arise unexpectedly.

2855. With regard to coal, do you think that traffic in coal would arise from displacing the consumption of turf, or from increased consumption by manufactories, or for domestic purposes?—From all three causes. A great many persons would burn coal instead of turf, and a great many lines which are now inadequately worked would have greater returns from the increased consumption of fuel, and it also might assist in promoting the manufactures of the country.

2856. With regard to corn, in what way do you think that an increase in the quantity of corn carried would take place?—I think it is probable that there would be a great deal of corn sent backwards and forwards, according to the state of the local markets, if it was carried with sufficient cheapness.

2857. Apart from the movement of the existing quantity, it seems, from your experience in the cattle trade, that we should have to look entirely for an increased production in corn to agriculture?—I think not. I think that circumstances would enable corn to be more readily transported from place to place, but less for some time than in the case of cattle.

2858. With regard to the unexpected sources of traffic, to what sources do you refer, to minerals?—When I say unexpected, I can hardly venture to say what they would be; but I think that special trades will arise in the country, and that the people will find that such things as eggs may become a great article of traffic, and perhaps poultry, and a number of other things.

2859. With regard to third-class passengers, do you think that a new class of passengers could be set in motion, or that the existing passengers would travel more frequently?—I believe that both things would happen. I think that the people would more readily go in search of employment, and that they would go for lighter motives when they found that the fare was much reduced.

2860. Is there much tendency in Ireland to move about in search of employment, or are the people very constant to their particular locality?—They go great distances in search of employment.

2861. Have you formed any opinion as to the percentage of reduction that would be necessary to promote a great increase in the third-class passenger traffic?—I think that reducing it to a halfpenny a mile would produce a great increase; that would be 50 per cent., and of course by reducing it further we should get more.

2862. At the present time do the tradesmen and shopkeepers and small farmers all travel third-class in Ireland?—Most of them do.

2863. Do the peasantry travel third-class, and mechanics, or do they walk?—The peasantry do not travel very much at all; they walk, except just for emigration purposes, when they have some luggage to carry.

2864. Do you think that at a halfpenny a mile they would be induced to travel by railway rather than walk?—A great many more would, of course.

2865. (*Capt. Galton.*) Have you tried to develope any third-class traffic in the vicinity of the markets by issuing return tickets at low fares, as upon our English railways?—No; but it has been spoken of, and probably it will be carried out before long; but we have not done it hitherto.

2866. Have you made no attempt to develope third-class traffic in that way?—No.

2867. Or in any other way?—No.

2868. (*Mr. Hamilton.*) Why have you not?—Of course, because it was not likely to be conducive to the interests of the company.

2869. (*Mr. Gower.*) You have stated that the directors are afraid to make experiments; are they more timid, do you think, than they need be, or, in other words, if they were less timid do you think it would be for the advantage of the railway companies?—In some cases they are not so timid as in others; I think they might make a few experiments with safety.

2870. (*Chairman.*) You cannot say that the directors ought to make experiments on a large scale?—No, I think they ought not.

2871. You are satisfied that ultimately there would be no loss?—Yes; and in the meantime there would be no loss at all proportioned to the gain that there would be to the public.

2872. Have you considered how the experiment is to be tried?—Yes, and the only way of trying it that I think is safe, would be to give the Government the power to nominate an official director on any line of railway that they thought proper; that official director to have full power of consulting the books and voting upon everything in the same manner as other directors, requiring information from the officers, and so forth. I would then let that official director make any experiments that he liked, guaranteeing the company against loss arising from the experiment so made, and receiving half of the gain in case there should be gain from it.

2873. Where is the guarantee to come from?—From the taxes of the country; I can see no other source but that.

2874. (*Capt. Galton.*) With regard to these experiments, you say that you should object to making experiments on a large scale?—Yes.

2875. Would not the experiment of issuing tickets at low fares on market days be a pure gain to the railway company?—Yes, if they got enough to exceed the working expenses, which are about 2*s.* 8*d.* a mile.

2876. You have certain trains which run between certain places?—Yes.

2877. And it would be only adding a certain number of additional carriages to those trains; could not more carriages be put on?—Unless we reduced our fares there would be no use in doing that, there are always carriages enough.

2878. If you issued return tickets on market days, in order to develope a traffic, would not that be an experiment that would cost nothing, comparatively?—It would not cost very much.

2879. That experiment, which would have a tendency to develope traffic, might be made without calling on the country to pay any loss that might arise?—It is not quite so simple as it appears to be, because it is to be remembered that it is very probable, in most cases, the hours of our trains would not suit the market purposes; and in order to make them useful, we should have to run them specially.

2880. (*Chairman.*) You think that you could not adapt many of your present trains to that purpose?—Very few of them, unless by accident in some particular case.

2881. (*Capt. Galton.*) The experiment in that particular case might be tried ?—Yes.

2882. (*Mr. Hamilton.*) You are aware that in England it is regarded almost as a duty on the part of railway companies to provide facilities for moving about on market days, whether they yield a profit or not ?—I do not know that they do anything from a sense of duty that does not lead to a profit.

2883. On market days you will find that some distances are travelled over at very much lower fares than on ordinary days ?—If they do that in fact, the profit to the railway and the utility to the public, in such cases, nearly go together; but unless there is a profit you do not do much good to the public. I will mention a circumstance to show how erroneous the idea is that an increase of traffic might produce an increase of the expenses ; any book on the statistics of railways will show that the traffic varies between 20*l.* a mile and 75*l.* a mile ; some railways have as little traffic as 20*l.*, and others as much as 75*l.* ; but you will find that the proportion of the working expenses is about the same in both.

2884. (*Mr. Ayrton.*) What is your view with regard to repaying any loss that might be occasioned by the Government director reducing the rates ? Is that to be repaid out of the increased income over and above that at which he found it when he made the reduction ?—Certainly, in the first instance, and if that did not pay it, then the nation should pay it if they required a compulsory reduction to be made.

2885. Do you say that whenever the income of the railway went beyond the point at which he had commenced the reduction, then that the surplus income should be appropriated to making good any loss the country might have incurred by the reduction ?—I see no objection to that.

2886. (*Capt. Galton.*) If all the loss was to be made good to the railway company, would not that be rather taking away from the directors an inducement to work very economically ?—I think not, especially if the company got half the gain and the other half only went to the nation.

2887. (*Chairman.*) By your plan the special director could insist upon any reduction being tried that he thought proper ?—Yes, and upon any increase in the number of trains, or anything that he thought would be convenient to the public.

2888. (*Mr. Ayrton.*) You would take as a basis the contracts which exist between the Indian Government and the railway proprietors, only taking the dividends at the present amount rather than five per cent. ?—Yes, nearly so. I do not understand that the Government has had the complete power over the Indian railways that I would give the official directors over the Irish railways.

2889. (*Chairman.*) If your scheme was tried, is it important in your opinion that some of the smaller lines should be amalgamated with the larger companies ?—I think it is ; to have a complete network there should be amalgamation, but substantially they would be amalgamated if they had an official director on each railway ; he would be supreme on all points.

2890. (*Mr. Ayrton.*) If your system is carried out on one of the larger lines—your own, for instance—that would be a sufficient experiment to test the full value of it ?—I think it would. I think that some lines should be selected that would obviously afford a fair experiment. A short suburban line would not do so, for by reducing the fares there you can increase the traffic indefinitely.

2891. (*Mr. Glyn.*) All the lines ought to be worked under the same system ?—Yes, to have it well carried out.

2892. (*Lord Donoughmore.*) Would there not be this difficulty, supposing that the Government took into their hands the management of one of the larger lines in Ireland, or placed it under the management of an official director, guaranteeing the shareholders of the company against loss, that if that line competed with the line of another independent company at any point, it would in fact be Government capital competing in the market against private capital ?—Yes, that objection is apparent, and, of course, that fact should be before the official director when he was reducing the fares ; and he should either take a great network of railways into his consideration, or take care that in making the reduction he did not compete improperly with a rival line.

2893. (*Chairman.*) Is there any part of the Irish system on which you think the experiment could be tried without much clashing with the interests of other companies ?—If you take the great buff line on the map, with the exception of the line from Athlone to Tullamore, there would be no clashing with any rival line.

2894. (*Mr. Ayrton.*) You are speaking of the lines as they now are ?—Yes.

2895. (*Chairman.*) Is it necessary, do you think, for the Limerick and Waterford line to be included in the scheme ?—Yes, I think it ought to be.

2896. Is there a line for which an Act has been obtained between Wexford and Waterford ?—I am not aware of such a line.

2897. If there was a communication between Waterford and Wexford it would be almost necessary, would it not, to include the Wicklow and Wexford line in the scheme ?—If new lines were made it might be necessary to enlarge the scheme, but under the scheme they would have an opportunity to make the trial very fully before any new line came into operation.

2898. You would leave out the section between Tullamore and Athlone ?—Yes ; I think it is necessary to do so, and it would obviously be no inconvenience to the inhabitants, because they have the other way of going to Dublin, and going very well, a little shorter.

2899. (*Mr. Hamilton.*) Have you through booking rates with all the railway companies ?—We have through booking rates with the Limerick and Waterford Company. I am not aware that there is an opportunity of having through booking rates with any other company.

2900. Not in the north of Ireland ?—No, I do not think we have.

2901. Have you through booking rates with any of the railways in this country ?—I believe we have for excursion trains, but there is very little of it.

2902. Not for general traffic ?—For goods we have.

2903. Not for passengers ?—I am not aware that we have, except for excursions.

2904. (*Capt. Galton.*) Do you run any excursion trains ?—Yes, occasionally.

2905. How many in a year ?—I cannot tell you, but not very many.

2906. Do they fill well ?—Whenever we run them they do fill well, but I am not very favourable to them, because I think they interfere with the general traffic. I would rather have all the trains cheap than run occasional trains excessively cheap.

2907. You do not seem to run all the trains at low fares ?—No ; but if any reduction were made I would rather give every one the benefit of it than have those crowded excursion trains, which are a little dangerous and interfere with the regular working of the lines.

2908. Do you charge lower fares to reapers coming to England at a certain time of the year ?—I do not think we do ; the reapers are almost all from the west.

2909. (*Mr. Hamilton.*) With regard to through tickets, take Killarney for instance, according to your system, could a person, being in London, take a through ticket to Killarney ?—Yes.

2910. By which route ?—If he took a through ticket from London he would go to Holyhead by the London and North-western line, and then cross over to Dublin, and then go by the line which you see on that map, through Templemore, Thurles, and Mallow, and then branch off to Killarney.

2911. Supposing he wanted to go by South Wales, could he not get a through ticket in that way ?—Not from us.

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2912. (*Capt. Galton.*) You do not issue through tickets by the South Wales line ?—No, I do not think so. We were never asked to do so. We should not object, but they are not worth giving ; the traffic would be very trifling.

2913. (*Mr. Hamilton.*) It has been stated to the Commissioners that an application has been made to the company and that it has been declined ?—I was not present when it was made. I have no objection to it, but I should imagine that the traffic would be very slight.

2914. (*Mr. Ayrton.*) Has it come under your notice that the traffic from Tipperary to Waterford, and from Tipperary to Limerick, is regulated by other considerations than those of the distance ?—Yes ; it is very well known that the most influential proprietor in the Waterford and Limerick Company has a very considerable interest in the port of Waterford, and that he does his best to develope the traffic to Waterford.

2915. Has that been a source of embarrassment to your company in making traffic arrangements to go from one line on to the other ?—That has been our opinion, but whether just or not I cannot say.

2916. (*Chairman.*) Your line has no communication with the deep water at Dublin ?—None.

2917. Do you think it would have a tendency materially to increase the traffic upon your line if it communicated with the water at Dublin ?—I know that that opinion is entertained by some, but there are many who do not entertain it. I do not think that the traffic would be materially increased.

2918. I believe you consider that the coal traffic is one which is capable of great increase ?—Yes.

2919. Would not communication with the water materially increase the facilities for conducting the coal traffic ?—I think it would ; as to passengers I think it would have not much effect ; a man pays 1*s.* and he gets to the Kingstown station, and for another 1*s.* he gets to the packet.

2920. (*Capt. Galton.*) Still he has to go across in a car ?—Yes, he has.

2921. Is not every change of that sort an inconvenience ?—It is so slight in comparison to the whole journey that one can hardly think it would seriously affect the traffic ; for instance, if a man was going from Mallow to London I do not think it would matter if he travelled upon a car three quarters of a mile.

2922. (*Chairman.*) Is your coal traffic chiefly from Cork or from Dublin ?—From Dublin. There is not much from Cork. I think we forward it to Mallow, but we find it very insignificant.

2923. (*Capt. Galton.*) Do your rails run down to a wharf at Cork ?—They run down to what was intended to be a dock, but that has rather failed.

2924. Has the coal to be carted both at Cork and in Dublin ?—No, the coals can be brought up very close to our line at Cork.

2925. Can they be lifted from the ships into your trucks ?—No, they are landed into a yard which is quite close to the trucks. I think Mr. Pyke has a coal yard quite close to us.

2926. (*Chairman.*) The coal traffic is not of very great importance, is it ?—No.

2927. (*Mr. Glyn.*) In Dublin they are carted ?—Yes, for a considerable distance, at a cost, I should think, of about 2*s.* a ton.

2928. (*Capt. Galton.*) Have you ever been asked to give low rates for coals ?—It has been suggested, and we have frequently had the matter under consideration, but we have never reduced the rates materially. The rate is now about a penny a ton per mile.

2929. Twice as much as it is in England ?—Yes.

2930. (*Mr. Glyn.*) If you dealt largely in the coal trade must you not carry the railway down to the water side ?—I think that to have a large coal trade there should be such a connexion in Dublin, for 2*s.* a ton is a great impediment.

2931. (*Chairman.*) Does that include everything, all the charges between the ship and the railway ?—Yes.

2932. Do you wish to state anything further with regard to the official director ?—No ; I do not think any further explanation is necessary. I had been writing on the subject, and I handed the paper to a gentleman, but I have not seen it since.

2933. (*Mr. Ayrton.*) Does the penny a ton include the trucks ?—Yes.

2934. Does it include all the terminal charges ?—Yes.

2935. (*Chairman.*) Are you prepared to put in the paper you have written as part of your evidence ?—I do not think the paper is evidence, for it was rather intended to form the basis of a pamphlet.

2936. Have you any objection to its being put into the Appendix ?—No. (*The same was handed in, vide Appendix* F.)

The witness withdrew.

Adjourned to Friday next at 12 o'clock.

Friday, 19th May 1865.

PRESENT :

The Right Hon. the Earl of Donoughmore.
The Hon. E. F. Leveson Gower, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
A. S. Ayrton, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., Chairman.

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The Right Honourable the Earl of Lucan examined.

2937. (*Chairman.*) Your lordship is chairman of the Great Northern and Western Railway Company of Ireland ?—I am, and I have been so since the formation of the company.

2938. Will you be so good as to state where that railway runs from ?—It runs from Athlone to Castlebar ; the line is constructing from Castlebar to Westport, and we have an Act to extend from Castlebar to Ballina.

2939. (*Mr. Glyn.*) When opened the total length will be 106 miles, will it not ?—Yes, of which 72 are open.

2940. (*Chairman.*) Are you of opinion that Ireland has not derived any great advantage from railways up to the present time ?—I think that the material interests of Ireland have not benefited to the extent to which they ought to have done.

2941. Are you of opinion that under a different system of management those material interests would have been more largely benefited ?—Undoubtedly. I have devoted myself to the construction of the line from Athlone under the conviction that nothing ought to benefit Ireland so much as railways. I consider that the reason why the railways have conferred so

little benefit upon Ireland is that the companies are too poor to work the traffic at prices which would encourage the people to make use of the railways.

2942. (*Mr. Glyn.*) The receipts are so small?—The receipts are very small. In the case of our own company I am firmly of opinion that, if we could afford to have a smaller dividend for the next four or five years, by lowering our fares considerably, not less than 50 per cent., at the end of five years we should pay a larger dividend than at present.

2943. Are you carrying on your railway now nearly at the maximum rates?—Yes; the fares are very much the same as the fares which exist in England. For first-class passengers we charge per mile $2\frac{1}{10}d.$; the second-class is $1\frac{6}{10}d.$; and the third-class fare is $1d.$

2944. (*Mr. Horsfall.*) What dividend does that line pay at present?—We have paid from the time of opening to Castlebar up to last January three per cent. In January we paid $2\frac{1}{2}$ per cent.

2945. (*Capt. Galton.*) Do you run many passenger trains per day between Athlone and Castlebar?—We run very few trains. From Athlone to Castlerea there are daily, excepting on Sundays, a passenger train, a night mail, and a goods train; from Castlerea to Castlebar there are only a passenger train and a goods train daily, but our goods trains carry passengers in carriages attached for that purpose.

2946. Then no one could go from Athlone or Roscommon to Castlebar and return the same day?—No.

2947. Then that is a passenger train?—It carries passengers, but is very slow and very irregular.

2948. (*Mr. Glyn.*) Do you charge the same rate for the passengers who go by the luggage train?—Yes.

2949. Then there are no low fares to that particular train?—No. Our line is worked by the Midland Company under a ten years' agreement, and they put on what trains we desire, at a cost of $1s.\ 6\frac{3}{4}d.$ per mile between Athlone and Castlerea, and $2s.$ per mile from Castlerea to Castlebar.

2950. (*Mr. Glyn.*) You taking all the receipts?—No; they take the receipts and pay us the balance. We work the line at about 40 per cent.

2951. Is the accommodation in respect of the facility of getting from one place to the other very much better than it was before the railway was opened?—Certainly, I do not mean to say that the railway has not been a great convenience.

2952. (*Capt. Galton.*) If no one can go and come back in the same day from Athlone and Castlereagh or Castlebar, is that a developement of the traffic which is sufficient to induce a large traffic?—No, I do not think it is; I think it is insufficient. It is certainly insufficient between Castlereagh and Castlebar.

2953. (*Mr. Glyn.*) Have you the power of calling upon the Midland Railway Company to put on more trains?—Yes, they are very glad to put on as many as we like.

2954. Under the terms of your arrangement?—Under the terms of our arrangement they must provide us with any number of trains we ask for.

2955. (*Chairman.*) Has your board ever considered the propriety of trying the experiment of running trains at cheap fares?—If our line were completed, no doubt we could afford to do so, but we could not at the present time, and for this reason, we have the greatest possible difficulty in floating even our preference shares, and it is manifest that unless the ordinary capital is paying a dividend, the preference shares will not float, and are valueless; and it is upon them that we must rely for completing our extension to Westport and Ballina.

2956. (*Capt. Galton.*) Do you think it will not be possible to try the experiment of reducing the fares on a certain class of traffic in the first instance; for example, carrying your third-class passengers cheaper, or coals. If you carried one particular commodity at a time at a low rate would that create a great loss?—A greater loss than it would be prudent for us to incur under present circumstances. At present our trucks travel at $6d.$ per mile for the first 50 miles, at $5d.$ per mile for the next 25 miles, and $4\frac{1}{2}d.$ per mile the remaining distance; the cost of a cattle truck between Castlebar and Dublin is $60s.$, which is very much too high.

2957. That you pay to the Midland Company?—No, this is the charge to the public.

2958. Who finds the trucks?—The Midland Company find everything, work the traffic, and maintain the line.

2959. You fix the charges?—We fix the rates and the fares.

2960. You fix your goods rates, do you not, at so much per ton, or is it so much per truck?—Sometimes the one and sometimes the other; we generally entrust the manager of the Midland Company to charge the Midland rates and fares on our line.

2961. (*Mr. Glyn.*) How long has the line been opened?—It has been opened to Castlebar between two and three years.

2962. Has there been any increase of traffic upon it during those three years?—There has not; on the contrary, there is a small decrease in the present half-year when compared with the corresponding half-year of 1864. Our receipts do not amount to $7l.$ per mile per week; did we receive $10l.$ per mile weekly, we should pay five per cent. upon both ordinary and preference capital.

2963. What is the amount of the paid-up capital, including the borrowed capital?—581,000$l.$ The debenture capital of 413,000$l.$ is held by the Government, from whom we are now borrowing a further sum of 21,000$l.$

2964. (*Mr. Glyn.*) How much do you want to complete the railway?—The whole of our authorized capital; we have still 70,000$l.$ of preference shares, and 61,000$l.$ of debentures to raise.

2965. (*Capt. Galton.*) What interest do you pay upon the Government securities?—The money was advanced to us at five per cent., but I succeeded last year in getting Mr. Gladstone to reduce it to four. The Treasury are making an alteration which I think will be troublesome; they propose converting the loan into a 22 years' annuity.

2966. (*Mr. Glyn.*) At $6\frac{1}{2}$ per cent., or at what rate?—The capital sum is 113,000$l.$; the proposed annuity is 7,819$l.$

2967. That would be a much larger pressure upon your company?—It would be exceedingly inconvenient to us, because every year we should have to go into the market to borrow money to keep up the debenture capital to its full amount.

2968. (*Capt. Galton.*) Why?—Because the debenture capital, forming one-third part of the capital of the company, was used in the construction of the line, and could not properly be paid off out of revenue. We should be driven to raise money at five per cent. to pay off the capital portion of the annuity, which now only costs us four per cent.

2969. (*Mr. Glyn.*) Your preference would come second?—Yes.

2970. (*Mr. Gower.*) What interest do you pay on the debentures?—We are paying four per cent.

2971. (*Chairman.*) What is your preference stock?—Our preference stock pays five per cent. We cannot float it in London. I think that the best preference shares are not worth more than 90 or 95 per cent. at the present time.

2972. (*Capt. Galton.*) Are you speaking of Irish preference shares?—Yes; I think at this moment it is impossible to get more than 90 per cent. for our preference stock. Few people are aware how very low Irish credit is in the London market. If the Commission will allow me, I will relate what once happened to me. I was taken by Mr. Hankey, the banker, to the Bank of England, and was introduced to the governor and the deputy governor. My object at that time was to get the Bank of England to advance money upon our debenture stock: those gentlemen heard me, and Mr. Hankey, who was connected with the company, confirmed all I said; it ended by the governor telling me—"This is all

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"very good. If you wish it, I will put it before the "Board of Governors to-morrow; but allow me to "inform you the Bank of England have never yet "advanced one farthing upon an Irish security, and "in my opinion they never will." There is a certain word often used, "lock-up;" an Irish railway security is considered in the English market a "lock-up," that is, not a saleable security. I have no hesitation in saying that the difference between a Government English security and an Irish security would be as between 90 and 130 per cent.

2973. (*Mr. Glyn.*) Would not this annuity materially interfere with your preference stock? How can you keep up your payment of five per cent. on preference stock if you are obliged to find 6½ per cent. on debenture stock?—We must borrow to pay part of the annuity, as we cannot deprive the shareholders of their dividend.

2974. Has this been done as a boon?—It has, I believe, been so intended, but it is a great mistake. I strongly suspect that the object is to secure a more regular payment of the instalments, which have been badly paid. By combining interest and principal, Mr. Gladstone thinks he will secure the regular payment of both.

2975. In fact it is making a sinking fund for the payment of the principal the first charge upon the railway?—Certainly.

2976. (*Capt. Galton.*) Is it not the custom almost always with the Exchequer Loan Commissioners to lend money in that way? Is not the other mode of lending it exceptional—for instance, the money that was lent to the people in Ireland for improving their land?—Those advances in Ireland were not made by the Loan Commissioners, but were granted by Parliament.

2977. (*Chairman.*) Can you state to the Commission any facts on which you base your opinion that a large reduction of fares would ultimately pay the company?—I think that, unless you reduce the fares 50 per cent., you will not materially increase the traffic. I would propose that the first-class passenger should be carried for 1*d.* per mile, the second-class passenger for ¾*d.* per mile, and the third-class passenger for ½*d.* per mile. I would propose that the truck, which I believe is generally charged in England 6*d.*, and also in Ireland 6*d.*, should be reduced to 3*d.* I would propose that all heavy goods be carried for ½*d.* per ton per mile. I have not the smallest hesitation in saying that, if this could be done, in the course of four or five years there would be such an increase of traffic as would entirely restore the revenue. But the thing I look to as most important is the transport of cattle. In the west of Ireland store beasts are not put upon the railway, but travel by the road. A truck would take ten store beasts. If they could be carried for 3*d.* per mile, I feel sure that there would not be a single beast in that part of the country which would not travel by rail. Again, with regard to heavy goods, my belief is, that the whole of the corn of the country would be sent by rail, if it could reach Dublin at ½*d.* per ton per mile, or at a cost of 6*s.* 3*d.* for the 150 miles.

2978. Do they send away much grain?—An immense quantity of grain now leaves the west of Ireland by sea. At the rates I propose, not only grain, but potatoes would be sent by rail in large quantities; in short, the heavy traffic would be enormously increased and more than doubled.

2979. (*Sir R. Hill.*) Do you think this would require time?—I think it would require some four or five years.

2980. Is your lordship prepared to recommend any means of meeting the deficiency which would arise meanwhile?—I think the only course to take is for the Government to possess themselves of the whole of the railways in Ireland.

2981. (*Mr. Glyn.*) In what mode? Do you recommend that they should buy them up?—Yes.

2982. At the present price of the stock?—No, Government should negotiate, and my belief is, that the whole of the ordinary stock of the railways could be purchased at 75 per cent. by a 3½ per cent. stock, which would virtually be purchasing the ordinary stock at about 50 per cent. of the nominal value.

2983. (*Lord Donoughmore.*) That is on the average?—Yes.

2984. (*Sir R. Hill.*) Half the sum which has been expended upon them?—No, I am talking of the ordinary stock only.

2985. (*Mr. Glyn.*) What proportion would the share capital bear to the loans?—Two-thirds.

2986. (*Sir R. Hill.*) Of the 30,000,000*l.*, 24,000,000*l.* are ordinary capital?—No, in this both preference and ordinary are included.

2987. (*Capt. Galton.*) Is not the proportion about 6,000,000*l.* or 7,000,000*l.* of loans, 10,000,000*l.* of preference shares, and 14,000,000*l.* ordinary shares?—Yes, I believe it is.

2988. (*Chairman.*) 40,000,000*l.* is the total capital?—Yes. There might be a difficulty in the purchase of the preference shares, but even should this stock be purchased at par, there would still be the difference between 5 per cent. paid by the companies, and 3½ per cent. to be paid by the Government; the same may be said of the debenture stock.

2989. (*Mr. Horsfall.*) Have the preference shareholders their maximum dividend?—Generally, I believe they have, but preference shareholders on the different lines are differently circumstanced; in some cases their stock is redeemable, in others they receive some more and some less than five per cent.

2990. Upon the preference shares?—Yes.

2991. Then there would be no objection to allowing those preference shares to remain in the hands of shareholders, the Government buying up the others?—It would be objectionable, as the Government would have to pay a dividend of five per cent. when, by purchasing them, they would only cost 3½ per cent.

2992. (*Sir R. Hill.*) Would not your preference shareholders be willing to submit to some reduction?—I think that the preference shareholders generally, would accept a 3½ per cent. stock for a five per cent. dividend.

2993. (*Mr. Glyn.*) Except the reduction of rates?—Yes.

2994. Do you feel quite certain of that, because in point of fact, by the Government taking the ordinary stock of the railway into their hands, the preference shareholders' position is very much improved?—Undoubtedly.

2995. Why should I give up my five per cent. if I have it in perpetuity?—In my opinion the purchase, by Government, of the railways in Ireland would be most popular. On the part of some of the directors there might, and probably would, be objections, but not on the part of the shareholders, and certainly not on the part of the public.

2996. (*Sir R. Hill.*) Your lordship does not recommend compulsory powers, I presume?—Not at first. My belief is that the greater part could be bought by negotiation, and in the other cases by compulsory arbitration.

2997. (*Mr. Glyn.*) Would you force the individual to take less than his contract?—I do not anticipate that the thing would be necessary.

2998. (*Mr. Horsfall.*) Has not that principle been adopted with regard to the turnpike trusts in England?—I do not know much of the turnpike trusts of England.

2999. (*Lord Donoughmore.*) When you have put these railways into the possession of the Government what would you do with them?—The Government could not manage railways in any country properly; in this country there would be jobbing to a frightful extent; in my opinion there could be no safety in travelling upon a Government line.

3000. (*Sir R. Hill.*) May I ask what dangers your lordship apprehends?—My recommendation is, that the Government should at once possess themselves of the different railways, now not less than 54 in

number, and that they should lease them to large companies. I would prefer a large English railway company to any other. For my part I should be very glad to see the London and North-western Railway Company work the line between Dublin and Westport, and I believe it would be to the advantage of the North-western Company to do so. I consider that the whole of the 54 Irish railways should be leased to three companies only.

3001. (*Mr. Glyn.*) How would your lordship divide the districts in Ireland ?—I would divide them into the south, the midland, and the north. All the country between Ennis and Cork I would call the south district; between Ennis and Enniskillen should be called the midland district; and from Enniskillen to Belfast the northern district.

3002. (*Chairman.*) Would you forbid all competition where the systems adjoined one another ?—If these lines were let by the Government, they must be let under conditions. One of the conditions would be a maximum fare, and another a minimum accommodation. These objects must be secured; after which I would allow of no competition whatever.

3003. (*Mr. Glyn.*) Then you would amalgamate all the smaller companies into these three large companies ?—I would. Nothing would be more simple, and it could very easily be managed by a board sitting in London, but not in Dublin.

3004. Why do you prefer a board sitting in London ?—A board sitting in Dublin would be too near the Castle.

3005. (*Chairman.*) You would place the companies to whom you propose to lease the lines under the control of a Government board sitting in London ?—Certainly.

3006. Do you contemplate any control to be exercised over the companies, or would you allow them a considerable amount of liberty ?—I would give them as much liberty as possible, after securing from them the conditions of maximum fares and minimum service.

3007. Then you contemplate the interference of the Government board only occasionally ?—Yes.

3008. (*Mr. Glyn.*) Does your lordship think a board sitting in London would have a sufficient acquaintance with the wants of the district to enable it to manage it properly ?—Certainly. Our railway is managed in London. A great many of the Irish boards sit in London.

3009. The London board has the advantage of your lordship's information ?—I should be very far from wishing to exclude Irishmen from the London board, although I should be sorry to see them meet in Dublin. I think a very small board, with the Chancellor of the Exchequer and the President of the Board of Trade as honorary members, would conduct the business with little trouble.

3010. (*Mr. Glyn.*) When did this new annuity system come into operation ?—I cannot say it has come into operation; it has been proposed to us.

3011. Is it to be undertaken by the companies necessarily, or have they any option in connexion with it ?—I really do not know whether it will be obligatory or not.

3012. Is it put to the companies to do so in default of their paying interest, or paying off a certain proportion ?—I have no doubt that Mr. Gladstone thinks that we shall accept it cheerfully, but I see great difficulties. I would rather continue under the old system.

3013. (*Sir R. Hill.*) Have not the loans been made upon the condition that they shall be paid off by instalments in certain periods ?—Yes.

3014. Have those instalments hitherto been regularly paid ?—No, I believe not regularly.

3015. I presume then this is a measure adopted in consequence of the nonpayment of the instalments ?—I think it is proposed in order to secure more regularity in the payment of the principal monies.

3016. (*Mr. Glyn.*) I understand that the loans were made by the commissioners upon debentures ?—Yes.

3017. Had those debentures a certain fixed time to run ?—Our debenture capital was taken by the Government under a mortgage of the line, and on condition that the principal money should be repaid by annual instalments within 20 years; as yet we have not been enabled to pay off any of the instalments which have become due. In the English market it is nearly impossible to raise money upon Irish railway securities.

3018. (*Chairman.*) Do you contemplate that any loss which might accrue, either temporarily or permanently, may be borne by the country at large ?—My idea is, that at the end of four or five years, or perhaps less, there would be no loss from the reduced rates and fares. I recommend, what loss should occur in the receipts in the meantime, should be added to the amount paid in the purchase of the railways.

3019. (*Mr. Glyn.*) Do you think that the company should have the power to raise the capital ?—No, I have one plan and no other, and that is, that the Government should possess themselves of the railways.

3020. Who is to raise the capital out of which the deficit is to be paid ?—Assuredly the Government. If, at the end of say five years the traffic did not increase to the extent expected it would be for the Government to increase the fares, but in my opinion the receipts would more than recover themselves. I consider that the Government should neither lose nor benefit by the railways in Ireland. These should pay 3½ per cent. for the Government monies, and the fares and rates should be regulated accordingly.

3021. Then you would have the deficit raised by a Government loan of 3½ per cent., in fact ?—Yes, I would.

3022. (*Chairman.*) Have you considered whether it is probable that companies could be found willing to lease the lines from the Government ?—I am very much inclined to think that English companies would take them. I do not believe there would be the smallest difficulty in finding companies to work Irish lines.

3023. Have you considered how additional lines are to be made, supposing the existing lines to fall into the hands of the Government ?—I think there would be very few additional lines required. The Government, in my opinion, should only construct new lines where the counties agree to give the land, and where a certain amount of local subscription is offered. These lines would be chiefly single lines, and would seldom cost more than 4,000*l.* per mile.

3024. (*Lord Donoughmore.*) That is not including the land ?—Yes, our land throughout has cost between six and seven hundred pounds per mile; for one part of our line the contractors received for the land 700*l.* per mile, in addition to what they were paid for the works. The total cost of our railway will amount to something like 6,580*l.* per mile.

3025. (*Sir R. Hill.*) Is it a single or double line ?—A single line with double over works.

3026. (*Chairman.*) Is that through a heavy country, either many cuttings or embankments ?—It is a flat, easy country. It might have been done even cheaper.

3027. If you had ready money it might be done cheaper ?—If we had had ready money, I am perfectly certain the line need not have cost more than 3,500*l.* per mile. With Government credit we should have saved 1,000*l.* per mile and more. It was proposed that 6,000*l.* per mile should include all expenses, but monies were wasted upon stations, and above 20,000*l.* lost in parliamentary contests.

3028. (*Chairman.*) What would you do with the lines which are now actually in process of construction, or those for which Acts have been obtained, although no works have been commenced upon them ? All the lines authorized by Parliament, whether in process of construction or not, should be completed on the earliest day, and were Government credit to be given, there would be a great saving in the cost.

3029. Would you force the Government to complete those lines ?—Undoubtedly the lines must be

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completed by the company or by the Government. It would save great expense, and therefore be greatly to the interests of the public, to substitute the credit of the Government for the credit of the companies; of course, under proper control and supervision.

3030. (*Lord Donoughmore.*) Are there many new lines proposed in the present session?—Not in my district, nor in the district of the Midland Company. The great object in Ireland is to reach the English market at the smallest cost; the Germans and Dutch send their cattle at a much less cost than we can. Should the rates be lowered to the extent I propose, a beast from the most distant western point of Ireland would reach the London market for 1*l.* 1*s.*, and a fat sheep for 4*s.* or 4*s.* 6*d.* The London and North-western Railway Company now bring beasts at 17*s.* 6*d.* per head, and sheep at 3*s.* 3*d.* from Dublin to London.

3031. Are the rates that you have mentioned between Dublin and London very much lower than the rates charged on Irish railways?—Much lower. The distance between Dublin and London is about 330 miles, whilst between Dublin and Castlebar the distance is only 150 miles. To send a sheep the 330 miles only costs 3*s.* 3*d.*, while to send it the shorter distance costs 2*s.* 3*d.*

3032. (*Mr. Horsfall.*) Your lordship spoke of the grain round Castlebar being shipped by sea from Westport?—From Westport and Ballina.

3033. Have you entered into any calculation as to what reduction would be necessary to enable the railway to compete with the shipment by sea?—We compete already. I am quite satisfied that if we could send heavy goods at $\frac{1}{2}d.$ per ton per mile, we could compete very successfully with the boats.

3034. (*Mr. Glyn.*) Is there a coal trade?—There was undoubtedly a coal trade one year in the west of Ireland; this was purely accidental, and arose from the people having failed, from a constant wet, to save their turf. It had, I believe, never happened before, certainly not to the same extent. In my opinion there never can be a permanent coal trade with the west of Ireland, and for the simple reason that, carry the coal at any price you like, or for nothing, still turf will always be the cheapest fuel. To show this, I must observe that I have two steam engines, one in Middlesex of 8-horse power, a second at Castlebar of 13-horse power; the Middlesex engine, at 20*s.* per ton for coals, costs me 10*s.* per day of 12 hours; the larger engine of 13-horse power at Castlebar consumes two cribs of turf only, at a cost of 4*s.* per day. It may therefore be said that the difference between the cost of turf and coal is not less than 4 against 16. Under these circumstances it will, I think, be the opinion of the Commission that to expect to introduce a coal trade with the west of Ireland would be irrational.

3035. (*Chairman.*) Then it is the difference between 4*s.* and 16*s.*?—Yes.

3036. (*Capt. Galton.*) Do they burn turf in the locomotive engines on railways?—I think not.

3037. Why not?—I do not know.

3038. (*Mr. Glyn.*) You have no back freight for these coal trucks?—At low rates there should be no difficulty.

3039. (*Chairman.*) Is the increase in the coal traffic the principal source from which you consider the increased traffic would come on to your line?—At $\frac{1}{2}d.$ per ton per mile, or 3*d.* per mile for a truck, a large quantity of corn and potatoes would be sent by rail. The traffic in heavy goods would be enormously increased, more than doubled.

3040. (*Capt. Galton.*) As your lordship entertains such a confident opinion that a large increase of traffic would follow a reduction of the rates, I wish to ask why has not that experiment been tried upon one article or two articles at a time, so as to see whether there was any increase?—Our rates could not be lowered advantageously without the Midland Company lowering their rates to the same extent, and I am certain that they would not consent to reduce their rates to enable us to try experiments.

3041. One of your difficulties is being a separate company from the Midland Company?—We are two perfectly independent companies.

3042. (*Mr. Glyn.*) Are the rates for goods upon the Midland very high?—They are exactly the same as ours. We have always allowed the managers of the Midland to levy the same rates upon ours as they do upon their own line.

3043. In what description of goods does your lordship think there would be a great increase of traffic, excluding grain and potatoes?—The country produces meat, corn, flax, and roots; in all of these the traffic would greatly increase.

3044. You do not want much back?—At times a large quantity of Indian corn is sent down, and we have received a tolerable income from this traffic; this year oats have been so cheap as to interfere with it.

3045. (*Chairman.*) Where do you get your timber from?—A great deal of that comes direct by sea.

3046. To Westport and Ballina?—Yes.

3047. (*Capt. Galton.*) Does the railway carry much timber from Westport into the interior to the local stations?—I do not think we carry much timber.

3048. But the timber which has to be used by the people living in Roscommon must come either from the west or from Dublin?—It might come by canal from Dublin.

3049. Is there a canal from Dublin?—Yes.

3050. (*Mr. Glyn.*) I presume groceries go from Dublin?—Everything of that sort goes from Dublin or England. We have through rates with the London and North-western Railway Company, therefore we receive a good deal from Liverpool, Manchester, and other places.

3051. (*Chairman.*) It has been stated by one of the former witnesses that he was of opinion, under all circumstances, that store cattle would continue to be driven along the road, from the fact that it gave the drovers an opportunity of disposing of a portion of them on the way. Do you think there is much consideration to be given to that?—Certainly not. I do not believe it at all. I am perfectly certain that at a very low rate, the greater part if not the whole of the store cattle would travel by rail.

3052. (*Mr. Glyn.*) A great deal of it would come to the English feeders?—In the west of Ireland they do not breed many cattle; they come from the south, and are bought as calves; at three or four years old they come to the English market. The whole of the cattle now coming to the west and leaving the west would travel by rail, if the rates were lowered.

3053. (*Lord Donoughmore.*) When your line is open to the sea at Westport and Ballina do you expect you will have any fish traffic?—We should have the whole of the traffic at this moment, if we had a night train.

3054. That is for fresh fish and salmon?—Yes.

3055. Is not that traffic very considerable in amount?—Very considerable.

3056. Is there any sea fishing at Westport?—Yes.

3057. Would a low rate enable you to create a traffic in carrying Westport fish to the Dublin market?—Yes, and to England also.

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M. Charles Albert Fassiaux called in and examined (through an interpreter).

3058. (*Chairman.*) You are Director General of the Posts, Railways, and Telegraphs in Belgium?—Yes.

3059. (*Sir R. Hill.*) You have been kind enough to supply some information through Mr. Frederick Hill which has been printed for the use of the Commission?—Yes. (*See* Appendix M.)

3060. There are a few questions which I will put to you with reference to that statement. You have given the fares charged for the conveyance of passen-

gers, will you allow me to ask whether in Belgium return tickets are issued ?—They do give them, but they are not yet arranged on the English system ; it is only done in an exceptional way.

3061. Have you any trains similar to our excursion trains ?—Yes, there are special excursion trains.

3062. Do you issue tickets resembling our season tickets ?—We issue tickets to encourage people to undertake certain journeys which they otherwise would not take. There are no season tickets. The administration are considering whether it is desirable to issue tickets of this kind, which correspond, I believe, with what are issued on the French railways under the name of " cartes d'abonnement."

3063. Can you state the speed of the express trains, how many kilometres per hour ?—The greatest speed is from 70 to 80 kilometres per hour. The regulated highest speed is about the same as in England. I have made inquiries as to the speed on the railways in England, France, and Germany, and I have endeavoured to regulate the speed upon the railways in Belgium accordingly.

3064. Is the speed of your express trains about equal to the speed of the English express trains ?—Yes, except the Great Western, which has an exceptionally high speed.

3065. I see that the estimated income of the railways is about $6\frac{8}{10}$ per cent. upon the capital expended ?—Yes.

3066. Is that the gross income, or is it the net income, after deducting expenses ?—That is the income, after payment of all expenses, seven per cent. is the last result.

3067. Are we to understand that the State railways in Belgium produce at this time a net profit of seven per cent. upon the capital expended ?—After all the expenses of working are paid there is a net profit of seven per cent.

3068. Has the profit been about seven per cent. for any considerable time ?—No; it has varied from six to seven per cent. for three or four years. If desirable I can give it more particularly.

3069. What was about the rate of profit in the early years of railway management ?—There was no profit at all in the first year. It was said to be a heavy expense on the State.

3070. Did that state of things continue long ?—Perhaps 10 years. I am not quite certain about the number of years, but certainly several years, until the Chamber of Deputies came to the conclusion that they must spend more money in order to bring in a profit.

3071. The information which you have been so good as to supply the Commission with shows that your experience has satisfied you of the expediency of the railways belonging to the State ?—Yes.

3072. Are you equally satisfied as to the expediency of their being worked by the State ? — Yes, under certain conditions.

3073. What are those conditions ?—I think the interest of the country demands that the State should be masters of the railways, and should itself work the chief lines, leaving to the companies the branches or feeders. But I would not venture to assert that it is essential so to regulate the mode of working that the administration should be over-burdened with details which might perfectly well be confided to private enterprise; such, for example, as porterage and cartage of goods in the towns. Under these conditions, I am convinced that the system of railways of the most extensive country may be administered as easily as any other public service.

3074. Has the question of leasing, by the State, railways to companies or to individuals, to work them, been under your consideration ?—Yes, proposals have been made to the Belgian Government, but they have been rejected. The proposal was merely to buy the railways of the State and not to lease them.

3075. Is it not the fact that several of the railways in Belgium are worked by companies and belong to companies ?—Yes.

3076. Are they worked as carefully with reference to the convenience and advantage of the public as those which are worked by the State, or less so ?—The public say they are not and that they prefer a management by the State. I think that the management of the State can more readily satisfy general wants.

3077. (*Capt. Galton.*) Has the Government a control over the times of running the trains on private lines ?—Yes, as well as over their charges.

3078. Then there is no competition allowed between the Government lines and the private lines. For instance, in going from Ghent to Mons, there is a line belonging to the Government, and a line belonging to a company, is there any competition allowed between the trains ? — The Government cannot prevent it. As to the charges the agreement settles the maximum rates, and the company cannot go beyond those rates. But the company may charge less, they can run in opposition, and that is the case.

3079. Do you find that it is inconvenient to have railways under different managements?—Yes; there are great difficulties when, if parallel lines, those of the State are conceded to private companies. There is less difficulty when the lines conceded are feeders. This is easily explained when it is considered that the companies have only in view the interests of their shareholders, while the Government care for those of the public. For this reason the Government have recently failed in an attempt, having for its object to equalize the tariff of all the railways. Most of the companies have refused to adhere to the system of rates adopted by the State, because they would not risk a diminution of receipts. It seems demonstrated, at the present time, that uniformity of rate can only be obtained by the State resuming the working of the conceded lines.

3080. Are there any articles which they carry below the cost price, that is, the actual cost of carriage ?—The reductions are not always made with a view to the profit of the exchequer. It happens that the charges are scarcely remunerative, and that they are justified by the duty of the Government to aid in the development of commerce, manufactures, and agriculture.

3081. What articles are they?—Lime, manure, coals under certain circumstances, beet roots, heavy stones, and generally articles of low value.

3082. Do you consider that the prices which they have recently charged in their tariff for these various goods are really remunerative prices ?—I have not had sufficient experience to be able to say. One party maintains that they have gone too far in the reduction, and the other party says that they can go still further. This alteration has been made under very favourable circumstances in Belgium, but I repeat, no opinion can be given till after further experience.

3083. In the arrangements for goods traffic do you convey goods at special rates, or are the rates for the conveyance of goods published and uniformly known to everybody ?—They are always published. There are a few special arrangements which we intend gradually to abandon altogether.

3084. Has the practice of having special arrangements been found to be inconvenient ?—The objections are very great, the principal being the impossibility of making them public, and in consequence the different branches of commerce being unable to compete legitimately. Certain branches of commerce thus obtain an advantage which others have not sought and do not get. The system of having a special rate does bring traffic to the railways, but it is injurious in a public point of view.

3085. Your tariff, I believe, includes a discount to those persons who send larger quantities of goods than a certain fixed amount ?—Yes, when, after inquiry it is proved that a reduction is necessary in order to attract considerable traffic. The special arrangements

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for this purpose are now published in the official journals.

3086. (*Sir R. Hill.*) So that there is no danger of favouritism ?—The great objection to the system is the possibility of favouring one to the prejudice of the other, but the precautions taken by the administration seem to be sufficient to prevent abuse.

3087. (*Capt. Galton.*) Did that take place in many cases ? — Never intentionally. There have been, formerly, many complaints from want of publicity; but a remedy has been found, for the most part, to this serious evil, by publishing the special tariffs following the general ones.

3088. (*Mr. Gower.*) Are there such special arrangements upon the private railways ?—Yes, they are not published, but they are subject to the supervision of the minister. I think that the minister would have a right to cause them to be published or not published.

3089. (*Capt. Galton.*) Who loads and unloads the goods at the station ?—That is done by the agents of the administration.

3090. Is that included in the tariff ?—Yes, under the title of accessory charges.

3091. Does the company load and unload coals ?—No. Coals and all other goods *en vrac*, *i.e.*, loaded by means of the shovel, travelling uncovered, are loaded and unloaded by the agents of the sender and receiver respectively. The coal waggons belong to the State.

3092. Does the Government make an extra charge in case of unloading such articles ?—Whenever they have got sufficient *employées* they never refuse to assist in loading or unloading. When such a charge is made it is included in the tariff, under the head of "extra expenses."

3093. (*Sir R. Hill.*) There are extra expenses charged ?—None beyond those indicated in the tariff.

3094. (*Chairman.*) Can you state what dividend the private companies pay upon the average to their shareholders ?—I am unable to answer the question, but I will send the last accounts if they are required.

3095. Do they pay as well as the Government lines ?—No, there is a great difference in favour of the State lines.

3096. Does the Government possess all the most important lines of communication ?—Almost all the great lines. There are, however, true international lines which are worked by companies, especially the line from Namur to Liège, and the Luxembourg line from Brussels to Arlon.

3097. (*Lord Donoughmore.*) When was the existing tariff for goods adopted ?—Not quite a year ago.

3098. Was not that tariff a considerable reduction from the preceding one ?—A very considerable reduction.

3099. Have the results of that reduction been satisfactory ?—Up to the present time they have, but the experience upon the subject is not quite complete.

3100. (*Capt. Galton.*) Was the tariff introduced gradually ?—Yes.

3101. Did they reduce the tariff upon certain classes of goods, or did they make a reduction upon all classes *pro ratâ* ?—It was made first on certain articles. It was feared there might be a very great reduction of the amount received, and therefore it was made gradually.

3102. (*Lord Donoughmore.*) The greater part of the railways which belong to the State run through manufacturing and mining districts, do they not ?—Yes.

3103. Is there any part of the Government system which runs through a purely agricultural country ?—Yes, there is some.

3104. Have you made any comparison between the results of the diminution of tariff in the manufacturing districts and the results of the diminution of the tariff in the agricultural districts ? — No. Such a statement is being prepared, and will be considered when the experience is riper.

3105. Belgium to a great extent is a commercial, manufacturing country ; but supposing Belgium were like Ireland, almost purely agricultural, would you have made the experiment of a reduction in the tariff in Ireland as well as in Belgium ?—Yes, I would still have made the experiment.

3106. Do you think that there are the same elements of success which may be expected from a reduction of the tariff in a purely agricultural country as there are in a mixed country like Belgium, which is partly agricultural and partly commercial ?—Yes, as the object is mainly to induce an increase of goods traffic by charging low rates.

3107. (*Mr. Gower.*) The through goods traffic is very considerable in Belgium, is it not ?—Yes.

3108. (*Sir R. Hill.*) The Commission has before it a "statement laid before the Chamber of Representatives at Brussels, on the 7th of March 1865, concerning the tariff for passengers and luggage on the railways of the State" which statement, you will observe, bears the signature of the Minister of Public Works ?—Yes.

3109. I presume you are cognizant of the facts therein stated ?—Yes.

3110. This statement shows that from 1856 to 1864 considerable reductions were made from time to time in the charges for the conveyance of goods ?—Very considerable.

3111. Will you be so good as to state in general terms what is about the average per-centage of reduction in the rates during the whole period ?—I am not able to say, it varies so much. It was very considerable. The expense for a short distance is as great as for a long distance, and the reduction was made therefore for a long distance. The mean is about 28 per cent.

3112. This led to a very large increase of goods traffic ?—Yes, a very great increase ; about what is stated in the paper, 106·32 per cent.

3113. That is, the quantity conveyed was more than double ?—Yes.

3114. How were the gross receipts affected by this change ?—The receipts continued large in spite of the reduction. The gross total increased, but the expenses increased, therefore the net receipts only slightly increased. The result for the last year was seven per cent. and therefore satisfactory.

3115. Was there any temporary loss in consequence of those reductions ?—No.

3116. The success of this measure has, I believe, led the Government to contemplate a reduction in the passenger fares, has it not ?—Yes ; the Government is anxious to have further experience before acting in the matter. The proposed law is to give the Government a power of reducing the passenger rate.

3117. (*Capt. Galton.*) In England, on certain railways, coal is carried at three-eighths of a penny per ton per mile ; are the rates in Belgium as low as that ?—They are as low as two centimes, and even 1½ centimes per ton per kilometre.

3118. Are those exceptional cases ?—In the cases of the longest distance, as well as for transit and export.

3119. What are the distances ?—About 250 kilometres.

3120. Do they send coal from the Liège basin to Paris ?—They made some experiments, but I do not know the result.

3121. Is the price too high ?—I believe that the difficulty arises solely from the fact that the coal districts of Mons and Charleroi are so much nearer Jerome.

3122. Have you ever heard of the proposal to transport coal from Minden to Paris ?—I have heard of it, but I did not think seriously of it. It would not be more surprising than the transport of cast iron from Belgium to England.

3123. (*Mr. Ayrton.*) Why is that surprising ?—Because iron is produced in England cheaper.

3124. Does the import of cast-iron from Belgium into England arise from any peculiarity in the casting of the Belgian iron, or from any special circumstances ?—I believe it arose from special circumstances.

3125. (*Lord Donoughmore.*) Have you any arrangements for through rates for goods with the Dutch, German, and French railways?—There are working arrangements with all adjoining railways.

3126. Does the Belgian Government find much difficulty in inducing the managers of foreign railways to make a reduction of their rates?—Yes; sometimes they absolutely refuse.

3127. (*Mr. Gower.*) When the reduction was made upon the Belgian railways did it extend to the Austrian and Prussian railways?—No, not in other foreign countries; they have not been inclined to follow Belgium in that.

3128. Take, for instance, the through route from Ostend to Cologne, on what principle is the total rate divided between the Belgian and the Prussian railways—is it a mileage division?—Each administration fixes the kilometric base of the rate which it intends to receive. The total charge payable by the public is made up from this, and it is divided according to a scale, giving the proper amount to each party. The Belgian rates are usually lower than those of neighbouring countries.

3129. (*Sir R. Hill.*) Each charges to and from the frontier?—Yes.

3130. (*Lord Donoughmore.*) Surely merchandise going from Ostend to Cologne would go in the same waggon all the way?—Yes.

3131. There is no discharging of goods at the frontier?—No, there is no transhipment. Every full loaded waggon goes through. Under 2,000 kilogrammes it is transferred to another waggon, above that it goes through on one waggon.

3132. Is the railway which runs from the Belgian frontier to Cologne a private railway or a public railway?—It belongs to a private company.

3133. (*Capt. Galton.*) Where the waggon goes on, is the use of it paid for by the company which takes it on?—A rate is paid for the use of the waggon.

3134. Is that so much per day or per mile?—Two centimes per kilometre.

3135. Is there any demurrage?—There are fixed days for returning the waggon, according to the distance it travels, and if it is not returned in the proper time there is a high fine.

3136. (*Mr. Gower.*) Have the reductions been equally successful upon all the railways, or has there any marked difference in the results of those reductions?—I have already explained that the conceded railways have not yet adopted the rates of the State.

3137. I understood you to say the season has been favourable in consequence of the duration of the winter, will you explain that?—This winter was more favourable for an increase, because in winter the railways take the place of all other means of communication, such as canals and roads. The canals are closed, and the roads are not so easily traversed.

3138. (*Mr. Ayrton.*) In the tariff for passengers it is stated that there is a charge of six centimes per kilometre for 100 kilogrammes of luggage; is there any rebate of the six centimes upon any quantity less than 100 kilogrammes, or do they make no distinction in the charge between one kilogramme and 100?—The tariff is applied counting from 10 to 10 kilogrammes, with a minimum of 50 centimes.

3139. So that if you have five kilogrammes over the allowed quantity of 25 kilogrammes, you have to pay six centimes for a kilometre. For example, if you have 30 kilogrammes you have to pay six centimes per kilometre extra?—Twenty-five kilogrammes are allowed to each traveller, on the condition that he takes his luggage with him, provided there is no inconvenience occasioned to the other travellers.

3140. In this statement it is said that the 25 kilogrammes are in addition to any article placed in the carriage with the passengers; is that correct?—That is not so. Each passenger may take 25 kilogrammes with him upon his own responsibility..

3141. Then if he has five kilogrammes of luggage, which he gives in charge of the Administration, he has to pay six centimes per kilometre for that?—He does pay at that rate, and he cannot pay less than 50 centimes.

3142. (*Capt. Galton.*) If a passenger travels with only five kilogrammes how much would he have to pay?—Six centimes is the basis of the tariff.

3143. (*Mr. Ayrton.*) How is the small quantity paid for if it is less than 100 kilogrammes?—It is assessed by 10 kilogrammes.

3144. Does the working of the lines by the Government afford perfect facilities for the postal service?—Yes, very great.

3145. (*Capt. Galton.*) Do mails go by every train?—Yes.

3146. Are parcels carried by the post office as well as by the railway?—Only by the railway, except what is analogous to our pattern post.

3147. You have not a parcel post?—No; in Prussia they have, but they have not in Belgium, probably we shall have.

3148. Do they give greater facilities for parcels traffic upon the railways?—Yes.

3149. Do they deliver them beyond the stations?—They are delivered to the persons' residences.

3150. Is there any arrangement for collecting them except at railway stations?—There are offices in the towns.

3151. Would parcels be delivered at a distance from the railway station by the Government?—On the average two or three kilometres from the station.

3152. Then that system does not give the advantages to the public which a parcels post gives?—No; it will not give the same advantage, therefore that is why they are now occupying themselves with the question by means of little carts. Before two years are over they will very probably have a system of conveying passengers and parcels, such as specie and articles of value. I attach a high importance to the application of this system, which seems to me to promise to render railways more complete, and to give favourable results.

3153. (*Sir R. Hill.*) The post office has a right to send bags by all trains without paying for that right, has it not?—Yes, it has the right to do that without paying any rate.

3154. Whether the lines belong to the State or not?—Even when the railway does not belong to the State; that is introduced into the original conditions upon which the line is granted.

3155. I need scarcely ask you whether that power is found to be very useful or not in the administration of the post office?—You can form an opinion upon that subject; as you pay companies for the care of the conveyance of the mails, it would be very costly.

3156. (*Chairman*). What is a Belgian league?—Five kilometres. The leagues referred to in that paper are five kilometres. The road league is only four kilometres.

3157. (*Mr. Ayrton.*) How do the Belgian Government pay for the transport of letters upon railways?—It is free.

3158. Upon the railways of all the private companies?—Yes.

3159. (*Lord Donoughmore.*) Suppose the authorities of the post office require to run a train at an exceptional hour, or at an exceptional speed, then would they not have to pay the State or the private companies, as the case might be, for the train?—They pay nothing to the State, but they do to the private companies.

3160. In the *Cahier des Charges* there is a fixed price at which service is rendered?—No, it is not regulated. It would be settled specially at the time.

3161. (*Sir R. Hill.*) Has not the post office a right to send mails by one train per day in each direction, even upon the lines belonging to the private companies?—Yes, they have the right for at least one train per day.

3162. (*Capt. Galton.*) At what price?—Without cost.

3163. (*Lord Donoughmore.*) Are there conditions in the *Cahier des Charges* with the companies with

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the view to the transport at reduced prices of soldiers or persons travelling upon Government business?—Only for soldiers, not Government *employés*. All military are conveyed at a reduction of 50 per cent.

3164. Is that when they are travelling upon duty, or when they are travelling for their pleasure as well?—When they are upon service or upon leave.

3165. In what manner do they carry on their works?—The rolling stock and engines belong to the State.

3166. Are the repairs done directly by Government *employés*, or are they in the hands of contractors?—The Government itself. There is a special service organized for keeping up the stock.

3167. Do they manufacture their own locomotives?—No, that is done by private enterprise, but the repair and maintenance are done by the Government. The Government did at one time construct the locomotives, but they have now given it up.

3168. (*Mr. Ayrton.*) Are all the persons employed on railways precisely upon the same footing as regards their position with reference to their salaries and pensions as other persons in the civil service?—They are on the same footing in all ways as in other departments of the Government.

3169. Is there any rule by which the best and most qualified persons are selected from the applicants for situations?—They call for candidates in the *Moniteur*, which is the Government paper, and which gives the conditions upon which they may obtain the appointments. They issue a sort of syllabus of the knowledge required of the candidates, who are examined before a committee.

3170. Are they appointed on the report of the committee as to whom is the best qualified applicant?—They receive the appointment according to their success in the examination.

3171. (*Capt. Galton.*) How are the higher ranks filled up?—They are first supernumeraries; but when they have proved to be exceptionally clever, and can be immediately of great use, they receive a salary.

3172. (*Mr. Ayrton.*) Is the railway administration divided into distinct departments with a chief at the head of each?—There is a director-general, and there are divisions with heads.

3173. What are the divisions?—There are three principal divisions—the locomotive, the permanent way and works, and the traffic department, and there two additional divisions for the accountants' department, and one for general matters.

3174. Is there a chief for the accounts responsible directly to the director-general?—There is one special department of accounts.

3175. Is that independent of the director-general, or is it under the director-general?—No, under the director-general. There is a department for the supply of stores.

3176. Are the salaries which have to be paid to these officers regulated upon precisely the same scale which is paid in the other departments of the State, such as the Comptroller General of the Ordnance and the Accountant General of the Army?—Yes, exactly the same as all other Government departments. They have the same right to pensions and at the same rates as other Government departments.

3177. (*Mr. Gower.*) Has the Government bought any of the private railways?—One railway has been bought, the promoters being desirous of transferring it to the Government on payment of an annual amount.

3178. Upon what principle was the amount fixed?—Upon an estimate of the value of the railway and the importance of the traffic.

3179. Not of the value of the shares at the moment?—No, not with reference to the value of the shares.

3180. There are several railways being constructed now, are there not?—Yes.

3181. Are those all private railways?—They are both Government and private. There is one from Brussels to Louvain being constructed on account of the Government. Others are being constructed by private companies, but they will be managed by the Government. From Braine-le-comte to Ghent there is a railway being constructed by a private company which will be managed by the Government on payment of 50 per cent. of the receipts. They have found it to be a good system to allow the railway to be constructed by a private company and afterwards transferred to the Government.

Adjourned till Wednesday next at 12 o'clock.

Wednesday, 24th May 1865.

PRESENT:

The Right Hon. Lord Stanley, M.P., F.R.S.	Geo. Carr Glyn, Esq., M.P.
The Hon. E. F. Leveson Gower, M.P.	A. S. Ayrton, Esq., M.P.
The Right Hon. Robert Lowe, M.P.	Capt. Douglas Galton, R.E., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq.
T. B. Horsfall, Esq., M.P.	William Pole, F.R.S., *Secretary.*
Robert Dalglish, Esq., M.P.	

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. Thomas F. Brady examined.

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3182. (*Chairman.*) You are secretary to the Special Commission on Irish Fisheries?—Yes.

3183. And you have been inspector of fisheries in Ireland?—Yes.

3184. In the discharge of the duties of your office have you had occasion to become intimately acquainted with the state of the Irish fisheries, both in the fresh water and in the sea?—Yes.

3185. Is there any great extent of the Irish coast which, in your opinion, is well adapted for carrying on sea fisheries?—There is a very large extent.

3186. Will you adduce any particular parts of the coast that you consider the best?—All the west coast—in fact from the south-west coast from Dunmore round by Galway, Westport, Sligo, Donegal, and round to Moville—all that coast abounds in cod, ling, and flat fish, the finest turbots, soles, brit—the very finest classes of fish that can be taken; the largest turbots are to be found in large quantities round that west coast.

3187. Is the number of the population employed in the fisheries increasing or diminishing?—Decreasing.

3188. Since what time has that decrease taken place?—Since 1844, so far as the Board of Works, who are charged with the administration of the laws relating to the Irish Sea fisheries, has received returns from the coast guard, the coast guard of the country being specially charged with the revision and registry of the fishing vessels, and the number of men and boats employed. I can give you the number of men and boats employed on the Irish fisheries during the last year.

3189. The extension of railways in Ireland has not led to any increase in the produce of the Irish fisheries?—It has not.

3190. In fact, the extension of railways has been simultaneous with the decrease in the produce of the

Irish fisheries ?—It has. The extension of railways has removed a great deal of the ordinary conveyances of the country away. The fishermen used to send the fish by carts and cars and the general modes of conveyance, before the establishment of railways, through the interior of the country ; the population of the whole country has very much decreased, and those conveyances are removed. The railways have not given those facilities of transit that would induce the fishermen, I think, to follow their occupation with diligence.

3191. Which was the chief market for fish taken on the west coast of Ireland ?—Before the extension of railways it was in the interior ; we had no central markets. Galway sold its own fish in Galway, and in the interior of the country, carried by hawkers or jolters. Since the extension of railways, the Galway fish, principally the finer portions of the fish, come to Dublin, and from thence to London, Liverpool, Birmingham, Manchester, and all the principal towns in England.

3192. Has there been a falling off in the demand in Ireland itself for this fish ?—I think in the seaport towns there is a falling off in consequence of the population falling off ; the English markets being now so near us and so quickly reached, it takes a great quantity of fish away that would otherwise be consumed in the country. Fish has reached an enormous price in Dublin and in other places in Ireland.

3193. Is the supply in Dublin unequal to the demand ?—Quite unequal to the demand.

3194. Where is Dublin chiefly supplied from ?—It is chiefly supplied from Galway, from the east coast, and some portions of fish come from Castlebar, and from Waterford, Kinsale, and Dunmore also. There is a very large fleet of trawlers engaged in the fisheries on the east coast that trawl the Kish bank and the Nymph bank, and on down to Dunmore—these bring in a great quantity of fish to the Dublin market, and it is sent then on to the different English towns.

3195. Are you of opinion that the rates of carriage for fish on the Irish railways tends to depress that branch of industry ?—I think that the rates of carriage on fish, particularly on small parcels, tend very much to depress it. Fishermen, unless they can get the means of sending away small parcels of fish, each man sending his parcel to a factor in Dublin, must sell it to some hawker or others, who send it away, and the consequence is that the hawker is the man who gets the profit, and the fisherman gets very little for his trouble.

3196. Although the rates on the railways are high, there must be greater facilities for getting the fish away now than before the construction of the railways ?—No doubt.

3197. Then how do you account for the produce of that branch of industry having fallen off ?—The railways are taking the fish now away from the seaport towns where the fish are caught, and before it used to be brought into the interior of the country ; they had probably a greater market, and although not as profitable as now, there was a greater demand than there is at present.

3198. (*Lord Stanley.*) Is not the main cause of the decrease this, that the local demand is much smaller than it was, consequent upon a diminution of the population ?—Yes, quite so ; it is much smaller in consequence of the decrease in the population.

3199. Setting that local demand aside, do you think that there is any decrease either in the demand or the supply ?—I do not think there is any decrease in the demand ; it would be hard to say whether there is a decrease in the supply ; there is a decrease in the number of men and boats to a large extent, but whether there is a decrease in the supply I cannot tell.

3200. Is that decrease in the number of boats and men employed more than may be fairly accounted for by the diminution of the local demand, consequent upon emigration ?—I think not; probably the decrease is just in proportion to the decrease in the population. At the same time I think that if railways afforded greater facilities you would give greater encouragement to the coast population to fish ; for now they will take any ordinary employment rather than follow that very precarious one of fishing, unless they have good markets and facilities.

3201. Who are the persons who buy the fish from these fishermen ?—They are called jolters in the country ; they are hawkers.

3202. Do they buy large quantities of fish and send it in large quantities to Dublin ?—Yes ; they buy them in large quantities in Galway ; they watch the boats coming in, and then they buy each vessel's load as it comes in, and send the fish away themselves.

3203. (*Mr. Ayrton.*) You stated that the price of fish had risen ?—Very much.

3204. And that it was in consequence of the demand for fish for the English market ?—I think that that has been a good deal the cause of it.

3205. Is the fish sent to the English market round by sea from the west coast, or is it sent by railway ?—Salmon is sent from Ballina. What I have been speaking about has been the coarse fish, turbot and soles, wishing to distinguish them from salmon. From Ballina they send the salmon round the whole of the north coast in sailing smacks to Liverpool, in preference to sending them by railway from Castlebar.

3206. That is all the salmon ?—Yes ; they pack them in boxes with ice. They send them round a very long distance from Ballina, round the north coast of Ireland, on to Liverpool, in preference to sending them from Castlebar by railway.

3207. What has the rise in the price been in any given period ?—Salmon is now worth 1*s.* 3*d.* or 1*s.* 4*d.* a pound in the wholesale market.

3208. In what market ?—In either the Dublin or the English markets. There is very little difference between them at present.

3209. What is the price of the salmon at the place where it is caught and from which it is sent ?—That is about the price, because wherever you have salmon fisheries the fish all comes to the Dublin or English markets, and the prices are regulated by the Dublin or the London market. The price I have given is the price to the person capturing the fish.

3210. What was the former price at any given period ?—Salmon was down very low at one time, as low as 3½*d.* and 4*d.* a pound before facilities were afforded by railways, and they could get ice.

3211. Do you mean that the wholesale price was 4*d.* a pound ?—Yes.

3212. At what time was that ?—I think I bought it in the Dublin market for 4*d.* a pound probably 15 or 16 years or 20 years ago.

3213. I do not understand why the price of salmon should rise in the Liverpool market in consequence of railway facilities being afforded ?—The English markets take so much salmon now, and it is so easy to get at it, that I think it must rise in price.

3214. You mean that it is distributed from Liverpool into the interior of England to such an extent, and the demand in Liverpool has so greatly increased, that there is no corresponding rise in the price in Liverpool ?—Yes.

3215. With regard to the coarse fish, has there been any rise in price in that ?—There has been a great rise in the price of coarse fish—turbot, soles, and cod.

3216. Has there been a corresponding rise in price at the places where they are caught in Galway and all along the coast ?—There must be, to a certain extent, a rise in the price, but the poor fisherman is not the man who reaps the advantages of it.

3217. Can you state what the present price is, and what the former price was of the fish to the fisherman at the great fishing places on the west coast of Ireland ?—I will take turbot, which is worth at the present time from 10*s.* to 1*l.* a piece, while formerly it could be bought at the fishing places for 2*s.* 6*d.*

3218. What is the price at the fishing places now, in Galway ?—I cannot state exactly what the fish

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sells for, but I will give the Commission an instance which occurred on the north coast. At one time in Belfast Lough I saw cod fish sold at the rate of 2*s.* 6*d.* for 13 fish. The fishermen themselves had no means of sending them to market on their own account, and they had to sell them to hawkers who sold them again, and then they were sent on. These people had facilities for sending them on to the markets, and they reaped the advantages of the high price, but the fishermen did not reap it.

3219. To what period are you now referring?—Five or six years ago.

3220. At the present time do the same class of people get the fish more freely?—I do not think they do.

3221. Has there been little or no change in the price paid for the fish to the fishermen?—Not much as to the coarse fish in the price paid to the fishermen. I speak of the distant stations; of course the fishermen who fish on the east coast bring their fish in their own smacks to Dublin, and there they have reaped advantages from the high price.

3222. Do you think that the intermediate agents have got the full benefit of the rise in prices?—I think they have.

3223. (*Mr. Glyn.*) You have stated that the fishermen wanted an opportunity to send small parcels of fish, and that facilities should be given to the fishermen on the coast, but what quantity do you mean by small parcels of fish, what weight?—Less than one hundredweight of fish. I think that each fisherman ought to have facilities afforded him for sending his own parcel of fish to his factor in Dublin; then he would get his money direct the next day to himself.

3224. What is the present charge by railway?—I have made out a return of the different charges made since 1852 down to the present year on different lines of railways.

3225. From what places have you taken them?—I have taken all the railways—from Cork, the Great Southern and Western, the Waterford and Limerick, the Galway line, the line from Castlebar joining Ballina, the Dublin and Drogheda line, and lately only the Dublin and Waterford line; we have had no returns until last year from the Dublin and Waterford line. These returns are culled from the different reports of the Commissioners made to Parliament.

3226. What is the rate upon the Great Midland Railway?—I should say that on comparing the prices charged in the different years from 1852, the rates vary so much that I cannot ascertain upon what data they make these charges at all. For salmon under 10 cwt. the charge was 3*s.* 6*d.* per cwt. in 1852, and over 10 cwt. it was 2*s.* 6*d.*, from Galway, the distance being 126 miles. In 1864 they charged 31*s.* a ton from Galway; they charged 39*s.* 9*d.* from Castlebar, and they charged 24*s.* 6*d.* a ton from Sligo, the distance being 134 miles, while they charged 34*s.* from Collooney, a distance of 128 miles, six miles less than the previous distance I gave, and the charge being 10*s.* a ton higher on the same line of railway. From Ballysadare they charged 34*s.* 6*d.*, the distance being two miles more.

3227. What is the minimum quantity that is carried?—Under 5 cwt. I am now speaking of the Midland line.

3228. (*Mr. Horsfall.*) Can you at all account for these unequal rates?—I cannot. I have examined this return prepared from the different reports made by the Commissioners to Parliament. I have examined it most carefully, in order to ascertain why these charges could be made, and I cannot understand at all on what principle it is that they carry fish on the same line of railway for a much greater distance at a much less charge.

3229. Has any representation been made to the railway companies as to these unequal rates?—Yes, and the Commissioners of Fisheries have remarked upon it in their various reports to Parliament that they have had frequent interviews with the directors of the two great lines of railway, but that they had not effected any alteration.

3230. (*Mr. Glyn.*) Does the rate charged on the Great Southern and Western Railway differ very much from the rate charged on the Midland Railway?—The Great Southern and Western rate does vary very much from it.

3231. (*Mr. Ayrton.*) You have spoken of an intermediate person being able to buy up the fish at a price of 3*s.*, and selling it at 6*s.*?—Yes.

3232. For how many pounds of fish do they give 3*s.*?—They send it away in bulk, and then they can send it by cheap carriage at so much per ton; they give different rates, that is, under 5 cwt. so much, and over 5 cwt. so much less.

3233. The railway charge for conveying fish the whole length of the Midland Railway comes to something under a farthing a pound?—Yes.

3234. It is a fifth of a penny?—Yes.

3235. Will you be good enough to explain how the charge of a fifth of a penny could influence the trade where the difference in price is such as you have mentioned?—A farthing a pound is considered to be a great difference when you deal with fish in any large quantities.

3236. Will you compare that with the different prices you have mentioned, for I want to know how this infinitesimal sum could influence the trade in any way?—I am really not prepared to answer that question.

3237. (*Sir R. Hill.*) You have spoken of the profits of the middlemen as being something enormous?—Yes.

3238. Have they any monopoly given to them?—No; except in the way I state there is no monopoly. These poor fishermen are obliged to sell, and it is the general complaint there, of these people.

3239. What obliges them to do so?—It is because they cannot send their own parcels to a factor. If they have only a small parcel of fish the rates are so excessively high that they cannot do it. The returns that I gave you were for a weight over 5 cwt., but the parcel rates are considerably higher.

3240. What would the rate for a single hundredweight be?—I can give you an instance. On the Midland Great Western Railway, one-eighth of the distance, 65 lbs. of salmon cost 5*s.* 10*d.* coming to Dublin from Castlebar.

3241. That would be a little more than a penny per pound?—Yes. From Cork, a distance of 15 miles further, by the Great Southern and Western it would only cost 3*s.*

3242. What was there to prevent those fishermen sending their fish to Dublin and paying a penny per pound, two or three of them joining together to make up the hundredweight?—In practice they have not done it.

3243. But why do they not do it?—I cannot explain that further than by saying that they do not do it.

3244. Can you conceive any possible change as to the charges on railways which would induce them to do it?—I think if the parcel rates were low per hundredweight they might do it.

3245. I understood you to say that the fish is sold to the middlemen; at what price?—I cannot tell you that. The fish may vary in price from 2*d.* to 8*d.* and 1*s.* a pound, but some coarse fish is not worth more than 2*d.* a pound. Hake is not worth more than a penny a pound when the hake fishing sets in.

3246. You stated, as I understood you, that the fishermen sell their fish at a low price to the middlemen, and that the middlemen send the fish to Dublin, and there get a very high price for it?—Yes, that is, a price considerably greater than the working fishermen get.

3247. I do not see how that state of things, which to me is very inexplicable, is to be remedied by any practical lowering of the price charged for the conveyance of the fish from the place where it is caught to Dublin?—There is a great difference between the

parcel rates and the rate per hundredweight or five hundredweight.

3248. The parcel rate is very high, you say ?—On salmon it is, but salmon will bear it, because it is a very valuable high-priced commodity, but coarse fish is not able to bear that high rate. Fish that is sold at a penny a pound cannot bear a halfpenny a pound for carriage, or a farthing a pound.

3249. Is the price of coarse fish at the ports so low as a penny per pound ?—Hake is sold at less than a penny per pound.

3250. What is the price of soles ?—At certain seasons soles are worth more.

3251. Just give us an average ?—I cannot give you an average of the prices of the different kinds of fish, because that depends upon the description of fish, the quality and quantity.

3252. Cannot you give us some idea of the ordinary price of fish ?—Turbot is worth from 6*d.* to 8*d.* per pound, retail, in the Dublin market.

3253. I am speaking of the price of turbot where it is caught, and the price which the fisherman obtains from the middleman ?—The fisherman does not sell it by weight at all, he sells it merely by bulk.

3254. Cannot you convert the price by bulk into a price by weight ?—I cannot.

3255. Give it then in any shape that you can ?—A fisherman sells perhaps about a dozen turbots to a hawker, and he may not get more than 1*s.* apiece for them.

3256. Then supposing the turbots are sent to Dublin, what are they sold there for ?—They may be sold in Dublin for 6*s.* apiece.

3257. That is a state of things which appears to me utterly inexplicable, that a turbot bought at one end of a line of railway for 1*s.*, should be then carried for a penny a pound to the Dublin market, and be there sold for 6*s.*?—That is so.

3258. (*Chairman.*) Are the middlemen, under this system, making very large profits ?—In many cases they have done so.

3259. (*Sir R. Hill.*) Are there a great many of these middlemen ?—Yes.

3260. (*Mr. Ayrton.*) What is the nature of the fish markets at the places where the fish are caught ?—There are no markets at the different places. The fish are brought on to the beach and stranded, and a man comes and buys them in bulk; there is no market.

3261. And the fish are sold on the strand as they are on the English coast ?—I suppose so.

3262. Are there no competitors on the strand to buy the fish ?—In some places there are; on the east coast there are competitors.

3263. Do you think it is according to the usual course of business for fishermen to send their fish on their own account to distant markets ?—I think if they were able to send their fish they would of course do away with the profit which is now obtained by the middlemen.

3264. Is it the custom with people of that class to send their goods to distant markets, consisting only of small quantities at the place of production, or do they usually sell them to some agent ?—They usually sell them to some agent.

3265. (*Mr. Horsfall.*) Is not the system the same as that which prevails in England ?—I believe so; but I do not know what the system in England is.

3266. (*Capt. Galton.*) You seem rather to think that the fisherman should send his fish to the Dublin market; but I do not gather from you that he is at all precluded from doing so by the high price charged for carriage. You say that he gets 1*s.* for a turbot on the sea coast, which turbot is sold for 6*s.* in the Dublin market, the cost of carriage being a penny per pound. The turbot does not weigh, I suppose, more than 12 lbs.; therefore if the fisherman charged the Dublin fishmonger 3*s.* and paid the carriage, the Dublin fishmonger would gain 2*s.* ?—Yes, he would.

3267. Therefore it does not appear that the railway carriage in any way precludes him from sending the fish to the Dublin market ?—As you put it to me now, I do not think it does really.

3268. (*Mr. Ayrton.*) What we desire to understand is, whether he is precluded by the railway rate, or by those social and trading circumstances which affect the conduct of business of this sort ?—I think it is affected probably in both ways; it is affected not only by the railways, but also by the social circumstances of the case.

3269. (*Mr. Hamilton.*) Do you suppose that there is a considerable part of the fish sold by the fisherman to the middleman which spoils before the middleman can get it to market ?—I cannot say; but if they have not got a train by which they can send the fish off to Dublin or to markets at certain times, particularly in such weather as the present, a great quantity of it must spoil. At Castlebar, for instance, there is no train from 11 o'clock in the day, so that all the western fish that is brought in fresh caught must remain over until the following day.

3270. (*Capt. Galton.*) You mean that there is only one train a day from Castlebar ?—Yes.

3271. (*Mr. Hamilton.*) If the fish became spoiled, the profit to the middleman would be materially reduced ?—Yes.

3272. (*Sir R. Hill.*) I understood you to say that you thought the fishermen were, in some way, injured by the establishment of railways ?—I do not think that the railways have benefited the fisheries as it was originally contemplated they would do.

3273. It would seem that from Castlebar the railway does not carry the fish after a certain hour of the day ?—The railway carries the fish, but not at convenient times.

3274. What is there to prevent the fisherman from resorting to the old means of conveyance by cars ?—All those conveyances have been taken off the road by the introduction of railways.

3275. (*Mr. Ayrton.*) Allowing for the delay which may take place in consequence of the trains not running at convenient times, does not the fish nevertheless arrive sooner in the market than it did when they were sent by cars ? — They were not then brought such distances by cars as they are now by the railways, the fish then was only taken to the markets in the interior, and not to the great markets; it did not get to England.

3276. (*Capt. Galton.*) Is it not the fact that the fisheries on the western coast of Ireland have been much injured by a system like trades unions, and the boats and nets have been destroyed ?—No instance of that kind has occurred on the west coast, except at Galway. The Claddagh people have been very violent and opposed to the introduction of new modes of fishing, such as trawling in the bay, and they have destroyed the nets on various occasions, and attempts have been made to scuttle the boats.

3277. (*Mr. Ayrton.*) Was there not a fishing company established at Galway which came into direct relation with the fishermen, and which gave them the benefit of a rise in the prices ?—There was a London company.

3278. Did not that company provide every requisite for the most scientific and most economical modes of fishing ?—Yes, for scientific modes, but that company was carried out in a way that was calculated to fail; it was carried out in such an expensive way that it could not succeed.

3279. Having done so much, it failed ?—Yes; it broke down from mismanagement.

3280. Did it not find great difficulty in carrying on its business from the obstructions offered to it by the people there ?—Never.

3281. Was it well supported by the fishermen there ?—I have not the slightest doubt of it. I have not the least doubt that if a company were started, well conducted, and which acted with economy, they would meet with every support all round the west coast, and, indeed, all round the coast of Ireland. There may be

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prejudices existing among the people in Galway, but that is the only place that I know of where there are any.

3282. When the company I have referred to broke down, did any private enterprise spring up; were there parties ready to carry out the same operations?—Yes, there are parties fishing there, but I am sorry to say that there is very little private enterprise in Ireland with respect to fishing.

3283. (*Sir R. Hill.*) Is not that the root of all the evil?—It is the root of a great deal of difficulty in Ireland—the want of private enterprise.

3284. (*Chairman.*) Did the company which has been mentioned meet with any obstruction from the railway companies in making arrangements for the conveyance of the fish?—I think not. That company was established at Galway, and the direct Galway line had trucks to carry the fish at 12 o'clock at night by the mail train, and they afforded great facilities. If the same facilities were afforded from Castlebar and Sligo there would be a very different state of things.

3285. Do you think, as far as Galway is concerned, that the railway company affords every facility that they could be expected to do?—Yes, I think they afford every facility.

3286. Is the trade to any great extent carried on between Galway and Dublin?—I can give you the quantities of fish that were carried by the Galway line from 1852. In that year there were 523 tons of fish carried.

3287. (*Sir R. Hill.*) No more than that in a year?—No, that was all, including oysters, cured fish, eels, cod, and salmon. In 1862 they only carried 785 tons.

3288. (*Mr. Glyn.*) What quantity did they carry last year?—Last year they carried 1,136 tons.

3289. Is the quantity increasing?—It was just increased for that one year; but if you take the returns altogether you will find that the quantity has increased very little.

3290. (*Chairman.*) Is that the most important fish trade that is carried on on any Irish railway?—The Great Southern and Western Railway carry on a very important salmon trade, and in other fish also. They carried 1,249 tons of fish last year, and 1,145 tons the year before.

3291. (*Mr. Glyn.*) Where was it brought from?—From Cork; it is collected from Cork, Limerick, and Waterford, and on all the Southern Lines. The herring fishing now on the east coast is a very profitable one. They sold last year alone, on the quay of Howth, 94,000*l.* worth, and upwards, the produce of 110 days fishing.

3292. Have you reason to believe that any reduction in the charges by railway would materially increase the quantity of fish sent from Galway?—From Galway, I think not; but from stations such as Sligo and Ballina, to which railways are not extended, they have to bring the fish 16 or 18 miles by cart first, and of course you have to add the additional expense of the carting from the fishery to the railway station, and then to add the railway charge to that.

3293. Would it pay the railway companies to afford additional facilities to Ballina and Castlebar?—I think it ought to pay them if it has paid the Galway Company to do so.

3294. (*Mr. Ayrton.*) Would it not be cheaper to employ small steamers to bring the fish up from Sligo?—They send all the salmon from Ballina all round the north coast by sailing smacks in preference to sending it by railway. All that traffic is lost to the railways because they can send them for about 4*s.* 6*d.* a cwt. round by sailing smacks, and they run all the risks rather than send them by railway in consequence of the expense.

3295. (*Capt. Galton.*) How long does it take to go round by the sailing smacks?—It depends, of course, upon the weather; but they do it now in 48 hours to Liverpool.

3296. Do you mean 4*s.* 6*d.* a cwt.?—Yes, or 4*l.* 10*s.* per ton.

3297. (*Chairman.*) Have any communications taken place between the Irish Fishery Commissioners and the Directors of the Irish railways?—They have had interviews, there have been no written communications, and the Commissioners have reported upon the subject. I can refer to the reports made by the Commissioners, which I have brought with me, and can, if I may be allowed to do so, read extracts from them.

3298. (*Mr. Ayrton.*) Do you think that the fish is conveyed in sailing smacks rather than by railway on account of the greater expense, or because the fish are better preserved in sailing boat than on a railway?—They are not better preserved in a boat than on a railway.

3299. There is no advantage in the boat in that respect?—No; on the contrary I have heard from the largest proprietor of salmon fisheries on the west coast—I refer to the Ballina fishery—that he would prefer sending the fish by railway if he could; but he does not send parcels of fish by railway when he has small parcels to send; they have to cart it 16 miles into Castlebar. They would rather cart the fish from Ballina into Castlebar and send it by train to Dublin, and thence to Liverpool and the English markets, than send it, running the chance of bad weather, round by the coast.

3300. What is the cost of carting the fish from Ballina to the railway?—I do not know what the cost of the road carriage is, but these people generally have their own spring vans and conveyances to do these things. At Ballyshannon they send the fish 24 miles on to Sligo, and they send them by Sligo in preference to sending them by a nearer route from Enniskillen to Dublin, in consequence of the high charges made on the line, and there is also water carriage on Lough Erne.

3301. (*Capt. Galton.*) Is the fishing trade such a trade as would enable the fish to be brought in at a specified time every day, or is there uncertainty about it, so that the railway company cannot start a train at a fixed time?—I think there is no uncertainty about it. They start the Galway train at 12 o'clock at night; that is the mail train, and all the boats are in long before that, and all the fish is carried away.

3302. If there was a similar train from Sligo or Castlebar, would not that be a great advantage?—It would materially assist the fisheries of that district I know from complaints which have been made to me, not only by the proprietors of salmon fisheries there, but by the common fishermen, that they are not afforded the necessary facilities on that line for sending their fish to market.

3303. (*Chairman.*) Are the coarse fish now generally packed in ice?—In some places they are, and in some they are not. In Galway, for instance, I do not think there is any ice, and they send the fish away direct without any ice in the hampers.

3304. When the fish is packed in ice, a few hours delay are not of any importance?—No. In Kinsale the buyers have a regular ice establishment, and they pack the fish in boxes in ice and send it to Dublin.

3305. (*Sir R. Hill.*) Does the middleman pack the fish in ice?—Yes; that is, in one or two places; in Kinsale he does, but he does not in Galway, nor in Ballina, nor in Sligo; at Moville they do. From the Londonderry coast a steam packet takes the fish on from Londonderry to Liverpool and to Glasgow.

3306. (*Mr. Glyn.*) Has there been a large take of fish at Kinsale?—Yes, last year there was. The principal fisheries there are herrings and mackerel, and French fishermen come over there.

3307. (*Mr. Horsfall.*) Is there not a good supply of fish in Dublin Bay?—Yes, but those are not affected by railway carriage; the fish are brought into Dublin by the captors, and they make their market direct there.

3308. That, in some measure, supplies the Dublin market with fish?—Yes; but the buyers in the Dublin market send the fish off to the English markets because it pays them better. The city of Dublin is badly supplied with fish.

With the permission of the Commission, having the various Reports of the Commissioners before me, I will read a few extracts from them, and, first, from the Report of 1850 :—" No branch of " industry is likely to derive a more direct and " immediate benefit than our coast fisheries from " the completion of those great lines of railway " now in progress, while our large inland towns, " as well as the metropolis, are even now furnished " with an abundant supply of fine fish within a " few hours after its capture. The turbot and " black soles of Dingle and Ballingskellegs Bays " taken out of the water on the morning of Thursday " are on the Dublin tables on the following day, " thanks to the persevering efforts of the Royal " Irish Fisheries Company's establishment at Dingle, " and not less to the liberal arrangements of Mr. " Bianconi, who has invariably rendered his con- " veyances auxiliary to the great object of speedy " transit to the nearest lines of railway ; in short, " there is a complete revolution in the trade in Ire- " land. The supply of the fresh market is now the " main object, and in proportion as facilities of con- " veyance are afforded this trade must increase. We " look with great confidence to the completion of the " Midland Great Western Railway to Galway and " the Killarney Junction to Mallow. Our metropolis " will then become the great centre of attraction, " and, after its ample supply, the markets of Eng- " land, approachable within a few hours, will to an " unlimited extent take our surplus. To promote " this important end two objects seem to be most " desirable ; first, a determination on the part of " railway companies to fix their scale of prices so " moderately as to afford encouragement to a large " transit trade. It is quite notorious that no article " of traffic is more precarious in every respect than " fish, from its capture to its last sale to the con- " sumer ; it is full of uncertainty. It never can " bear continuous heavy expenditure, and if the " various operations be not conducted with the most " rigid economy, promptness, and care the under- " taking must fail." Then they go on with their Report.

3309. (*Sir R. Hill.*) Those anticipations have not been realized ?—No. Then, they report in 1853, " Nothing more importantly exemplifies the best, and, " as it has always appeared to us, the only sound " means of improving this trade, namely, quick and " cheap transit to good markets, than the accounts of " the increased carriage of fish by railways and steam " navigation. Our anticipations on this subject have " not been in any degree disappointed, and we look " forward with confidence to the steady gradual " operation of the railway system, the prime mover " of commercial prosperity, especially in remote dis- " tricts, in developing the resources of both the sea " and inland fisheries of this country." Then in 1854 they report, " Several enterprising persons at Water- " ford, Kinsale, Galway, and on the banks of Lough " Foyle have entered extensively into this trade ; and " although they afford a constant demand for all the " fish brought to these places, it is generally at prices " necessarily rendered very low by the cost of trans- " port by the principal railway companies, who ap- " parently do not see the advantage of encouraging " the traffic by a reduced scale of charges ; for, no " doubt, a number of small dealers along the coast " would form connexions in Dublin, and send daily " supplies of fresh fish to the metropolis if the charges " for conveyance were proportionate to the weight. " The plan of giving increased advantage to large " dealers may, as a general principle, be quite reason- " able, if it be more profitable to the companies ; but " under the peculiar circumstances which affect the " trade in fish, from its capture to its disposal, it would " be beneficial to the local traders if some modification " in the charges of small parcels were made. We " have at all times expressed an opinion in our several " reports that the encouragement afforded in the " facility of transit by railway communication pre- " sented the best prospects of improvement in our " fisheries, and we have endeavoured to cultivate " with the directors of the two leading lines an inter- " course which might lead to mutually beneficial " results to the companies and to the fisheries."

3310. (*Mr. Ayrton.*) Having regard to your knowledge of how the business is carried on, would not the natural way be that the wholesale dealer should send his agent to the fish captor, rather than that the fish captor should have an agent at a distance to transact his business with the wholesale dealer ?—The wholesale dealer does not do that, except on the east coast, and there the wholesale dealer has a man watching the boats coming in and buying direct from them.

3311. (*Mr. Hamilton.*) I suppose the middleman buys a boat load of fish ?—Quite so.

3312. And a great deal of that I suppose is unfit to be forwarded by railway ?—Yes ; a great deal of it is thrown away by the middleman, who will not take it. I have seen him casting aside the waste fish. He would not buy it, and it lay there on the fisherman's hands.

3313. Then it is not your opinion, I presume, that the profit of the middleman is so enormous ?—It is enormous compared with the amount that the working man, the fisherman, receives ; but it is not so enormous, that which goes into his own pocket, when you come to enter into a calculation of the losses which he may sustain.

3314. Supposing his profits were so enormous, you would naturally expect to see more middlemen in the market ?—No doubt.

3315. (*Chairman.*) It will be hardly necessary to read extracts from every Report of the Fisheries Commissioners, but you can read from some of the more important ones.—The extract which I am about to read is from the Report of 1855 : " They also " complain of being in a great measure deprived of " the advantage of the market of the metropolis by " the increased rate for conveyance charged by the " railway company from Cork to Dublin, which, " added to the cost of transit from Kinsale to the " former place by cart, a distance of 20 miles, absorbs " the very small profit on fresh fish, in consequence " of which the Dublin market has been wholly de- " prived of any supply from that important district."

3316. (*Mr. Glyn.*) Was there an increase in the rate for that year ?—Yes. They speak of the increased rate in that year. The charge was 10*s.* a ton on that coarse fish. The charge on cod in 1853 was only 1*s.* per cwt., and in 1855 it was 30*s.* a ton. I find that in 1851 it was only 16*s.* a ton, so that the charge had been nearly doubled in 1855, as it was only 16*s.* in 1851.

3317. There appears to have been a great increase in the rate since the opening of the railways ?—Yes, a great increase, and it has been also most fluctuating, for in almost every year the rates have varied.

3318. (*Mr. Ayrton.*) It would be about the sixth of a penny per pound, the advanced rate ?—Yes. When you reduce it to a pound of fish only, an increase of a sixth of a penny upon that would appear to amount to very little.

3319. It was a twelfth of a penny before, and do you think that an increase of a sixth of a penny seriously interfered with the consumption of fish by the inhabitants of Dublin ?—No, not with the consumption ; I do not think it interfered with that, but the Report says, " it absorbs the very small profit on " fresh fish, in consequence of which the Dublin " market has been wholly deprived of any supply " from that important district."

3320. To make that proposition good, the people of Dublin must have ceased to eat fish because there was an increase in the price of one twelfth of a penny per pound ?—It might look in that way, but if the fishermen got nearly the same price in the local markets, then of course he would sell it there.

3321. If fish is consumed in Dublin, and the residents there continue to consume that fish, they can

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afford to pay the enhanced price of one twelfth of a penny, and I do not understand how that would prevent the consumption?—I do not think that makes any difference to the consumer.

3322. Does he not pay the increased cost of production?—Yes. I do not think the increased rate by railway would enter into his calculation.

3323. Do you not think that the retail trader could put on the increased price of one twelfth of a penny without stopping the consumption?—Yes, and a much larger increase.

3324. Therefore the increase of price to that extent would not affect the sale of fish in Dublin?—It would not; but with regard to the fisherman, if he could get a market there, seeing an increased rate put on the carriage of his fish, he would send it to the local market.

3325. If the trader could enhance the price by one twelfth of a penny, he could afford, could he not, to give it to the producer?—Yes.

3326. (*Capt. Galton.*) Has not the fishmonger who retails the fish sometimes to sustain a considerable loss from the weather, and therefore the additional twelfth of a penny per pound for the carriage would become more serious than at first sight it would appear to be?—Of course it would be so. There was a company working in Galway on one occasion, in 1855, called the Royal Irish Fishery Company, and it worked very profitably for many years, until some quarrelling took place amongst the directors, and the company was wound up; but the profits were very large, and the Report made in 1855 to the Commissioners states, "We are the only "buyers of ling at this station; were it not for us "the fishermen could not bring their fish to a pro- "fitable market, nevertheless we give rather a higher "price there, for we look upon the people as our "own men. In fact, we are getting ling now at "4*s.* 6*d.* per dozen of 13 elsewhere, and we give "at this station 1*s.* per couple, because we think "the men, by their endurance and industry, deserve "all we can do for them."

3327. (*Chairman.*) Do the subsequent reports refer to this subject?—Yes. There are reports of the Fishery Commissioners and the Board of Works which refer to this subject.

3328. Are they all much to the same effect as those which you have already read?—Yes.

3329. Are there any subsequent periods to which you wish particularly to call the attention of the Commissioners?—There are the Reports of 1860 and 1861, and there are passages in those reports which I think are worthy of attention. The Report of 1861 was the last report which the Commissioners made on the subject.

3330. As I understand you, you have had no interviews with the Boards of Directors?—The Commissioners have had interviews with them.

3331. What has been the result of those interviews?—They have ended in nothing.

3332. Have the railway companies said that it would not be to their profit to make any alteration in the rates they charged?—They have not reduced their charges.

3333. (*Mr. Hamilton.*) Do you believe that any reduction in the freight would increase the consumption of fish brought from the western coast?—I think it would be an encouragement to the fishermen on the western coast if, not only a reduction were made in the freight, but if facilities for transit were afforded. I think that one is as important as the other.

3334. (*Mr. Ayrton.*) Do you mean that there is a want of trains to carry the fish?—Yes; the want of facilities, which is alluded to in the reports, at Castlebar and Sligo, they are most important.

3335. Do you think that in either of those cases a full fish train could be made up?—Upon the great Southern and Western Line, when they have large packages of fish, they make up a train.

3336. I mean in the cases in which you say facilities are wanted?—No, I think not—no special train; but what I would suggest is, that trucks should be attached to the ordinary trains that are run now to carry the fish. I think that the facilities which are required ought to be afforded.

3337. Do the railway companies decline to make a special traffic of the fish traffic in that way?—We have no such thing as special trains for fish.

3338. Have the railway companies refused to attach trucks to passenger trains?—I do not know that they have refused to do so, but I know that they do not do it.

3339. (*Mr. Glyn.*) Have applications been made to them to do so?—I am not aware that there have.

3340. (*Mr. Ayrton.*) I suppose that there is no special traffic in fish, but they might, as in England, put on fish trucks in connexion with passenger trains?—They do not put on fish trucks generally with the passenger trains, they send it by the goods trains, and by that means it takes a long time to get to the market in the first place, and then the train does not start at an hour to suit the senders; for instance, at Castlebar, if a night mail train was put on there, all the fish from that coast could be brought up to Dublin, and be in the market the following morning; but at the present time the fish which is caught on a Monday cannot leave Castlebar until Tuesday at 11 o'clock, and therefore it does not get into Dublin till six in the evening, and it does not get into the market till the following morning.

3341. The railway company does what you suggest from Galway?—Yes.

3342. I suppose it would do the same from Castlebar if there was any desire on the part of the traders to have such accommodation?—No; they do not run a train at all at that hour.

3343. (*Sir R. Hill.*) There is no mail train from Castlebar?—No; the mail train comes from Castlereagh, and between those two places there is a long distance; the mail train from there starts at 12 or 1 at night for Dublin; it does not go on to Castlebar.

3344. (*Mr. Dalglish.*) Do the trains that are run suit the general demands and wants of the people of the district?—There are general complaints made in that district about the trains.

3345. Are complaints made that the trains are not suited to the wants of the people, either as to passengers or to goods?—Neither to the passengers nor the goods, there being only one train at 11 o'clock in the day, so that people starting from any part of that country must start early in the morning in order to reach Castlebar, which is 16 miles from Ballina.

3346. The train is started at 11 o'clock to allow the people time to come in from distant places in the country?—I suppose that that is the reason as to the passenger train, but the consequence is that not only does the fish lose a market in Dublin, but it arrives at an hour when it is too late to send it on, even if it comes at 11 o'clock, by the Dublin packet boats to England, for they start before the fish arrives, and the fish therefore loses the Liverpool market.

3347. You say that the fish traffic is a very small affair?—It is at present a small affair, but I think it might be much increased.

3348. Do you think it would be right or reasonable for the railway company to alter all their arrangements just to suit the traffic of the country beyond Castlebar, and for the sake of the fish traffic?—I do not think that the arrangements of the railway company there have given satisfaction to any party in the country; there is a general complaint of want of accommodation, not only for passengers but also with regard to goods, from that district of the country.

3349. (*Lord Stanley.*) Is not this very much a question of judgment, and is it not the fact that a poor country with a very small amount of traffic cannot afford to run trains so frequently or so cheaply as would be run in a country that was otherwise circumstanced?—Yes, I think that follows as a matter of course.

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3350. Have you considered how far that which you complain of, namely, an insufficiency of the railway accommodation, is due to that cause, and how far that cause could be removed ?—I think it can hardly be so. I think the deficiency can hardly be due to that cause. At night the mail train starts from Castlereagh, and you have to travel from Castlebar, a distance of 20 or 30 miles, to Castlereagh over a very bad road, and at night, before you can get into the mail train at Castlereagh ; whereas if they started that train from Castlebar, as I think they formerly did, that would, in my opinion, meet all the requirements of that district, not only as to passengers and goods, but as to the general traffic.

3351. (*Mr. Dalglish.*) Do they never run other trains from Castlereagh ?—There is only one train from Castlebar, which starts at 11 o'clock. I think they used to do, but I am not quite sure about that.

3352. (*Sir R. Hill.*) The train from Castlereagh is a mail train ?—Yes.

3353. Then the expense of that train is probably borne by the Post Office ?—The greater part of the expense, I believe, is borne by the Post Office.

3354. Does not that account for there being no night train from Castlebar to Castlereagh, the Post Office not wishing to have it put on ?—I do not know whether the Post Office wishes to have it or not, or whether the Post Office have taken the railway from Castlereagh because they could not get it from Castlebar; but I believe that the whole of that district of country would be better suited and accommodated by the Post Office taking their mails from Castlebar, which is a very important town, rather than from Castlereagh, which is a very poor one.

3355. If the correspondence is small the cost of a mail train could not be borne by the Post Office? —The correspondence from Castlebar and Ballina must be very large. Ballina is a very fine seaport town, and Castlebar is a large fine town.

3356. Are you aware that in Ireland when the Post Office runs night trains for the conveyance of the mails, the Post Office frequently pays very much more than the cost of the whole train ?—I did not know that ; but from Galway the mail trains have their trucks for the carriage of fish. There are only two trains altogether from Castlebar.

3357. (*Chairman.*) Have you any suggestion to make as to the remedies which you think ought to be applied with respect to the deficiencies on the Irish railways, both as to the passenger and goods traffic ? —As to the passenger traffic we labour, no doubt, under a great many difficulties in the way of getting from place to place in consequence of the trains not running in connexion with one another ; for example, if you want to come from the west to the south you have a delay at Athlone probably of one or two hours ; you also have a delay at Portarlington of one or two hours before you can catch the train on the Great Southern and Western Line. Then if you want to go to Belfast you must remain for four hours at Portadown before you can get a train to go on. And in the same way, if you want to come from Limerick to Dublin you are obliged to stop at the Limerick Station, which is a very bad station, for two hours or two hours and a half before you can get on to Dublin ; and there is no accommodation whatever at the Limerick Junction, that is in consequence of the Waterford and Limerick Railway and the Great Southern and Western Railway not running in connexion with each other.

3358. Can you make any suggestion to the Commission as to how these inconveniences can remedied ? —No, I can hardly do so, except that I think the public are suffering by not being able to carry one through continuous route from place to place in consequence of all these opposing interests on the part of the Waterford and Limerick Company, the Great Southern and Western Company, and the Northern Lines, for they are all running, as it were, almost antagonistically to one another, and not suiting each other in any way. If these opposing interests were united in some way it is clear that the public would be very much benefited by it, not alone with regard to facilities being afforded, but probably the necessary expenditure would be very much reduced.

3359. (*Mr. Ayrton.*) In your opinion is the third-class accommodation sufficient in Ireland ?—No, it is very bad in Ireland. A third-class passenger, for instance, on the Great Southern and Western Line cannot go to Limerick in a third-class carriage, he must stop at the junction and must book second-class. Then again, a third-class passenger, if he wants to come to Dublin to attend the market, must start early in the morning, although he cannot get back at night, and he does not come up in time for his market in Dublin, but he must remain there till the next day, and then he can get no train back the next day, he must remain there until the third morning, so that in point of fact he pays more than a first-class passenger in consequence of the delays which take place. The number of the third-class passengers is most enormous compared with the first-class ; they are four times as many as the first-class passengers in Ireland.

3360. Notwithstanding this want of facilities of which you complain ?—Yes, they must travel, but the poorer classes of the people do not seem to understand the value of money or time in that way. They have to attend these markets, and they entirely forget that it would be cheaper for them to travel by a first-class train and get a return ticket, and by that means get back again, as it is from the delays they expend more than the first class-passengers.

3361. Do you think that if greater facilities were afforded by the railway companies a larger number of third-class passengers would travel, or that those who travel would travel more than they go now ?— I do not know that a greater number would travel, but I think that it is a very great hardship on the third-class passengers to be obliged to pay more than the first-class passengers.

3362. (*Mr. Hamilton.*) Would not their time be saved if they travelled first class ?—Yes ; but it is a misfortune just now that the poor man does not feel or understand the value of his time ; he forgets that from having lost two days in Dublin, although he has travelled so much cheaper, he has not gained anything. I have observed in some statistics that there were over six millions and a half of third-class passengers who travelled in 1863, while only a million and a half were first-class passengers ; the passenger rates are very disproportionate.

The witness withdrew.

Mr. W. Malcomson.

Mr. William Malcomson examined.

3363. (*Chairman.*) Are you the chairman of several Irish railways ?—I am.

3364. Will you be good enough to mention their names ?—I am chairman of the Waterford and Limerick Railway, of the Limerick and Ennis Railway, of the Limerick and Foynes Railway, of the Limerick, Castleconnell and Killaloe, and of the extension from Kilkenny which is now being made to Maryborough ; it is opened as far as Ballyragget, as shown on the map.

3365. You are a director, I believe, of other railways ?—Yes, I am a director in four other railways which are making or are made.

3366. Are they in the same district ?—I am a director of the Waterford and Kilkenny, and of a line which is now being made from Rathkeale to Newcastle, and also another from Clara to join the Shannon near Banagher.

3367. Has your attention been called for many years to Irish railways ?—Yes ; within the last five years more particularly, since I became chairman of the Waterford and Limerick Railway.

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3368. Are you of opinion that the present state of the Irish railways is satisfactory either to the shareholders or to the public?—Not generally so to the shareholders, but the public I conceive are generally fully convenienced by our railways.

3369. Have you any suggestions to make to the Commission as to any additional conveniences which the public could derive from the railways in Ireland, or by which the railways could be made more profitable to the shareholders?—I am of opinion that a large amount of relief could be conceded to the railway interests of Ireland by obtaining from Government advances like those which they are at present offering to navigation in the different parts of the country. For instance, at the present time I am a member of the Harbour Board at Waterford, who are obtaining from the Government an advance of money for the purpose of deepening a ford which interferes with the navigation between the city of Waterford and the sea; we are obtaining a loan for that purpose, which is to be repaid within, I think, 40 years.

3370. (*Mr. Ayrton.*) At what rate of interest is the money to be obtained?—I think the interest is to be 4¼ per cent., 1 per cent. being to recoup the principal.

3371. (*Sir R. Hill.*) What is the amount of the loan?—25,000*l.*

3372. (*Mr. Glyn.*) Is the rate of interest to be 5¼ per cent.?—3¼ per cent.

3373. (*Lord Stanley.*) You propose that assistance should be given to the railway companies in Ireland by the Government?—Yes, to those railway companies who could show, as the Harbour Commissioners of Waterford did to the Government officials, that they had an income beyond the working expenses of their line that would be a sufficient guarantee for the repayment of the interest and the advance made.

3374. You propose that such loans should be granted on the terms you have named, viz., 3¼ per cent., exclusive of sinking fund?—Yes.

3375. If you were to go into the market to borrow the money, would you borrow it at 4¼ per cent.?—We are obliged to pay 5 per cent. and in some instances 6 per cent. where the income of the company is not so much in excess of the working expenses as to afford to the public a guarantee that their loans are perfectly safe.

3376. That is to say, in many cases these companies cannot give perfectly good security, and they are compelled to borrow money on higher terms?—Yes.

3377. Your proposal is that the Government should take a bad security, and should enable you to borrow money at the low rate of interest which usually accompanies the highest class of security?—I propose it where the Government can be satisfied that there is a fund beyond the working expenses of a line, an income that will recoup the interest and the money which the Government should advance. We have a large amount of securities which are called railway debentures, and of those originally the Government, in order to facilitate the making of railways, advanced a third, so that if a railway company obtained powers under their Act to borrow 90,000*l.* by issuing debentures, the Government advanced, say, 30,000*l.*; that was in the early stages of railways.

3378. (*Mr. Hamilton.*) Has that money been repaid?—Almost all of our railway companies are in the course of repaying it, those who have had it.

3379. They are repaying the advance made by the Government?—Yes.

3380. (*Lord Stanley.*) What you suggest is, that the Government should lend the railway companies money at a rate of interest at least 1 per cent. less, and perhaps 2 per cent. less, than you can get the money for anywhere else?—Yes; these debentures are issued for some three, five, or seven years, and they are coming in for re-issue now, and what I would suggest is, that the railway companies, having satisfied the Government that they have a solvent income wherewith to repay them, should have a facility afforded to them of exchanging those debentures for—in fact, obtaining the money from the Government as they come in.

3381. Do you propose that the Government should lend to you upon the terms on which you could obtain money in the market, or do you propose that the Government should lend to you on much lower terms, making you, in fact, a present of the difference between the two rates of interest?—The Government appear to be willing to facilitate or improve one class of communication, that is, the water communication, by making advances for improvements. There is no question but that Ireland has been advantaged by railways, and may be further advantaged, and by obtaining money in this way it would cheapen the working of the railways, and obtain, for railways perhaps that are to be made, advances from capitalists, on the prospective probability or possibility that when the lines were working that capital could then be exchanged for Government advances.

3382. Will you explain the reason why if this course of proceeding is peculiarly appropriate to Ireland, it does not also apply to the case of any English company?—We have but a limited number of parties in Ireland who have money to invest in railway debentures, and from other sources they have opportunities for getting interest, say, by making advances on land, which there is not the same opportunity of doing in England. Five per cent. can frequently be had for advances on land, and the Irish investing public are very fond of a mortgage on land when they can get it through their solicitor or others; and we have to compete with that class of security in the market, and we must in order to obtain the money often give higher rates of interest.

3383. (*Mr. Ayrton.*) Do you propose that the difference in the amount of the interest shall be a boon or a bonus for the benefit of the railway shareholders, that it should go into their pockets?—It will cheapen the working expenses by so much.

3384. Do you contemplate that benefit being obtained for the advantage of the railway proprietors or for the public?—I think I have shown how it would facilitate and increase the making of railways in Ireland, instead of having to come, as they do generally, to the English market for the money requisite to make a railway.

3385. If you obtain a loan of money at a lower rate of interest there would be so much more for dividends, would there not?—Yes, because as we cheapen the working expenses we can work so much the cheaper.

3386. Do you contemplate any addition to the dividend of the shareholder consequent upon his gain of interest?—The shareholders would benefit and the public too, because as we could work cheaper we should haul cheaper.

3387. Do you contemplate any increase of dividend from the reduction of interest?—Some benefit must result to the shareholders.

3388. Is that the principle upon which you contemplate any reduction of interest?—I think the great object is an increased extension of railways, because—I will take any of the main lines of railway, such as the Waterford and Limerick, or the Great Southern and Western,—as small lines are made into other districts they bring increased traffic on to those lines, but those small lines will not be made unless the capital can be obtained from capitalists.

3389. Do you conceive that the main object of this saving of money by the railway companies is to make lines of railway profitable that would not be profitable without it?—That is one object, and another object is to cheapen the working expenses connected with the system of working railways in Ireland, which we all believe will be a general benefit to the country.

3390. If you propose a reduction of rates which would give the benefit of this interest to the public,

will you state what arrangements you propose that Parliament should make to ensure that reduction of rates in the conduct of your business, and to ensure to the public the benefit to arise from a reduction of interest?—I am not prepared to lay down any plan for that purpose.

3391. What guarantee should we have that the bonus which would be given to the railway companies would be applied for the benefit of the public rather than for the benefit of the shareholders?—I could not suggest any form of guarantee.

3392. Or any arrangement by which we could secure that object as the legal consequence of the benefit that would be conferred?—No.

3393. (*Sir R. Hill.*) The railway companies have maximum fares prescribed?—They have.

3394. Do you think that the companies would consent to reduce the maximum charge if the Government should make the advances which you recommend?—If the advance was made consequent upon such a consideration, I am sure the railway directors would see their interest in doing it, merely to carry out the view which so many entertain, that as you reduce the rates you rather increase the traffic, that is, that there is a per-centage of increase as the rates are reduced.

3395. (*Mr. Glyn.*) Do you think that would be to any considerable extent?—No; I believe that Ireland is peculiarly circumstanced as to a reduction of rates; we have not the population, and we are not inclined to travel so much.

3396. (*Mr. Horsfall.*) Are all the railways with which you are connected dividend-paying lines?—No, some of them pay no dividend.

3397. What rate of dividend do the different lines with which you are connected pay?—There is only one, the Waterford and Limerick, and the dividend has varied from 1 to 2 per cent.; the last dividend was but 1 per cent.

3398. What are the rates upon that line as compared with the rates in England, say on the London and North-western line?—We follow the Parliamentary rates very much in our charges, 1*d.* a mile for third-class, 2*d.* for second-class, and 3*d.* for first-class passengers.

3399. You stated just now that you thought the public were fully convenienced by the railways?—Yes.

3400. Is that the opinion of the public themselves?—The public are very difficult to satisfy in the matter of railway accommodation.

3401. Have you had some complaints made?—Yes; but I do not think they have been made with much reason.

3402. Have complaints been made as to the number of trains run or the fares, or both?—More as to the facility of going to one point and returning from it in a day. There is a very general idea that for long distances many persons would like to go and return in a day, but we do not find, particularly with our third-class passengers, that it suits either their convenience or their wants to be able to return in one day.

3403. You do not afford them an opportunity of doing so, do you?—Except upon very short lines; we give them a full opportunity of doing so on short lines, such as we call local traffic. We convenience them on those lines, and on certain days in the week we issue what are called market tickets, which we believe convenience the third-class passenger traffic in the districts which our system serves.

3404. (*Mr. Glyn.*) Do you run those trains at reduced fares?—Yes.

3405. One half?—A little over what would be a single fare for third-class passengers—perhaps a third.

3406. (*Mr. Horsfall.*) Do you find that that pays you?—Yes.

3407. Has not that induced you to make a general reduction of your fares?—We have tried reductions of fares continuously for a week, and we have not found any advantage result from them.

3408. What per-centage of reduction did you make?—From Kilkenny to Waterford we issued third-class tickets, which we thought were likely to be remunerative, but we abandoned that plan and ran third-class carriages with all our trains.

3409. What was the per-centage of the reduction that you made?—I cannot say just at the moment; it is perhaps four years ago since we tried it, and I cannot speak exactly to it.

3410. (*Sir R. Hill.*) Was the experiment tried for any length of time?—I think from one to two years.

3411. (*Capt. Galton.*) Did you issue return tickets to third-class passengers?—We ran third-class carriages both ways.

3412. You did not give them return tickets, but they paid the full fare each way?—Yes.

3413. Have you ever tried return tickets for third-class passengers except by the market trains?—We tried them for less than a year between the town of Carrick-on-Suir and Waterford, a distance of 15 miles, and we found that our receipts were but 1*s.* a train mile, and we require at least 2*s.* a train mile to pay for running a train, exclusive of profit.

3414. Did you do that by attaching third-class carriages?—We ran a special train every morning.

3415. Between what stations did you run the market trains?—We took passengers from Grange, about 10 miles from Waterford, and we charged 1*s.* for a return ticket there and back.

3416. Do you run market trains to Limerick?—Yes, between Tipperary and Limerick, and the short stations have market tickets twice a week.

3417. From those stations to Limerick and back?—Yes.

3418. Do you find that those market trains succeed well?—They do. We do not reckon that they have largely benefited our income, and I may state, for the information of the Commission—it is peculiar in the Irish at least—that we cannot get the Irish farmers to use largely trains going distances shorter than from eight to 10 miles from town; whether it is that they bring their own horses and carts I do not know; they do not come in by the railway. I speak of this as having come under my own observation. There is a train run for a distance of about nine miles from Waterford to Grange, and the market ticket there and back is 1*s.* I have watched the income for two years, and I have obtained a return showing the receipts comparatively in the different weeks of each year, and I have not found that the reduction in the rate charged has sensibly increased our receipts.

3419. (*Sir R. Hill.*) Had it the effect of decreasing the receipts?—I have not the returns by me to enable me to say, but I know that I was greatly disappointed. I was an advocate myself for running local trains at low rates, but where there is a farming district, we cannot get the people to use the railway as we would wish for a short distance.

3420. Do you think the experiment has been carried sufficiently far to enable you to arrive at a certain conclusion upon the point?—It requires a long time to teach an Irishman the advantages of travelling in this way.

3421. I think you have expressed an opinion that upon condition of the Government making advances of money at a low rate of interest, the railway companies would consent to a reduction in the maximum charges?—The Government might make it optional with them before they made the advance if they chose to do so. It is one of the things that a railway company must weigh with its traffic manager, whether the advantage would be equal to the risk.

3422. Do you think that the railway companies would make any considerable reduction?—I have never looked at it in that light, and therefore I can scarcely give an opinion upon it.

3423. (*Mr. Glyn.*) Have any of the railway companies with which you are connected already been

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borrowers from the Exchequer Loan Commissioners? —All of them.

3424. Has the interest been regularly paid upon those loans?—Yes.

3425. And the sinking fund also?—Yes.

3426. It has always been paid regularly?—Yes. The money was generally lent for 20 years, to be paid off at so much a year; and only quite lately the Government has assented to the system which I proposed, that the repayment should not be so rapid. That has been conceded, with regard to some of our lines.

3427. What is the rate of interest now?—6½ per cent., payable in 22 years.

3428. What was the original rate at which you borrowed it?—4 per cent.

3429. With a sinking fund of 1 per cent.?—The repaying was to take place in so many years; the money was to be paid in 16 or 20 years.

3430. (*Sir R. Hill.*) Have those instalments always been punctually paid?—The Loan Fund Commissioners have never had to proceed against any one, and I think that that is all we can say; perhaps we have been a little slow, and the Commissioners will understand the difficulty there has been in re-borrowing this money. If a railway company does not stand well with the moneyed public, and we have to repay 20,000*l.* in so many years, we have to re-issue what we have been paying the Government 4 per cent. upon, at 5 or 6 per cent., and there has been no doubt a slowness in the re-issuing, but all the payments have been made.

3431. (*Mr. Glyn.*) I suppose in the case of some of the small railways you cannot borrow the money again in the market?—We have had great difficulty in doing so.

3432. Have you done it, or have the Directors been obliged to make themselves personally liable?—The Directors have been obliged to make themselves personally liable.

3433. The money was not borrowed upon the security of the railway alone?—The repaid capital has been mostly borrowed, and there have been cases in which the Directors have been obliged to give collateral security.

3434. In the case of the Ennis and Limerick Company did the Directors give their personal security?—No.

3435. In the first case did they give their personal security?—No.

3436. (*Capt. Galton.*) In the case of the loans from the Exchequer Loan Commissioners for the improvement of the Harbour of Waterford was the money lent to a company or to a trust?—To a trust.

3437. There was no beneficial interest to the members?—No, but there was a beneficial interest to the locality.

3438. (*Mr. Horsfall.*) Do any of the railway companies with which you are connected run in conjunction with steamboats?—There is a through booking system over the Limerick and Waterford Railway with reference to England.

3439. You are connected with steamboats, are you not?—Yes.

3440. It would be to your interest to have a reduction in the fares charged upon railways, would it not?—Yes.

3441. (*Sir R. Hill.*) I think you stated that there are several new lines of railway in which you are concerned now in progress?—Yes.

3442. May I ask you what is the motive for constructing new lines when the old ones seem to be so unremunerative?—It is found that the prices of agricultural produce where railways are introduced improve in proportion, and that makes it advantageous to the owners of property in the locality to encourage the making of railways. In some districts the landed proprietors give us the land and take shares for the value of it, and in other ways they encourage the making of railways, and by these means I believe that the price of agricultural produce does increase by a considerable per-centage.

3443. Taking into account the advantages derived by the landowner and by the farmer from the improved prices of his produce, even these unremunerative lines may upon the whole be advantageous to the shareholders?—They are certainly advantageous to the locality.

3444. Taking all parties concerned into account?—Yes. Taking the community at large into account they are no doubt advantageous, and it is upon the broad principle of benefiting the general interests of the country that I would press the claim of the Irish interests for advances in the shape which I have mentioned. Take the county of Kerry, for instance, in which there is very little railway communication; there has been an indication on the part of the grand jury of that county that they will guarantee a certain amount of interest if railways are made through the county, and we have found the same in other districts where we have been anxious, that is, the Limerick and Waterford Company have been anxious, that their system should be extended with the view of increasing the traffic over that line, but up to this time those lines of railway are not yet in progress nor being made. But the landed gentry are now finding out that the price of cattle and what the farmer produces increases from 5 per cent. to perhaps a larger per-centage by the facilities which railways afford.

3445. Those advantages to the landowners and others would be, I presume, still further increased if the charges upon the railways were reduced?—Clearly.

3446. But that reduction you believe would lead to loss, so far as the proprietors of the railways are concerned?—Yes. I believe that the railways carry the greater proportion of the produce of the country at the present time.

3447. Are there any means, in your opinion, by which the railway proprietors could be compensated by the landowners and others who would be benefited for any reduction which they might make in the fares?—I believe that it would be quite legitimate to associate the land at certain distances from the line with the taxation that might be required. In some districts I believe that the landed gentry would be willing to bear a part.

3448. You are probably aware that several gentlemen from Ireland have recommended to this Commission that the Government should purchase the railways, and then make a large reduction in the charges for conveyance?—Yes; I am aware of that.

3449. Do you think that if the Government were to become purchasers of the railways the landowners in Ireland and others who would be benefited by a large reduction in the charges would be willing to share with the Government the loss?—I should hope they would.

3450. Do you think they would?—I think that all parties in Ireland derive a benefit from railway communications in the country, and from the facility with which their produce in the shape of fresh meat reaches the English markets; that has no doubt largely benefited them, and in that way I think they would derive more benefit than would be equivalent to the additional cost which might be created. The income might have to be supplemented by a charge.

3451. If they took an enlightened view of their own interests, you are of opinion that they probably would be willing to contribute something?—I think that they are becoming increasingly sensible of the advantage of railways, and that they would be willing to be taxed; but to what extent I do not know.

3452. In order to meet the loss that a large reduction of fares would involve?—Yes; the country has been and would be benefited far beyond any calculation that I could make.

3453. (*Mr. Ayrton.*) Mr. Ryan in his evidence, speaking of a practice which he says has grown up of agents going into the agricultural districts to buy up the produce instead of the producers coming to mar-

ket with it themselves, has stated in answer to question 2714 "would the produce of those persons who "now sell them to hucksters be sufficient to make it "worth their while to go to market and try to sell it "if the fares were lower than they are?—Yes; I "think so. On the Tipperary line and about the "Tipperary district, which is in the hands and management of the Limerick and Waterford Company, they encourage as much traffic as they can "between Tipperary and the towns near Tipperary "and Waterford. Persons going with their firkin, "or perhaps two casks of butter, they give them a "free pass to accompany it there, and the result is "that a good deal of butter goes in that direction "and at moderate charges. In that case they charge "for the firkin of butter and not for the passenger? "—Yes. Do you think that that creates much "traffic?—It prevents this, that when these hucksters come to these people to buy, they will not "deal with them; they go to the market themselves "with their butter. In Limerick we complain of "the absence of that accommodation; but probably "it is not a question that should be considered when "dealing with the question of the general management of the country. From those very points, "Tipperary and nearer to Limerick than Tipperary, "the charge upon butter is more than twice the "price it is to Waterford, for the passenger has to "pay his passage as well, so that the company "that manages the other line gives a greater inducement to a person to send his butter in the "direction of Waterford, and imposes a penalty "upon the person sending it to Limerick. What is "the object of that?—The fact is that the chairman of the company is also the proprietor of the "steamships going out of Waterford; and, of course, "by getting the trade to Waterford the vessels "earn freights which they would not earn if the "trade came, and probably to a better market in "Limerick. You think that in order to drive the "traffic into Waterford he actually allows the passengers to travel for nothing if they bring their "firkins of butter with them?—Yes; he allows them "to travel for nothing to Tipperary, which is nearer "to Limerick than to Waterford?"—Yes; but Mr. Ryan's information is not exactly correct on that subject. Soon after I joined the railways I arranged over the whole system that a farmer with a firkin of butter should be charged 1*d.* for the firkin, and 1*s.* for his ticket. That was universal over the system, that he might take it either way, taking either Clonmel or Tipperary. Either way he paid 1*s.*, and each firkin was charged 1*d.*, and that was done in order to induce the farmer himself to go and sell his butter, and not to have to deal with an intermediate party like a huckster. I was disappointed in the results as to the number of persons who availed themselves of it; but Limerick has not been prejudiced as to that. Other lines of railway with which I am connected, and that are worked by the Waterford and Limerick Company, are worked under joint committees; but the directors on some of those lines were not agreeable to such a system, and it was not followed on the Ennis and Limerick, nor I think on the Limerick and Foynes. On the main line from Limerick to Waterford a farmer could go where he liked.

3454. The same rule prevails over the whole of the line from Limerick to Waterford?—Yes.

3455. The farmer may go either way at precisely the same charges?—Yes.

3456. On the lines in which you are a co-director you proposed to establish the same system, and your colleagues declined to adopt it?—Yes.

3457. It is stated also in the same evidence that there are different rates of mileage, whether you go to Waterford, or whether you go to Limerick, as to goods, are you aware of that difference?—There is very little local traffic between Limerick and Waterford. The great bulk of the Limerick goods traffic for England goes under what is called the through-rate system, either by Waterford or by Dublin.

3458. I think it is stated that the rates are nearly the same, but not quite the same, from Tipperary to Waterford as from Tipperary to Limerick?—There has been some advantage lately in favour of Tipperary as between Tipperary and Waterford, but not very large; the difference is principally caused by terminal expenses. Take, for example, the line from Limerick to Tipperary, there is a terminal expense of 1*s.* 6*d.*, we then put the mileage on afterwards. The same terminal expenses exist only at Waterford, and from that to Tipperary. You cannot expect that the rates will be co-equal with the mileage.

3459. We understand that you calculate your rates upon a uniform mileage; but the difference is caused by the terminal rate being the same for the longer as for the shorter distance?—Not always. Tipperary is competed with by several water routes to Waterford; and to Dublin there is also a certain amount of competition. The butter merchant will send his goods by the route which will enable the butter to reach England in the cheapest way, and with a certain amount of expedition.

3460. Are we to understand that from Tipperary you keep the rates somewhat lower in order that you may enter into competition, either with the direct route to Dublin, or the route to Cork for England?—The rate is a uniform rate from Tipperary to Liverpool, either by Waterford or by Dublin, and the shipper has his option.

3461. Do you exercise great influence over the board of that railway?—As chairman.

3462. Does it rest with you to propose changes in the rates to the board?—They are left very much in the hands of our traffic manager.

3463. Can you explain to the Commission how the impression has got abroad that you influence the rates in favour of Waterford?—No, I cannot.

3464. (*Mr. Hamilton.*) Have you any through booking rates with this country?—Yes.

3465. With what railway?—With the London and North-western Railway.

3466. Where does the London and North-western come into contact with you, is it at Waterford?—I alluded just now to the Tipperary traffic, and the price of a firkin of butter from Tipperary to Limerick, either by Dublin or by Waterford, and on to Manchester.

3467. By Waterford have you through rates?—With the South Wales Railway there is some through booking, but more for the convenience of the public paying the rate than for any reduction of the rate.

3468. Do you issue through tickets, if they are applied for?—Yes.

3469. To Milford?—Yes, or to London *viâ* Milford.

3470. (*Mr. Glyn.*) Is there much cattle traffic on the Waterford and Limerick Line?—At particular times it has been our best source of income.

3471. Has it been increasing of late years?—In the last year and a half it has been decreasing, owing to the scarcity of cattle in the country.

3472. Do you think that the present rate of charge affects very much the transmission of cattle over the the railways?—I do not.

3473. (*Sir R. Hill.*) Do you recollect what the rate is upon your line?—No, it is so much a truck.

3474. (*Mr. Glyn.*) Do you consider that the advantages of sending cattle by railway are so great that if the rate was high that mode would be preferred?—We carry nearly all the cattle in the country.

3475. (*Mr. Hamilton.*) Are there any slaughter houses at Waterford, where the cattle intended for the London market may be killed?—Yes, for pigs.

3476. And for oxen?—No, but we have been for the last two years bringing dead meat, mutton, which is killed in Limerick and Tipperary, and young pigs also from the same places, which we take through to Milford for London.

3477. Are you interested in the cattle trade?—Not at all.

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3478. Have you heard complaints made that animals that are brought to London are damaged by being very much bruised?—No, I have not.

3479. Is there at the present time any great traffic in dead meat?—No, not like what the Scotch have from Aberdeen.

3480. Is there any reason why there should not be if you had proper slaughter houses?—I have asked some of our butchers to try it, but they seem to think that they cannot.

3481. Did you never hear of Irish cattle arriving in London so much bruised that they are worth less by so much per pound?—Yes. I have heard that they suffer considerably from the journey. We have not large quantities of fat cattle that go from Waterford to the London market. They are principally store cattle, which come through Waterford and go to be fattened in England.

3482. Are the steamboats suited for the carriage of the cattle?—They are built for them, and they are good boats.

3483. (*Mr. Horsfall.*) The cattle I suppose must be injured more or less by the passage, whether it be rough or smooth?—We find that the cattle men say they prefer the steamer to the railway in some cases. For instance, for the districts about Bristol the short route would be from Waterford to Milford, and from Milford by railway to Bristol, but the cattle men say that the cattle are less knocked about when they are taken direct from Waterford to Bristol.

3484. Then the damage must be incurred at the landing places, for certainly an animal is better stowed in a railway truck than on board ship?—On the contrary, the cattle are generally tied by their heads on board ship, and that is a great support to them.

3485. (*Mr. Gower.*) I understand you to say that you had changed your opinion as to the effect of a reduction in the rates. Was that in consequence of any experiments which you have made?—Perhaps they were not tried long enough, but the result of the experiments that we tried was not favourable. The population is so sparse, and their objects for travelling backwards and forwards are not the same as in other localities. A small farmer does not often want to visit the town.

3486. In what year were these experiments made?—The experiments that were made between Kilkenny and Waterford were made four years since.

3487. Was it during the time of the depression that existed?—Perhaps it was more in that time.

3488. Do you think that the failure was attributable to that state of depression?—I think it was more attributable to the habits of the population—that they did not want to travel as I see them travel in other countries. I cannot account for it, but I have seen the people travelling in Germany and I have been surprised at the numbers. I have seen them travelling in the low-priced carriages, but we do not find that the Irish people travel in the same way.

3489. An experiment tried at a period of depression would hardly be a fair trial?—No.

3490. (*Chairman.*) Can you state over how long a period the experiment was tried?—Only two years.

3491. (*Mr. Gower.*) Do you know what extension of railways has been applied for in the present session of Parliament?—I can give some very general information as to that. A line has been applied for from Thurles to Clonmel and from Clonmel to the coast—to Dungarvan.

3492. What is the distance?—Between 50 and 60 miles altogether. Another line has been asked for near Waterford running through the county, an agricultural line, which the gentlemen in the country are interested in, or should be interested in getting forwarded, which is under 30 miles in length. I do not know what the exact length is.

3493. Are the extensions applied for in this session of Parliament as large as have been on the average applied for in any other session?—Yes, and larger than they have been for several years, and they are intended more to convenience the agricultural localities than what we should call the trading localities.

3494. (*Mr. Horsfall.*) What has been the inducement to apply for these additional lines, seeing that very few of those already in existence pay?—The object is to improve the value of agricultural produce.

3495. Are these new lines promoted by agriculturalists, or by the people generally?—They are promoted more by the landed gentry than they ever were before.

3496. (*Mr. Glyn.*) Do they find the capital?—Yes, to a certain extent. It is finding the capital by giving land and taking shares for it, it is really, in effect, taking so many shares.

3497. Are these lines of railway generally constructed by contractors in the first instance, do they take the risk?—Contractors have generally been the means by which the lines have been made, and these contractors have borrowed the money in England. The railway, of which I am chairman, from Kilkenny, intended to meet the Great Southern and Western, is being made by a contractor, and that contractor has to borrow his money in London, and it would facilitate such money being borrowed if there was a prospect, when the line was made, of traffic sufficient to warrant the Government in advancing money on its debentures.

3498. What does the contractor take as his security in the first instance?—There are two descriptions of bonds. There are what are called railway debentures and what are called Lloyd's bonds, and those are generally what he gets. The subscriptions are expected to be from 1,000*l.* to 1,500*l.* a mile, perhaps 2,000*l.* a mile, and if the contractor can succeed in getting so much subscribed he gets a large profit in the business.

3499. I suppose the subscriptions are given very much in the shape of land?—Yes, by those interested in the railway.

3500. Do the directors and some of the landowners sometimes give their personal security?—Never.

3501. Have they got much into the habit of issuing Lloyd's bonds in the Irish companies?—In some of them. Where they have the power they use it.

3502. Have they power to do so?—Yes. They have power to issue them under their Act.

3503. (*Capt. Galton.*) Have they borrowed much beyond the loans which they are authorized to borrow under their Acts?—Not beyond the powers of the Act under which the railway has been made, and which has allowed them to issue bonds to a certain amount.

3504. (*Chairman.*) Is the issue of Lloyd's bonds authorized by Act of Parliament?—They have been.

3505. (*Mr. Glyn.*) Is there power to do so under the original Act?—Under the Local Act, which enables the company to borrow money, there is a certain amount of power which the company has. These are ordinary bonds.

3506. Do you recollect any Act in which the issue of Lloyd's bonds is authorized?—I am not sufficiently conversant with the matter to say, but I have been connected with companies where we have issued them.

3507. (*Mr. Ayrton.*) A witness who has been examined has given this evidence. He was asked as to the rate charged for coal carried on the railway, and he says, in answer to Question 2532, "I will give "you the rate of charge first to Tipperary. The "rate to Tipperary is 4*s.* 9*d.* per ton from Water-"ford. I believe the distance is 55 miles. Then "from Limerick to Tipperary I find they charge "3*s.* 3*d.* a ton, and the distance is 22½ miles, and "that is a very great disadvantage as to Limerick in "sending coals into the interior?"—The distance

between Tipperary and Cork and Tipperary and Waterford are about the same, and the rate between one point and the other I think rules the coal rate. The coal rates are not always at the same point as common goods rates; they are lower in order that we may secure the traffic wherever we can get it.

3508. What is the reason why so great a preference is given to Waterford over Limerick in carrying coals into the interior ?—It is the longer mileage.

3509. Is there not a difference in favour of the port of Waterford independently of that longer mileage ?—There would appear to be a little in that way ; but it is more to secure the traffic than to give any advantage to Waterford over Limerick.

3510. Do you give through rates upon any part of the line between Waterford and Limerick from England ?—From Limerick and Tipperary we make through rates.

3511. Do you make any through rates by Limerick ?—Do you mean by long sea ?

3512. Yes ?—We do not.

3513. Is the effect of these through rates from Waterford to give a great preference to Waterford over Limerick as a place of import ?—I do not think it.

3514. How is the traffic divided as to the through rates between the shipowner and the railway company, on what principle is that done ?—It was at one time on the principle of a mileage, but latterly it has not been so ; the railway has a much larger proportion than the steamer.

3515. Does the railway get the same mileage rate for the through traffic as for the local traffic from Waterford into the interior ?—The point of competition is between Tipperary and England. The railway from Dublin to Tipperary and from Tipperary and Waterford are the different ends, still the rate is the same from Tipperary to England by whatever route the dealer chooses to send.

3516. What is the principle upon which you divide the income arising from the through transit ?—The principle was at one time a mileage, a comparative mileage, but that is abandoned now, and a larger proportion is given of the mileage rate to the railway now, and the water does not get the same advantage that it did.

3517. Do you get for the railway the same mileage rate as you would if the goods started from Waterford, and were not carried through ?—No.

3518. You made a reduction in favour of the through transit ?—Yes.

3519. With regard to the steam boat, does the steam boat get the same charge for the through transit as it does for conveying goods to Waterford which are not carried beyond Waterford ?—It does not ; there is a reduction there also.

3520. Is the reduction made upon any principle of a per-centage, and in both cases is it an equal per-centage, or is it settled by mere arrangement between the two companies ?—It is a matter of arrangement.

3521. Between the railway company and the steam boat company ?—Yes.

3522. Is that the company in which you are interested ?—Yes.

3523. Is that a public company like a railway company ?—There is a smaller number of shareholders.

3524. (*Mr. Glyn.*) What are the terminals at Waterford ?—We have a fixed terminal at Waterford as much as at Limerick, and it is generally about 1*s.* 6*d.* at Waterford. There is the transit between the railway and the steamer, and that makes it rather difficult to say what it is exactly.

3525. (*Chairman.*) Have remonstrances been made to your board from Limerick, and complaints that Waterford has advantages given to it by the railway company over Limerick ?—There may have been, but I cannot remember that there has been any point made of anything that could be complained of.

3526. Has it not been considered as a great grievance by the people of Limerick that Waterford has advantages given to it ?—Not at all.

3527. (*Mr. Hamilton.*) You say that a grievance has not been proved, but a complaint has been made ?—I cannot remember any complaint coming before our board on the subject for a considerable time.

3528. (*Capt. Galton.*) There were other complaints made by some of the witnesses as to the third-class traffic, and it appeared that the railways which are colored green on the map are all worked together ?—Yes, they are worked by the Waterford and Limerick Company.

3529. It was stated that a third-class passenger leaving Ennis in the morning could not get to Dublin in the same day, and that it would take him four days to get from Ennis to Dublin and back again ; that he must leave Ennis in the afternoon to get to Limerick, where he would have to spend the night, and then proceed from Limerick to Dublin by train at seven in the morning ; and then that there was no return train that day until very late from Dublin, or that there was a train that would take him to Limerick, but he could not get on to Ennis ?—That is the case.

3530. Is not that a great inconvenience with regard to the traffic ?—I do not imagine that any hardship arises from it, because those trains which meet at Limerick are for the local traffic very much, and the connexion between Ennis and Dublin for third-class passengers is such, that a traveller very seldom or ever requires to return. In those districts the people generally receive their supplies from wholesale dealers in the locality. Limerick supplies one district, Cork supplies another, and Waterford supplies another, and any person wanting to go from Ennis to Dublin would require to spend 24 hours there in order to transact his business.

3531. Another complaint was made as to the trains from Limerick to Dublin, that by some of the passenger trains they had to wait a long time at the Limerick junction ?—Yes ; and we have remonstrated with the Post Office as to that ; but our representations have not yet been attended to. The mails used all to exchange at the Limerick junction ; but the Cork people pressed for their train being started from Cork an hour and a half or an hour and three-quarters later in the morning, and that deranged the meeting of the trains. The Waterford and Limerick Company have applied to the Post Office for some remuneration, because they run another train at present, which all acknowledge to be a convenience to the local traffic, and therefore anything which the Post Office requires you to do beyond that, we reckon we have some claim for remuneration for.

3532. Do you carry the mails now ?—Yes ; the local trains all exchange except this one which is complained of, and which is caused by the Post Office interference.

3533. (*Chairman.*) The delay at the Limerick junction has been for a very short period has it not ?—Only for two months ; both the day and the night mails met before at the Limerick junction and exchanged the passengers and mails, and carried them without complaint.

3534. (*Capt. Galton.*) But now, in consequence of the later departure of the train from Cork, if you run a train to meet the mail train, you must also run a local train at the present hours ?—Yes, we must run an extra train over all our system, and we have asked the Post Office for some compensation for doing so. We run, I think, four local trains both ways in a day over the whole system.

3535. (*Mr. Hamilton.*) What answer have you received from the Post Office ?—The subject is at the present time before the officials.

3536. (*Chairman.*) Has there been any diminution in the traffic since this delay occurred at the Limerick junction ?—I should hardly think so. I do not think there is any perceptible difference.

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3537. (*Capt. Galton.*) The Waterford and Limerick Railway Company I think had a considerable diminution in their receipts in the year 1863, as compared with previous years ?—Yes.

3538. The number of passengers carried fell down from 650,000 to 606,000 ?—Yes.

3539. Had the fares been raised ?—I cannot now remember the cause of it, but I think there was some amount of local passenger traffic that made up a larger amount from some cause.

3540. (*Chairman.*) Have the fares subsequently been raised ?—The fares were regulated by the local board, the members of which lived very much at the Foynes end of the line, and they kept the rates down rather lower than was usual over the rest of the Limerick and Waterford system ; an advance has been made to equalize the rates over the Limerick and Foynes with what has been charged over the rest of our system rather than any excessive increase.

3541. How much were the fares lowered between Limerick and Foynes formerly compared with what they are now ?—I am not able to speak to that.

3542. Has the result of raising the fares been satisfactory to the railway company, as far as their returns are concerned ?—It has, or we should not have continued it.

3543. Can you make more money by the high fares than the low ones ?—The general traffic of that district has fallen off very little, and there has been great emigration ; but the line has not been so remunerative as it was.

3544. Does the Limerick and Foynes line pay a dividend ?—No ; it does not.

3545. (*Capt. Galton.*) In the year 1861 the total number of passengers on the Waterford and Limerick system was 668,000, and in the year 1863 the number of passengers was 606,000. The total gross receipts from passengers in the year 1861 were 55,000*l.*, and in the year 1863, they were 45,000*l.* ; therefore the receipts from passengers had suffered a diminution of 10,000*l.*?—Yes.

3546. Can you say to what that has been attributable ?—Largely, I think, to the trade of the country, which, about the time to which you allude, fell off very much. The receipts upon our system had been progressive up to that time and until the last year, since when we have been very much at a stand still.

3547. On the Waterford and Kilkenny line I observe that the number of passengers in 1861 was 69,000, and in 1863 the number was 72,000 ; and the receipts have increased from 7,000*l.* to 8,000*l.*, as between those two years ; therefore both passengers and receipts on the Waterford and Kilkenny line have increased, whereas on all the other parts of the system they have decreased. Can you give any explanation of that ?—The Waterford and Kilkenny line was in a very depressed state for some years ; but since the Waterford and Limerick Company got a portion of it we have gradually improved the state of things ; the receipts have gradually increased, both upon goods and passengers, since we had the working of it.

3548. Can you state how the improvement has taken place ?—I do not know, any more than that we have convenienced the public by arranging our trains for them. I have a short return as to the third-class passengers, which perhaps may be interesting to the Commission. The per-centage of third-class passengers which we carry over the Waterford and Limerick line is 30 per cent.; on the Limerick and Foynes line, which has been inquired about, the per-centage is about 60·11 per cent.; on the Limerick and Ennis it is 42·14 per cent. ; on the Limerick and Castleconnel, and Killaloe 54·52 per cent. ; and on the Waterford and Kilkenny line only 27·47 per cent.

3549. (*Mr. Hamilton.*) To what year are you referring ?—1864.

The following paper was handed in :—

WATERFORD AND LIMERICK RAILWAY SYSTEM.

Return showing the total passenger traffic for year 1864, and the proportion thereof under head of third-class passengers.

Passengers, all classes. No.	Name of Company.	3rd Class Passengers, including return. No.	3rd Class Passengers, including return. Amt.	Total passenger traffic.	Per-centage of 3rd Class.
			£	£	Recpts.
219,603	Waterford and Limerick	112,817	7,669	25,587	30·
63,046	Limerick and Foynes -	46,263	2,372	3,946	60·11
48,830	Limerick and Ennis -	29,316	2,203	5,228	42·14
57,915	Limerick and C. Connel and Killaloe.	41,665	910	1,666	54·62
55,604	Waterford and Kilkenny	27,117	2,082	7,579	27·47
Nil.	Kilkenny Junction -	No traffic in 1864.			

3550. (*Capt. Galton.*) It seems to have fallen off in the per-centage very much in 1863 ?—Yes.

3551. In 1863 were you running the return trains which you have spoken of ?—I think we discontinued them at the end of 1863.

3552. Do you think that the reduction in the third-class traffic, which seems to have taken place may be attributed to that in any way ?—It may in some small degree.

3553. I observe that in the year 1863 the number of third-class passengers must have been at least 40 per cent., if not 45 per cent., of the whole number of passengers ?—The Waterford and Kilkenny Railway is a railway which is owned by parties in England, and some of the railway directors were anxious to make the experiment of running third-class carriages with all the trains, and facilitating the exchange of third-class passengers over the line. It was tried for a time, but the monetary results were not favourable, and it was discontinued, for they considered it was not for their interest to run third-class carriages with all their trains.

3554. (*Chairman.*) There was a considerable increase in the number of persons that travelled, as I understand you, but the results were not satisfactory? —No.

3555. (*Mr. Gower.*) Was a majority of your shareholders English or Irish ?—In the Waterford and Limerick line they are Irish, but in the Waterford and Kilkenny the shares are largely held in England.

3556. (*Mr. Hamilton.*) You have stated that you found it difficult to induce the Irish people to travel. It would appear, however, that when you reduced the fares they did avail themselves of the railway very much more ?—I spoke only of short distances, from what we should call omnibus stations.

3557. Is it not really after all a question of price, and not that the people are indisposed to use the railways ?—I think that the population of Ireland are not inclined to travel much. I mean that the agricultural population are not so inclined as town populations to travel, and they will not be tempted to travel by low rates so much as a town population may be.

3558. (*Mr. Glyn.*) Have they in fact any means of travelling ?—They have not.

3559. (*Mr. Hamilton.*) They have not the means, even if they pay low fares ?—I suppose that they have more means to pay the low fares than the higher ones.

3560. Does your board ever receive an offer of traffic, which, upon consideration, they feel themselves justified in declining, because they believe that it will not be profitable ?—I do not recollect much of that, except perhaps occasionally in the timber trade. The owners of woods have once or twice made proposals to us that they would cut down the trees if we would carry the timber at very low rates of charge to a shipping port, but we have scarcely any traffic offered to us.

3561. Have you no mineral traffic ?—Yes ; we have mineral traffic from Birdhill which is on the Castleconnell line, and which we carry to Water-

ford at a favourable rate. We carry all that we can get of that.

3562. (*Sir R. Hill.*) Do Bianconi's cars run in competition with your lines in the same districts?—No, they do not.

3563. Do you know what Bianconi charges per mile?—No; I am not aware of that.

3564. (*Chairman.*) I believe it has been stated that cars run into Limerick from some place 10 or 12 miles from Limerick every day, loaded even beyond what they are licensed to carry, while your trains are running comparatively empty?—There are cars from the neighbourhood of Bruff which come into Limerick.

3565. (*Mr. Glyn.*) Have any propositions been made to your board by the owners of mines to convey a certain given large quantity of coals by your railway at reduced rates?—We carry, I believe, all the minerals that are produced in that district.

3566. Have any parties offered to send an increased quantity to your railway if you would reduce the rate?—We have had proposals made to us to bring coal back to them, I think more than to carry minerals in increased quantities—the object is to get coals for smelting purposes on their premises.

3567. (*Mr. Horsfall.*) Do you bring the coal back at comparatively low rates?—We did not agree with the parties at the time, and the subject was dropped, and it has not been renewed since.

3568. Do your trucks return empty?—No; we carry a large quantity of Indian corn and bread stuffs into the country on the trucks which bring the minerals down.

3569. Do you carry much coal on your railway?—Yes; a considerable quantity. I cannot say that it is an increasing one, but we do convenience the locality in supplying the coal for consumption; but you can scarcely increase the quantity consumed in agricultural districts, for the parties will buy just what quantity of coal they want, and you cannot, by reducing the rate 1*s.* or 2*s.* a ton, increase the quantity of coal consumed, for the farmer will not burn more coal than he just wants. There are no manufactories or scarcely any in the districts that we run through.

3570. (*Mr. Glyn.*) And is there no appearance or probability of manufactories being set up?—There are some small manufactories which are increasing. I am connected with manufactures which are extending, as manufacturers follow the population.

3571. Would not coal carried at a reduced rate be a great convenience to the consumers?—As far as the manufactures with which I am connected are concerned, water communication conveniences us quite as much as the railway, and it cannot be competed with.

3572. (*Chairman.*) Almost all the manufactures in the district are in your hands, are they not?—There are some small ones which I am glad to see increasing, but not to any great extent.

3573. Do you use water power or steam power in your manufactures?—We use both; our water power has gone partly now, for there is scarcely any in the summer, and we are therefore obliged to have recourse to steam power as well as water power.

3574. Which is the most inland town in which you have established any manufactories?—Clonmel.

3575. Is the manufacture flax or cotton?—Flax.

3576. (*Capt. Galton.*) The number of tons of coals carried on the Waterford and Limerick line over the whole system in 1861 was 33,000, whereas in 1863 it was only 21,000 tons; can you in any way account for that decrease?—We competed for some time in supplying Limerick with coal, and possibly it was at that time that we tried to bring the Welsh coal by the railway into Limerick.

3577. Your receipts were 5,000*l.* in 1861, and only 3,000*l.* in 1864?—Yes.

3578. Therefore you appear to have benefited by that traffic?—Yes, to some extent; but then the working expenses must have been larger.

3579. (*Mr. Ayrton.*) We have been informed that if all your rates were reduced 50 per cent. you would have such an increase of traffic that in a few years you could make good any immediate loss consequent upon a reduction; is that your opinion?—If there were minerals or anything else in the country to be carried, I should feel sanguine that a reduction of rates would be beneficial; but I think the railways at the present time do the great bulk of the carrying of the country.

3580. Is it your opinion, taking the country as it is, that there would be no such increase ultimately as would make good any deficiency?—I do not see where it is to come from.

3581. Is it your opinion that any reduction of the rates would produce any such increase of traffic as would make good any deficiency in the income?—If I thought that such would be the case I should advocate it upon our own system.

3582. Is the contrary of that the opinion entertained by your directors?—I think so, and we are a very united board in our working.

3583. Who are the other directors of your company?—Mr. Bianconi is one of them; they are principally gentlemen connected with Waterford and the locality; one or two live up the line. Mr. Fennel lives up the line.

3584. Are those gentlemen well acquainted with the condition of the country and its requirements?—I believe there is no board in Ireland who know it better, or who have studied it more than we have.

3585. (*Mr. Glyn.*) These questions have been considered and discussed at your board from time to time?—Yes; Mr. Bianconi understands the traffic of the country as well as any man, I think, and we work very much in accord with him.

3586. (*Mr. Ayrton.*) Can you say whether you have had any applications made to you for special rates within the last two years; and, if so, in how many instances?—Our special rates will be for the traffic with the other side; with Glasgow perhaps, and the application will be from Limerick I expect, and Glasgow, as to sugar, which is a large article that comes from Glasgow—Glasgow is communicated with by three routes—one by sea, from Limerick to the Clyde, another from the Clyde to Dublin, and by canal or railway to Limerick, and another from the Clyde to Waterford and on to Limerick, and we may have had applications made to us to reduce the rate, but there would be a consequent reduction made for all the routes if we did it.

3587. Have you, except as to sugar, had any applications made to you to make special rates, in order to facilitate and develop traffic in particular articles during the last two years?—I do not remember that we have had any.

3587. (*Chairman.*) You are of opinion that the falling off which would be occasioned by any large reduction of the rates would be not temporary only, but permanent?—I am certain that it would be permanent.

3589. (*Capt. Galton.*) It appears that your cattle and sheep traffic has increased a good deal in the last three years. Does that go to Waterford and then to England?—Yes, and the pig traffic is large; they are slaughtered in the locality.

3590. I observe that the cattle traffic has increased from 31,000 in number to 39,000, and the sheep from 32,000 to 42,000. The pigs have decreased from 246,000 to 228,000?—The cattle traffic was progressively increasing until the last season but one, and I may say that there has been a falling off generally.

3591. This is a return for the last season but one, which shows an increase?—The last season I should have said.

3592. (*Mr. Hamilton.*) Has there been any alteration in the rates charged in the meanwhile for carrying cattle?—No; the rates have been the same. I think there was an advance made in the rates, perhaps two or three years ago—10 per cent.—generally over the system of the Waterford and Limerick and the Great Southern and Western lines, which are the two lines

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that we work, and we generally arrange to work as much in harmony with one another as we can.

3593. (*Capt. Galton.*) It is said that if the cattle were carried for lower rates a much larger proportion would be carried ?—I do not think so.

3594. (*Mr. Hamilton.*) Have the cattle been leaving the country by any other routes since you raised your charges ?—No. I believe that the local rates are sufficiently low to secure the bulk of the trade.

3595. (*Chairman.*) Do you believe that any considerable amount of saving in management could be effected by amalgamating the small lines with those with which you are connected, say, with the Waterford and Limerick ?—No doubt there could be.

3596. To any considerable amount ?—Not to any large per-centage ; we are anxious for such an arrangement, but the local shareholders are not satisfied that it should take place yet.

3597. I believe there have been some negotiations for the amalgamation of the Waterford and Limerick Line with the Great Southern and Western Line ?—Yes.

3598. (*Mr. Hamilton.*) You have stated that, in your opinion, it would be desirable to have a guarantee from the Government to reduce the rate of interest upon the debentures ; supposing you obtained that guarantee, to what extent do you think you would benefit by it in figures ?—In figures I should think that our system would benefit by some thousands a year.

3599. Do you know what the amount is that you now have to pay in interest ?—Yes.

3600. In 1863 it appears that your debenture and other debts were 300,000*l.* and odd ?—321,000*l.*

3601. It is stated in the document before me for 1863 that the amount was 301,000 ; what rate of interest were you paying upon that ?—Between 4 and 5 per cent.

3602. Then what could you possibly expect to save if you obtained a Government guarantee, which including the sinking fund would amount to 4½ per cent.?—If the Government would choose to exchange our bond debt and preference debt for that, it would give us the advantage of 1 per cent. upon the original capital.

3603. I mean the debenture debt alone, not the preference stock. If it takes 1 per cent., that would be a saving of 3,000*l.* a year, but would that enable you to give the public the advantage of any appreciable reduction in the fares ?—Not largely, but why I would press this more on the attention of the Commission is, that I think it would be attended with the advantage of inducing an extension of railways through the country, which would be a great thing. Legislation, I think, in that direction is one of the things most likely to be beneficial to the community generally in Ireland.

3604. Is it not wholly without precedent, or can you refer to any instance in which the Government has given a guarantee ?—Not to railway companies. I may mention that I have applied within the last six months to the Government on behalf of our boards, and they have conceded to the extent I have named over the amount of loan which is still unpaid from our companies.

3605. That I suppose was with a view to help you out of a temporary difficulty ?—It was to enable us to finance better.

3606. Did you never hear that a proposal that was made to guarantee the capital of a railway company in Canada was favourably entertained by the Government ?—I did not.

3607. (*Mr. Ayrton.*) Did not the Government advance money to complete the Dublin and Kingston Railway ?—They advanced a large sum of money to complete the Dublin and Galway Railway. They loaned it at 3½ per cent. to the company. They have had it continuously at that rate.

3608. Has not the Dublin and Kingston Railway paid 10 per cent. dividend until lately ?—I cannot speak to that. That line was made before I became connected with railways.

3609. With reference to one of your lines, a gentleman who has been examined has stated in answer to question 2786, "There are cars running at the present "time to certain points upon that line, and there is an "immense traffic that is not taken by rail ; from the "Bruree district there is a four-horse car, and there "are others running from Bruff Kilmallock and Kil-"fillan to Limerick, and people living between Bruff "and Bruree ; even those living in Bruree walk a dis-"tance of seven miles to get upon that car because "they only pay half fare. From Bruff to Limerick "the charge is only 9*d.* for a distance of 12 miles." Has your attention been called to that state of things ?—That district is convenienced by the line called the Cork and Limerick direct, and which we do not work.

3610. (*Mr. Gower.*) I understand you not to be of opinion that the boon granted by the Government should be unconditional ?—No. I say that it should be conditional upon the railway company, showing that they had a traffic which, beyond their working expenses, would be a guarantee for it.

3611. Should they not require as a return for that boon any concession to the public ?—I have been asked that question, and I expect that the railway companies would consider that question favourably, but how far they could meet the views of the Government if they obtained a loan from the Government I could not at the present moment express an opinion upon that would be of any value.

3612. (*Mr. Hamilton.*) I see that the total preferential stock and debenture debt of the Irish railways in 1863 was about ten millions sterling?—Yes.

3613. One per cent. upon that would give 100,000*l.*?—Yes.

3614. Would 100,000*l.* a year applied throughout the whole system of railways enable the companies to give any great advantages to the public in the way of a reduction of fares?—I expect that the railway companies would gladly sacrifice one half of that amount, which would be 50,000*l.* a year.

3615. (*Mr. Glyn.*) You could not deal with the preferential stock as you can with the debenture debt ; there is nothing to induce the preferential stockholder to give up his preferential 5 per cent., which has been paid to him regularly ?—A large portion of the preferential stock is terminable, and the railway companies have the power to pay it off every five years.

3616. Do you wish to pay it off ?—We cannot pay it off.

3617. If you were to do so it would become due at a certain time ?—Yes. If the Government would assist us I may mention that a large proportion of the capital invested in Irish railways is held in Ireland, and if that could be set free in one place I think it would be invested in another, at least a proportion of it.

3618. (*Chairman.*) Would not a large proportion of the Irish railways be paying well now if they had been originally paid for with ready money ?—No doubt of it.

3619. Is it because they have been so much in the hands of contractors that they do not pay well ?—Yes. The contractors have sold their securities at the best price they could get for them, that is the case now, and they sell them in the English market at a discount.

3620. (*Mr. Ayrton.*) The working expense of all the lines in Ireland appears to be 750,000*l.*, and if you receive 100,000*l.* by the assistance of the State, I presume you will be able to reduce your charges to the extent of one-seventh of that amount ?—Yes.

3621. But you could not reduce your charges to the public to the same extent ?—We should look for some little profit by the arrangement, but we should be glad to give a large proportion of it to the public.

3622. You would reduce your whole charges to the extent of 100,000*l.* on your gross earnings of 1,500,000*l.* ?—It is not that so much as it would be

a large measure of general benefit to the public. As I have before stated, funds for making railways are often provided by parties locally interested, and it has been for the benefit of the localities that the money has been advanced.

3623. (*Chairman.*) It has been stated that if the Government were authorized and were willing to buy up all the railways in Ireland they would meet with no difficulty on the part of the shareholders in obtaining them for 50 per cent. of their nominal capital; do you agree with the opinion which has been so expressed ?—As far as our companies are concerned with which I am connected I think we should be glad to sell at 50 per cent. of the original cost.

3624. (*Mr. Glyn.*) The Great Southern and Western Railway Company would not like to do that, I suppose ?—I suppose not.

3625. (*Mr. Ayrton.*) Can you give the Commission any idea what would be the probable per-centage of increase in the working expenses, if your traffic were doubled in quantity. Do you think the working expenses would become double, or increase in a lesser ratio ?—That depends upon whether you refer to goods or passenger traffic ; the passenger traffic frees itself ; we have no terminal charges upon that ; it is not in the same proportion.

3626. Take the goods traffic, would the working expenses be double, or in a smaller proportion ?—I do not think that the working expenses increase beyond a certain proportion.

3627. (*Chairman.*) Are your goods trains light or heavy generally ?—The goods trains are not heavy, on account of our gradients not being very good, and the curves not being good.

3628. Could your engines draw a larger number of trucks in goods trains ?—No, not generally.

3629. (*Mr. Ayrton.*) Do you send forward full trains, generally speaking ?—Our goods trains are more gather-up trains, and they convenience every station along the line ; they arrive, perhaps, full at the far end.

3630. (*Mr. Glyn.*) As to the passenger trains, you could carry, I suppose, a greatly increased number of passengers ?—Yes.

3631. And without incurring any increased expense ?—Yes.

3632. (*Mr. Hamilton.*) One of the witnesses examined stated that the railways could carry coals at a farthing per ton a mile. Do you believe that could be done with your gradients ?—I do not think so. I am connected with a company on the continent, and we send a very large quantity of coals at a halfpenny a ton per mile.

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3633. What is the worst gradient upon those lines ?—The gradients generally in Germany, where the mines to which I allude are, are good ; they can haul a 250-ton train.

3634. (*Chairman.*) What are the prevailing gradients on the Waterford and Limerick line, and what is the worst gradient ?—I cannot give a correct statement upon that.

3635. Are there any gradients of 1 in 100, or worse than that ?—There are a few worse.

3636. For any distance ?—They are not very long ; perhaps a mile and a half.

3637. (*Mr. Hamilton.*) Do you know what the lowest rate charged on the English lines for the coal traffic is ?—I do not think it is more than a halfpenny.

3638. Finding the waggons ?—I believe the parties find the waggons at a halfpenny ; on the continent they do not do that.

3639. (*Chairman.*) Do you take an active part in the management of the foreign railway with which you are connected ?—It is as the owner of minerals and coals that I speak of those railways.

3640. What railway do you refer to ?—The railway on which the mines are ; the railway runs through Westphalia, and it is called the Cologne and Minden line. The coal is brought largely into Holland from that district, and they carry the coals for a halfpenny a ton per mile, and find the waggons, and they do reckon to make a profit—in fact it is one of the sources of profit to the Dutch-Rhenish line, and it is an increasing one.

3641. (*Mr. Hamilton.*) At what rate do you carry coals upon your railway system in Ireland ?—We charge generally more than a penny a ton per mile.

3642. (*Capt. Galton.*) I believe it is 4*s.* 9*d.* from Waterford to Tipperary ?—Yes.

3643. (*Chairman.*) Which is a distance of 55 miles ?—Yes.

3644. (*Chairman.*) For the coals which you use at your manufactory at Clonmel is the charge a penny a ton per mile from Waterford ?—In Clonmel we use water power, because we have plenty of water power there.

3645. (*Mr. Ayrton.*) What is the rate from Waterford to Clonmel for coal ?—I think they charge 2*s.* 3*d.* for 27 miles, which is a penny a ton per mile, but there we compete with the river, which carries at the same rate.

3647. Are special rates given to individuals on the line, or are the rates published ?—No ; we have no special rates.

3647*. (*Chairman.*) Have you anything further to state to the Commission ?—Nothing else occurs to me.

The witness withdrew.

Mr. James C. Cooper examined.

Mr. J. C. Cooper.

3648. (*Chairman.*) Are you well acquainted with the cattle trade of Ireland ?—I have done a great deal in it, but not in a very large way, not so much as the regular dealers in cattle.

3649. Have you paid attention to the transit of animals by railway in the south of Ireland ?—I have.

3650. Are you of opinion that the transit is not as large as it might be if railway companies afforded greater facilities ?—I am.

3651. Will you state to the Commission any facts upon which that opinion is founded ?—I find in the Agricultural Return for the year 1863, that of cattle and horses that travel by railway in Ireland there were 528,473, of sheep 470,205, and of pigs 770,941. That I find in Thom's statistics, and I find also in the agricultural returns of cattle in Ireland that in the year 1863 there were of horses and cattle 3,717,454, of sheep 303,931, and of pigs 1,064,802 ; that is, out of the whole number in the agricultural returns only one-seventh of the cattle and horses went by train, and one-seventh of the sheep, and three-fourths of the pigs.

3652. Supposing the agricultural interests to be flourishing, have you ever calculated what proportion of the whole stock of the farmers on the average should travel from home in the course of the year ?—I think if we count the cattle that do not travel every year and those that travel twice and three times, and even more, I think we ought to reckon that almost all travel once a year.

3653. Have you reason to believe that a large number of cattle and horses travel by the road ?—A large quantity.

3654. For distances that it would be worth the while of the owners to put them on a railway if the rates were low ?—Yes, I think so.

3655. It has been stated by a gentleman connected with the railways that he is of opinion that railways carry the greater part of the cattle in the vicinity of the lines of railway ? Do you agree with that ?—I do not.

3656. Does a very large proportion of them go ?—I do not think so.

3657. (*Capt. Galton.*) Do the agricultural statistics afford any means of obtaining the proportion between the number of cattle which are exported from the country and those which go by railway ?—No, I do not think so.

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3658. Do cows also migrate ?—Yes, of all ages.

3659. Do you think the cows travel once a year by railway, or that they ought to travel once a year ?—No, I do not think so. I think that the cows which have milk do not travel more than once every three years.

3660. Probably only once in their lives ?—A great deal oftener than that; they travel into the dairy farms often, and when lean they travel out of the dairy farm into the grazing farm, and they are fattened there, and then they travel out of that to be sold, that is three travellings, and sometimes they are changed twice as stores.

3661. In those migrations would they not be generally at comparatively small distances from the farm to the market-town in the neighbourhood, and from thence perhaps to another farm in the same county ?—No ; the south of Ireland is largely dairy, and then these dry cows, as they call them, go into the grazing parts of Ireland, that is into the county of Meath, Westmeath, and Kildare, that is a great number of them, if they do not all go.

3662. Bearing in mind that there are many ports in Ireland from which cattle are exported, would you not have to deduct a considerable area around those ports from which the cattle would go to market without using a railway ?—Yes, to some extent, but not a *large* area, as the fattening districts are generally distant from the shipping ports, and so are the principal store cattle pastures.

3663. (*Mr. Horsfall.*) Have you heard any complaints made in Ireland as to the rates charged on the railways being too high ?—The usual plaints that I have heard as regards the prices are that they are a third too high ; some people say a half. I should be inclined to say a half, but a third is the usual complaint. I have asked the question, and I have heard that.

3664. Do you think that a reduction of one third in the present rates charged would materially increase the traffic ?—I think so.

3665. (*Mr. Glyn.*) Is the same rate charged by nearly all the railways ?—There are some slight variations I know, but they are almost all equal.

3666. Which is the line of railway on which the lowest rate is charged ?—I think it is the Waterford and Limerick, of those railways that I know.

3667. Do you recollect what the rate is per truck per mile ?—Last year it came, I think, to about 6*s.* a head.

3668. We have been informed that there is a great deal of traffic on that line of railway at that rate ?—Yes, there is.

3669. What is the rate charged on the Midland Line ?—I do not know.

3670. It is higher, is it not ?—I do not know.

3671. (*Chairman.*) All fat cattle that travel any distance at the present time go by railway, do they not ?—Yes, almost all. There are some of them that go short distances by road.

3672. That would always be the case, would it not, whatever the charge was ?—No, I think not.

3673. But for a distance of two or three miles ?—Yes.

3674. Or for five or six miles ?—Yes, I should say any distance under about seven or eight miles.

3675. Do you think that any deduction in the rate charged for cattle would induce farmers to fatten a greater number of beasts ?—I do not exactly know, but I do not think it would have that effect.

3676. Do you think that the chief increase that is practicable is in store cattle ?—Yes, I know that there are thousands of cattle bought in the county of Cork and in Kerry, and those cattle that ought to be put into a train are all walked.

3677. (*Capt. Galton.*) Where do they go, to Dublin or to Liverpool ?—They go into the counties of Clare, Galway, and Mayo, and they also go into Kildare, Meath, Westmeath, and Dublin.

3678. To be fattened ?—Yes, and some half fattened.

3679. (*Mr. Ayrton.*) Do you know whether calves are enumerated as horned cattle ?—Yes.

3680. Is there not considerable delay in the movement of cattle in those large districts in Ireland where there are no railways, the breeding or growing counties, and do the statistics to which you have referred include those counties where there are no railways ?—No, the breeding is the greatest in the dairy counties.

3681. In what way are they employed in the large counties where there are no railways ?—They rear up the cattle there to have them fattened in the pasture counties.

3682. Therefore one of the journeys would be made in the district where there is no railway ?—It would be partially, but there are railroads all through the places that I have gone into ; they are not quite through the country yet, but they are through the main part of it.

3683. (*Chairman.*) Can you give the Commission any instances in which, to your knowledge, store cattle are now driven which might be put on the railways ?—I should say that they are driven very often from 50 to 100 miles.

3684. Do you mean in the vicinity of any railways ?—Yes, in a great many instances.

3685. (*Sir R. Hill.*) Can you name those places ?—Yes ; I can point them out on the map, if you wish it.

3686. Have the goodness to do so ?—There are cattle bought in the western parts of the county of Cork and Kerry, and they go into Limerick in that direction (*describing the same*), and on to Nenagh and Roscrea, and Banagher, and a great number go to Mullingar ; a number of them also go to Killalce and Ennis, some to Tuam, and numbers to Athenry, to Ballinasloe, and Mullingar ; 1 and 2-year olds also go from Limerick to Clare and Galway, and the dairy cows, not in calf, to the midland fattening pastures.

3687. (*Mr. Ayrton.*) I understand you to say that the store cattle are driven from the western part of Limerick to the county of Cork, to the markets at Athenry and at Ballinasloe ?—The greater quantities of them go to Mullingar, and large droves of them go into Kildare.

3688. There is no direct railway route from one point to the other, is there ?—There is the Great Southern and Western, and the railway from Killarney to Limerick, and from Limerick to Ennis, that would take them a large part of the way into the county of Clare.

3689. (*Capt. Galton.*) Do you think that if the rates were sufficiently low a larger number of cattle would be taken that way ?—Yes.

3690. What rate do you think would be sufficiently low ?—I would ask to have half off the present rate ; but the dealers in cattle of whom I have inquired only ask for a third off.

3691. Have you compared the rates charged in Ireland with the English rates ?—I have.

3692. How much higher are they than the rates for similar distances in England ?—Those that I know from York to Liverpool are nearly equal ; they are not a great deal lower. Then on the North-western line they will take cattle from Waterford to Liverpool, and down the North-western to London for 2*s.* a head. That is 9*s.* from Waterford to Liverpool, and 2*s.* more if sent from Waterford to London *viâ* North-western, total 11*s.* Waterford to London.

3693. (*Chairman.*) That is from Waterford to London ?—Yes. From Chester cattle are booked through to Dublin for less than from Dublin to Tipperary, both routes having empty return trucks.

3694. (*Capt. Galton.*) Do you know the rates on the Great Eastern railway from Harwich to London ?—No ; I know the rate from Waterford to Bristol would be 11*s.*, and from Bristol to London it would be 11*s.* 8*d.*, making 22*s.* 8*d.* ; more than double the rate *viâ* North-western.

3695. Is that per head or per truck ?—Per head.

3696. (*Mr. Hamilton.*) What would be the rate from Waterford to Liverpool, and then from Liverpool to London, the total charge ?—Only 11*s.*, 11*s.* 8*d.* cheaper by North-western route than by the Great Western, which should be the route ; from Waterford to London is the same sea distance and *half* the rail distance, *i.e.*, *viâ* Bristol.

3697. (*Mr. Ayrton.*) Will you explain how the cattle traffic would be conducted as you suppose from the western part of Limerick to Ballinasloe by railway ; where would it go on to the railway ?—They would train the cattle into Ennis, or they could train them to Parsonstown and Portumna, or they could train them all through the county of Kildare.

3698. That would be a very round-about way, would it not ?—No.

3699. Would not the railway distance be nearly one-third longer, or half as long again ?—No, I do not think so.

3700. (*Mr. Glyn.*) When you mentioned the rates on the London and North-western line for cattle, had they not some relation to the quantity sent ?—No.

3701. There must be, I suppose, a train load ?—I do not know that ; I was not asked a question as to quantity.

3702. Did you never inquire into the fact ?—No.

3703. (*Mr. Hamilton.*) Do you know the rate charged to London by way of Waterford and Milford ?—I do not know the rate ; it is higher than the rate by way of Liverpool and the North-western line.

3704. Although the sea-passage would be shorter ?—Yes ; I think that they take horses that way from Limerick for 2*l.* each, and they send over killed sheep also by that route. I think they charge for them 5*s.* 6*d.* a hundredweight, and then they go on quickly, that is, by Milford Haven.

3705. (*Chairman.*) It has been stated that there is one advantage in driving cattle along the road, which is, that it enables the driver to dispose of a portion of them on the way. Do you think that any weight is to be attributed to that ?—I think that that only applies to a small portion of them ; it only applies to the end of their journey. The great bulk of them go on far.

3706. (*Mr. Ayrton.*) Have you been able to ascertain the cost of driving cattle from the western part of the county of Limerick to Ballinasloe Fair as compared with the charge by railway ?—An instance occurred the other day to myself. I bought 20 cattle at Killarney, and I wished to bring them to a station between Charleville and Limerick. I inquired the rate, and it would have come to 4*s.* a head. I drove them on the road for 1*s.*, when I would rather have paid 2*s.* to have sent them by a train.

3707. In that case you drove, I suppose, straight across the country ?—No ; but it is a great way across.

3708. (*Capt. Galton.*) About how many miles did they travel ?—I should say the distance would be nearly 50 miles.

3709. (*Chairman.*) For that distance, unless the rate had been reduced to one half, you would still have preferred to drive them along the road ?—Yes.

3710. (*Mr. Ayrton.*) Can you give us any other instances ?—I have been told by a trader in cattle, in Waterford, that he walks them from Clonmel and Caher for less than half the charge by the train : and a dealer in them at Cork, who sends over here largely, has told me that if there was a third taken off, he would never send a cow along the road ; and have also been told by an extensive grazier in Clare, that he would send at reasonable rates a thousand sheep to Dublin annually, which now he sends to Ballinasloe to sell ; others in his locality do the same for identical reasons.

3711. Have you made any calculations that have satisfied you that the railway companies could afford to carry them at two-thirds of the present rate ?—The only calculation that I have made has been by comparing the number that travelled in the year 1863 with the whole number in Ireland, and I have found that the number that travelled was only one-seventh of the whole number, and I would suppose that that number would be increased to four or five-sevenths, and also that they would travel further by train.

3712. Your calculation is that the traffic would be increased four or five fold in the course of time ?—Yes, I should think so, after a few years.

3713. Do you think that after that time, with increased working expenses, the traffic would return a larger profit to the railway companies than it does at present ?—I do not quite understand that question.

3714. You have stated that the greater part of the pigs are now sent by railways ?—Three-fourths of them.

3715. (*Capt. Galton.*) Why is that ?—Because they are unable to walk. They cannot go along the roads, and therefore they do not travel as the stores often do. They only travel as fat when they are going to be killed.

3716. (*Chairman.*) Can you state to the Commissioners any other facts respecting the different rates charged either with respect to cattle or goods ?—I have also a memorandum with regard to corn.

3717. Will you be so good as to state any facts within your knowledge upon that subject ?—The charge on corn is 12*s.* a ton from Limerick to Dublin, and they take it by boat to Liverpool for 6*s.* The charge from Cork to Limerick is 7*s.* a ton for corn, and if it breaks the journey it costs 1*s.* 6*d.* more.

3718. (*Capt. Galton.*) If it breaks the journey you mean at some intermediate station ?—Yes.

3719. You are not speaking of Indian corn ?—Not specially, any corn that is ground.

3720. If it breaks the journey and is ground at a mill it is carried on as flour and pays a higher rate ?—Yes. Then again the charge for hay from Limerick to Waterford is 11*s.*, and it is taken through to Glasgow for 20*s.*

3721. That is comparing the cost by the sea route and by the railways ?—Yes. From Limerick to Glasgow it is 1*l.*

3722. From Limerick to Glasgow does it go by sea ?—No, it goes through Waterford.

3723. (*Chairman.*) Is there any large amount of internal traffic in Ireland in the articles of corn and hay ?—Not in hay. It is all outward, if it goes away.

3724. Is corn frequently carried from Cork to Limerick, or from Waterford to Limerick, or from Limerick to Waterford ?—A good deal of it goes from Cork to Limerick.

3725. (*Capt. Galton.*) Is it imported corn that you speak of ?—Yes, it is ; and the complaint is that it goes round the coast a great deal cheaper.

3726. That it can go round a great deal cheaper ?—Yes, and it does go round.

3727. Is not that always the case where there is a coasting trade, and goods can be carried more cheaply than by railway ?—But they say that if it could be carried for 4*s.* instead of for 7*s.* per ton, it would all go by the train, all that corn.

3728. The distance from Cork to Limerick is nearly 61 miles, is it not ?—Yes.

3729. And the charge is 7*s.* a ton ?—Yes. Then the drovers also complain that a whole truck holds 30 sheep, and that they are only allowed to have 12 as a half truck instead of 15, and further that they are only allowed three horned cattle in place of four, eight being the number for a whole truck ; they also complain that if they take four horned cattle they are charged for a whole truck ; they also say that they are not allowed to have a van for the drovers to travel in, and that the drover must travel in the cattle truck and he is often injured and bruised ; they charge them half a fare in a cattle truck and a full fare back, and then if they want to come back again in the evening there is no third-class train for them, they have to wait till the next day, and they are charged a full third-class fare back again ; they complain greatly of that. In England I believe the drovers are not charged. Then the number of tolls on common roads in Ireland makes walking there more expensive.

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In England sheep pens are placed over each other, but not in Ireland.

3730. (*Mr. Hamilton.*) Do you not consider that a loss in the condition and weight of the animals is sustained by sending them long journeys on foot?—Certainly, and I have given evidence to this effect, that where I could walk the cattle for 1*s.*, I should be satisfied to pay 2*s.* to carry them by train.

3731. Would not the result be a great saving of loss in the weight and condition of the animals?—Yes.

3732. What number of miles can you safely drive beast in a day, say in the spring time of the year?—The thin ones ought not to be driven more than from 12 to 15 miles a day, and the fat ones not more than 8 to 10.

3733. If they were to be driven 60 miles, how long ought that to take?—Four days at least for stores.

3734. How many days for fat beasts?—Six days.

3735. Which would be attended with a material loss of condition, and a falling off of weight?—Yes.

3736. More than they would suffer going the same distance by railway?—Yes. In what I have stated I have included the drover's charge, and I have even included the hay when the cattle are driven in the winter. There is one more complaint that these drovers make, and that is that the cattle are not started for hours after they come into the platform, and that they are kept at junctions. They will seldom put a few waggons of cattle on a passenger train for a short distance to catch a goods train, and thus a market is often lost; when the said passenger train was not half a load.

3737. (*Capt. Galton.*) With respect to the loss of condition, supposing the cattle are going to Ballinasloe fair, could the cattle be driven there for sale for less than if they were taken by the railway, say from Killarney?—That would depend upon the weather and the condition they were in when they were bought, and a hundred other little things.

3738. Would extra expenses be incurred by keeping them for a day or two at the fair before they were sold, if they were driven to the fair instead of being sent by railway?—Yes.

3739. That would be so, would it?—Yes.

3740. (*Mr. Hamilton.*) The cattle, I believe, are almost always purchased at so much per stone?—The fat cattle are. The lean ones according to condition and freshness.

3741. The number of stones is calculated, consequently a loss in weight might lead to a serious reduction in price?—Yes; the salesmen calculate that for every day a beast is travelling it loses a stone, that is a stone of 8 lbs., that is the ordinary loss, either walking or by train.

3742. Then in six days travelling the animal would lose six stone, whereas if taken by railway the same distance in one day he would only lose one?—Yes.

3743. (*Chairman.*) If it is so much cheaper to drive store cattle by the road than to send them by railway, how do you account for any store cattle in Ireland being sent by the railway?—There are some of the larger buyers who do not walk with their own cattle themselves, and they do not like to trust those cattle for four or five days at a time in the hands of drovers, and they would therefore rather pay three or four times as much to have them go by the train, but they are often stopped at the junctions for three or four hours, and that is a great objection. Coming here, a gentleman with his family got into the carriage with me at Maryborough, on the Great Southern of Ireland, he was going to Roscommon; at Portarlington, 10 miles on, he was detained 2 hours 20 minutes, again he must remain at Athlone 2 hours 35 minutes, in all 4 hours 55 minutes; whereas he was in motion only 2 hours 30 minutes from Maryboro' to Roscommon. Again the Limerick to Dublin passengers are, by a new arrangement, obliged to wait nearly two hours at the Limerick junction, or travel 1 hour 30 minutes round by the Great Southern *viâ* Charleville. A special cattle train I had, of 20 waggons, on two occasions, went from Limerick to Kildare, 100 miles, in six hours; showing, that with larger trade, companies are willing ta increase the speed.

3744. (*Mr. Hamilton.*) Do you know what the rates charged on the Scotch railways for cattle are?—No. Then as to turf, that is also charged for from Limerick to Croom 3*s.* 6*d.* a ton, that is only for about eight miles, and it is charged to Charleville 6*s.*, and that is a country that it is greatly required in.

3745. Is much of that charge owing to terminal charges?—No, I think it is the railway charge only.

3746. Is not turf an article on which the expenses at the stations would be considerable?—Yes, there is a good deal of it.

3747. And the charge would therefore be proportionately high for the short distances compared with long ones?—Perhaps so. Then with respect to parcels, I constantly get parcels of exactly the same size and the charges are not the same.

3748. Do you mean by different lines of railway?—No; I mean on the same line. Since I received a summons to attend the Commission, I have had three boxes, and those boxes came from Dublin, and one of them was charged 1*s.* 7*d.*, another was charged 2*s.* 1*d.*, and the other was charged 1*s.* 1*d.*, and yet they were exactly of the same size.

3749. (*Capt. Galton.*) Were they of the same weight?—I cannot say, but they held in them the same articles.

3750. (*Chairman.*) Have you made any inquiries as to the reason why these different charges have been made?—I inquired about it and they could not explain it.

3751. Do you imagine that the charges are pretty much in the discretion of the station master at each place?—I do not know, but he said that they had a scale of charges for parcels. I asked him if it was often changed, and he said it was. I then asked him to give me one of his scales, and he said that they only printed one for the use of the office.

3752. (*Capt. Galton.*) They do not publish lists of charges?—No.

3753. Do they not fix them up at the station?—On the Waterford line they do.

3754. Not on the Great Southern and Western?—I do not think they do.

3755. (*Chairman.*) These three different charges were made in the course of a very short time?—Yes, quite so, just after each other.

3756. In the course of a few days?—Yes, in the course of about eight days. I asked them about the charges, and they said that a parcel up to 7 lbs. was 1*s.* 1*d.*, and that a parcel up to 14 lbs. was 1*s.* 7*d.* They will carry in their goods train a parcel if it weighs 56 lbs. for 1*s.* 6*d.*, so that they will carry 56 lbs. as cheaply as 14 lbs.

3757. (*Capt. Galton.*) That is if it goes by a slower train?—Yes, but it is not a great deal slower.

3758. (*Chairman.*) If you desired it would they not send a small parcel by the slower train at a lower price?—No, unless I made it up to weigh 56 lbs., and some persons, by adding stones, do make up a parcel to weigh 56 lbs. With regard to horses, the charge to Dublin for three horses is 5*l.*, that is from Limerick, and the traders in them say that the charge ought to be 3*l.* These horses are put in stalls, and those that go in trucks are charged 16*s.* 6*d.* each; seven horses in a waggon from Limerick to Waterford cost 11*s.* each, not including drover.

3759. (*Mr. Hamilton.*) Have you ever made any comparison between those rates and the rates charged on English railways?—No, I have not. A passenger second class return ticket, from Charleville to Limerick, costs 4*s.* 9*d.*, two persons will drive this 20 miles, per road, for 10*s.*, and a horse will carry four or five persons on the Irish cars.

The witness withdrew.

Adjourned till Friday next at 12 o'clock.

Friday, 26th May 1865.

PRESENT:

The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
George Carr Glyn, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
E. T. Hamilton, Esq.
J. R. M'Clean, Esq., Pres. Inst. C.E.
Wm. Pole, Esq., F.R.S., *Secretary*.

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. George Willoughby Hemans examined.

Mr. G. W. Hemans.

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3760. (*Chairman.*) You are a civil engineer?—Yes.

3761. You have been engaged in the construction of several railways in Ireland?—Yes; for about 25 years I have been so engaged.

3762. Will you be so good as to mention the lines that you have either constructed, or are at present constructing?—I have constructed almost the entire system of the Midland Great Western railway as shown by the blue lines on that map, all except the line to Castlebar, which was constructed by Mr. Fowler, but I had the superintendence of it on behalf of the Midland company. That comprises perhaps a fifth part of the railway system. I have constructed a great portion of the green system of railways, that is, the Limerick and Waterford, the Waterford and Kilkenny, the Kilkenny and Maryborough; and part of that is still under my hands and in course of construction. I have also constructed in the north of Ireland the railway from Newry to Armagh, as shown by the yellow line on the map, the railway from Portadown near to Belfast to Omagh; and upon the Londonderry railway I am now constructing a line from Enniskillen, as shown by the dotted lines, by Ballyshannon to Sligo. Then again in Clare the line from Athenry, as shown by the black dotted lines, to Ennis near Limerick; and another shorter line connected with the reclamation of land, as shown by the yellow colour, from Kilrush to Kilkee. These are the principal lines I have been connected with.

3763. Having constructed these railways, you will naturally have taken an interest in those lines which are at present working, and you are no doubt able to give the Commission your opinions as to their affairs generally, the traffic developed upon them, and the system under which they have been managed?—I can give general opinions from observation of the state of the traffic on those lines, but I am not able to give detailed information of the local affairs between one point and another. In a general point of view, I know what the fares are in Ireland, and what the result is upon the travelling of the country.

3764. Are you able to say whether the Irish lines of railway can be worked as economically as English lines with similar amounts of traffic?—I am sorry to say that I am afraid the Irish gauge is not, as has generally been supposed, a good invention. In my judgment, looking at the traffic of that country, it is a mistake; I think it is an impediment to the working of the lines economically. Had the traffic been as great or greater than it is in England, I think it would have been a great advantage to have had a larger stock, and more power for the locomotives; but the fact is, that in Ireland the trade is small, and their rolling stock is heavier, and when the carriages are empty the dead weight is increased to a very considerable extent, I believe by quite 20 per cent.

3765. (*Lord Stanley.*) By the difference which exists between a gauge of 5 feet 3 inches and one of 4 feet $8\frac{1}{2}$?—Yes; the carriages require to have heavier axles and heavier wheels, and heavier iron work of all kinds; heavier frames for the carriages; and even if the carriages are full, they only with their gauge accommodate four passengers abreast, in the first-class carriages, which is done all over the continent, and on some of the English lines, with the narrow gauge. I am afraid that we have imposed a burden upon ourselves by that gauge rather than obtained a benefit.

3766. (*Mr. Glyn.*) It is no great advantage with respect to haulage?—There is an advantage in getting a locomotive engine with less wear and tear. You get a larger fire box conveniently fixed in a larger locomotive, and it is an advantage in the construction of the locomotive itself. You may have rather higher wheels, and the cranks are better accommodated, and the machinery generally; but for the rolling stock I see no advantage.

3767. (*Sir R. Hill.*) Upon the whole is it advantageous or otherwise?—Upon the whole I should not adopt it for the Irish traffic, if it had to be done over again. I should adopt the narrow gauge.

3768. (*Capt. Galton.*) Should you prefer to have the narrow gauge of England, or a narrower gauge than that, for Ireland?—With my present experience, the narrow gauge of England would be the one I should choose, if it were done over again in Ireland; not narrower than that, because that gauge is about as narrow as you can make a locomotive conveniently in. If it was much narrower the difficulties as to the machinery would increase. I should adopt the English narrow gauge, because I believe that it answers very well, and I am afraid that the other is a mistake.

3769. (*Lord Stanley.*) But practically that question is settled, is it not, by the number of lines which are already made on the Irish gauge?—Yes. I think it is impossible now to alter the Irish gauge, and I only mentioned this incidentally as one explanation of the low dividends.

3770. (*Mr. Glyn.*) There is also the expense of working?—Yes.

3771. (*Mr. Horsfall.*) Which is also increased by the cost of the coal?—Yes; and by the dead weight. The dead weight is a very important element in eliminating the profits from the loss on railways.

3772. (*Chairman.*) Have you made any calculation as to the additional cost per mile which you think the Irish railway companies have to incur more than upon the railways constructed on the narrow gauge?—I do not think that that is very material. I do not think that consideration has very materially influenced the railway itself. The rolling stock is dearer.

3773. The cost of running a train per mile, I suppose, is dearer in Ireland than in England?—It is not quite so much; that is to say, the dead weight is greater, and the cost of running a train, per ton, I do not think is different, or not materially so. In the tons taken there is more empty weight.

3774. (*Mr. Glyn.*) The cost of the stock and the loss of dead weight are two principal points, are they not?—Yes.

3775. (*Mr. Horsfall.*) And also the cost of construction?—Not much. I do not think that the mere cost of making a railway is much increased by the 5 ft. 3 in. gauge, the bridges are a little wider, but not much.

3776. (*Sir R. Hill.*) Would the cost of carrying a given number of passengers, or a given weight of goods on an Irish railway be greater than on an English railway?—So long as a carriage which contains, say, 20 persons, is heavier on the Irish gauge than on the English gauge, it must be so much more costly per head to take them.

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3777. You have spoken of the cost of haulage being less, but taking it altogether, is the cost of carrying a given number of passengers, or a given weight of goods, greater per mile upon an Irish railway than upon an English railway?—I think it is somewhat greater, but that is not what I think we have to complain of. I think it is the dead weight on the trains which are never filled; consequently the heavier the carriages are the more it tells.

3778. (*Mr. Glyn.*) The railways are made and the carriages are constructed, but are they not calculated for much more traffic than there is in Ireland to be carried?—That is so exactly.

3779. (*Capt. Galton.*) If the carriages were filled, you do not consider that there would be much difference in the working expenses?—There would be some difference if they were filled, because they would still be heavier carriages in proportion to the number of people conveyed.

3780. Do you consider that the increase of gauge is not sufficient to increase the number of passengers in the carriages, and therefore that you cannot carry more passengers in the carriages than you can on the narrow gauge?—Yes; that is my view exactly. If you take a first class carriage on the Irish gauge it is heavier than upon the English, and unless you can put five passengers abreast in the Irish carriage you lose; you can now only put four. It is not always done in England, but you can on many lines put four people abreast, and therefore in Ireland you lose by the extra weight.

3781. The addition of six inches to the width is not sufficient to increase the number of the passengers?—No.

3782. (*Mr. Horsfall.*) I believe there are very few night trains run in Ireland?—Very few. There are only the mail trains, and those are not upon all railways.

3783. That diminishes the cost of keeping up the line, does it not?—Yes.

3784. (*Chairman.*) Is the cost of maintaining the permanent way less in Ireland than it is in England?—The cost of maintenance is less.

3785. (*Mr. Glyn.*) They are not in the habit of running their goods trains at night, are they?—Yes; they do that on the main lines. The goods trains are run at night; they have latterly began to run them at night.

3786. Are there any respects in which the Irish lines of railway are more economical than the English lines?—There is probably one element of economy, which is this, that the cost of watching is less, the trains being fewer in number, and then not running trains at night, it makes the cost of watching and maintaining less; the wages paid to the workmen are less—otherwise I do not think there are any other elements of difference.

3787. (*Sir R. Hill.*) What is the difference in the amount of wages paid to the policemen and the porters?—There is very little difference in the wages paid to the engine drivers and the stokers, I think they are very nearly the same as those paid in England: to policemen and porters generally the difference is, I dare say, from 25 to 30 per cent. in Ireland.

3788. Will the same number of men suffice for the same amount of work?—A very much fewer number of men per mile will suffice per railway; but whether it is smaller in proportion to the number of tons conveyed I cannot say. I think perhaps not in proportion to the quantity of work done.

3789. (*Lord Stanley.*) Comparing the working expenses on English railways with those on Irish lines, is not the fair comparison to take, not the expenses upon English lines leading from one great town to another, but those upon branch lines made through thinly peopled rural districts?—Certainly; the comparison would be a very wide one to make it between any of the London railways and any of the Irish lines, the comparison will hardly hold.

3790. (*Mr. Horsfall.*) I believe there are very few lines in Ireland on which trains are run on a Sunday?—Almost on all the lines they run one train on Sunday, generally one in the morning and one in the evening, and no more.

3791. Irrespective of the moral question, does it pay to run trains on a Sunday?—They were not found to pay, except on the Kingstown railway, where they pay very well. For suburban traffic it pays very well, but not upon long lines. I doubt whether it would pay to run more than one train a day.

3792. (*Chairman.*) The traffic on the Irish railways has not been progressing of late?—As far as I can observe on all the railways with which I am connected it is lamentably stationary, and it appears that for many consecutive years the traffic per week on many of the lines will vary only a few pounds. Comparing the receipts for a few years back on the same line of railway, they will present a difference only of a few pounds a week in their total receipts.

3793. Is that comparing the present time with only the last three or four years, or with five, six, or seven years back?—It is by comparing the present time with about five years back, there has been very little increase. I do not think that upon the whole there is a falling off in the receipts now, but there is no progress made.

3794. Was there at any time progress made after the first opening of the lines, and for a few years subsequently was there a gradual increase?—There were different circumstances, for instance, three or four bad harvests, and then one or two very good years; there had been I think better harvests than usual, and a great many troops had been in movement in Ireland. There was a large camp established on the Curragh at that time, and from several causes, which I do not accurately remember, there was certainly more prosperity visible in the state of the Irish lines and more hope—there was a great deal of hope entertained—and in that hope a great number of railways were started, some of which I am conducting myself, and in relation to which the contractors were paid in shares to a considerable extent, in the hope of that success which they expected to follow. That hope has been disappointed, and many works which ought to have been completed in about two years have been for five or six years struggling on very slowly.

3795. (*Mr. Glyn.*) I suppose there has been a very considerable addition to the total amount of capital expended in consequence of so many of the lines being made through the means of contractors?—No doubt, and an immense amount of debt has been thrown upon many of the lines in consequence of the contractors having been paid in shares.

3795. Can you give the Commission any idea of the amount of capital which may have been added to the original capital on account of that; was it as much as 20 per cent.?—Fortunately that plan has not been adopted on any of the great lines of railway to any extent; but a great number of small lines—the short connecting links—have been constructed a good deal by discount in shares to the contractors, and by obligations, and so forth. I dare say there may have been perhaps, although of course I can only guess at it, some two millions of money unnecessarily added to the cost of construction.

3797. Would that be 20 per cent. of the whole capital?—I think so.

3798. I presume you mean money unnecessarily expended?—Yes; I mean money raised under discount.

3799. At high rates of interest?—Yes; money which would have been saved.

3800. (*Sir R. Hill.*) Has there been much competition among the contractors?—Not at all; indeed of late in Ireland it has been found extremely difficult to find contractors to take up works upon any terms when they are paid in shares.

3801. That alone, I presume, would add largely to the cost of the works?—No doubt.

3802. Taking that into account, as well as the discounts allowed for cashing the bonds paid to the

contractors, do you think that the additional cost has not been more than 20 per cent ?—I did not state that it was 20 per cent. I made a mere guess in saying that. I thought it probable that at least two millions of money had been wasted in that way unnecessarily ; but I will not say that it was not double the amount taking all the lines of railway into account.

3803. And taking also into account the absence of competition ?—Yes ; considering all the lines which have been made, what may be called second and third class lines, in the last four or five years.

3804. (*Mr. Glyn.*) What rate per mile has it been, taking the average throughout all the lines ?—I think that the average upon all the lines in Ireland paid for in cash, including the main lines, would not exceed 16,000*l.* or 17,000*l.* per mile.

3805. That is a low estimate ?—Yes.

3806. As to those only where the capital has been raised in a forced manner, what has the price per mile been ?—I do not think they have come to more, but they ought to have been made for half the money.

3807. A line of railway has cost 15,000*l.* a mile, when it ought to have been made for 10,000*l.* ?—Yes.

3808. (*Sir R. Hill.*) Do you include in that estimate the rolling stock ?—No.

3809. (*Chairman.*) Do you know anything about the Cork and Youghal line ?—I have been on it.

3810. I mean as to the cost of it ?—I know the character of the country, but I do not know what their capital has amounted to. I should have said that it ought to have been cheaply constructed, for much of it is through an easy country.

3811. You cannot state whether the nominal capital of that line is double what the line might have been well constructed for ?—I know that it was constructed under financial difficulties, and I have very little doubt that it has cost much more than it would have cost if it had been paid for in cash.

3812. (*Mr. Gower.*) When you say that the traffic in Ireland has been stationary, does that apply equally to goods traffic as to passenger traffic, or not ?—I think that in a great many cases the goods traffic, which in Ireland is to a very great extent in cattle, has diminished. My idea as to cattle is, that they have been sent out of the country too fast ; they do not remain to be exported. It is entirely an export trade, and I think the great demand for meat in England of late has drawn the cattle out of Ireland faster than the country can supply them.

3813. Has the diminution in the goods traffic been made up by increasing the number of the passengers ?—No ; I think not.

3814. (*Chairman.*) Has not the diminution in the number of cattle carried been mainly owing to the great pressure put upon the farmers to pay their rents during the last three or four very bad seasons ?—No doubt when the corn crops are low, they are obliged to sell their cattle to pay their rent.

3815. Now that the last season or two have been rather better, there is a prospect that the cattle will increase again in numbers ?—We hope so.

3816. In the last agricultural return for Ireland, there appears to be a very large increase in the number of young cattle ?—Yes, and that seems to show a prospect of an increase.

3817. Independently of any temporary causes occasioning a reduction in the number of cattle, do you think that the railway companies at the present time get all the cattle traffic that they might, if they lowered the fares ?—I think not ; decidedly not. I think that the railway companies are wrong in not lowering the charges for cattle more than they do. I know that cattle in Ireland walk great distances when they ought to go by railway, and they do so very often when the railway is close beside them. I believe that the railway companies are afraid to make the experiment, and one company does not like to do it without the co-operation of another. A general rate of somewhere about 6*d.* per truck per mile for cattle is kept up, when very often by lowering it they would take all the cattle which at present go by the roads. Cattle are frequently walked in Ireland for a distance of 20 or 30 miles, which they ought not to do when railways are at hand.

3818. (*Lord Stanley.*) You do not mean I suppose fat cattle ?—I do not mean stall fed cattle, but grass fed cattle are walked for great distances.

3819. (*Mr. Horsfall.*) Do you believe it would pay the railway companies if they charged much lower fares ?—No. I think it would take some time before they could be paid. An extensive lowering of the fares now would be followed by a temporary loss. I have no doubt there would be a temporary loss, but probably an ultimate gain.

3820. How long in your opinion would it take to recoup the loss ?—That is hard to say. I think that the country people in Ireland going short distances never think of using the railways at all ; their money is very dear to them and they part with it with great reluctance ; their time to them is of very little value, consequently they would rather use their farm horses and carts or walk than use the railway. Unless a very large reduction were made in the fares, and they were taken for a $\frac{1}{2}d.$ instead of a 1*d.* per mile they would not use the railway ; but in the course of a series of years a very low rate would probably induce them to travel. I am quite satisfied that for some years the railway companies would incur a loss, by lowering rates and that they must be strong enough to bear it for some time.

3821. (*Sir R. Hill.*) If their charges were reduced by one half can you give us any idea how long it would be before the same amount of net revenue was obtained as at present ?—I do not think that such a change could occur in Ireland as that the people would be stirred up and induced to take to the railways under certainly five or six years.

3822. Do you think that at the end of five or six years the present net revenue would be realised ?—I think that is probable, but no one could say that it would be so.

3823. In making that statement do you take into account the greater cost of working the lines ?—The comparative cost of working would be less if you only filled the carriages ; if you run a carriage empty the cost is all dead loss, if you fill it a proportional rate is of course an improvement for the company.

3824. Can you conceive a state of things that would lead to the carriages being always filled ?—I think that the carriages might be filled to the extent of 50 per cent. more than they are at the present time. I do not think that they are half filled as they are now. I do not think that the country people use the railways when going to market. I believe that the people living within 10 miles of a market either walk or drive in their country carts.

3825. You are speaking of third-class passengers ?—I am now speaking of third-class passengers; and if you could get them to use the railways they would fill the carriages. I do not think they do at present use them ; there are no manufactures in the country, and the business of the country is transacted at the agricultural meetings in the markets, to which the people go to sell beasts, butter, and eggs, and so forth.

3826. (*Mr. Glyn.*) I believe that the dividends on the several lines of railway have rather fallen off ?—Yes.

3827. You say that the traffic has been stationary. What do you think that has arisen from ? has it been from the cost of maintaining the permanent way and the expenses of repairs falling more heavily upon the companies of late than before ?—That is quite a different point. When I talk of the traffic being stationary I mean that the gross receipts are stationary. The reduction of the dividends, in some cases, is owing to increased expenses on the permanent way ; but the gross receipts represent the moving business of the country, and that has been stationary. Because I think that that only goes upon railways which is obliged to travel by them, that is, where the distances are so great that it must take to

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the railways, and that traffic has not been, in my opinion, stimulated enough by a reduction of fares.

3828. You would say that the dividends have been reduced by there being brought against revenue certain items of charge which had previously been paid out of capital?—I think that much reduction has arisen from that. The Irish railways are just coming to that period of time when their first stock of rails and sleepers is worn out, and the renewal of them becomes a very heavy item.

3829. That is a charge that will go on not simply for one year but it will continue from year to year?—Yes, until all the renewals have taken place.

3830. (*Sir R. Hill.*) In addition to that is there not an actual falling off in the gross recipts, taking into account the increased amount of mileage?—It is not so much an actual falling off, although there is some absolute diminution, as its being stationary while the expenses are increasing. My opinion is that the steamboat traffic across the Irish channel is not in a satisfactory state, and it is a traffic that ought to be encouraged in every way to make the railway companies take the people across. At the present time it is not at all in a satisfactory state.

3831. (*Mr. Glyn.*) With regard to the question of charges, I suppose it would be possible to make a very considerable reduction in some of the fixed charges; for instance, we have been informed that the country is divided into a great many companies all with independent boards, with very large administrations, and with a certain degree of increased expense. Would not the amalgamation of those smaller boards with the larger companies have the effect of reducing the fixed charges?—Yes. There is no question of it that what you have referred to is a great evil; for, except the three or four large companies, the business of the country is in the hands of a great number of small boards, and on some points they act in a very obstructive manner to each other.

3832. In your opinion there might be a permanent reduction in the fixed charges in favour of the proprietors?—Yes.

3833. Have you ever considered how you would parcel out Ireland into districts under a scheme of amalgamation?—No; I have not given that subject such attention as would make my opinion very valuable. I have a strong impression that all those lines that tend to the different eastern ports ought to have their interests identified as much as possible; the business on the western ports is almost nothing, but on the eastern ports everyone aims at becoming the centre of export for the country, and at the present time they compete with each other as much as they can. I think it might be desirable that certain ports in Ireland should be taken to serve as the centres of export for all the lines of railway leading to them, and that those lines should be amalgamated so as to make the charges not obstructive.

3834. The lines of railway running to the eastern ports work at equal rates; they do not compete with each other as to rates, do they?—They compete by continually refusing to book through upon the competing lines.

3835. Take the lines coming to Dublin, they do not refuse to book through on those lines?—No; but they do at Newry. They would book through to Belfast.

3836. Would you suggest an amalgamation of those interests, or how would you propose to get over the difficulty?—Take, for instance, Grenore in Carlingford Bay, below Newry. A great effort is being made there to construct a deep water harbour, and there are two systems of railway converging upon it, the Irish North-western railway running to Enniskillen, Limerick, and Sligo, and the Grenore and Newry railway running to Armagh towards Dungannon and that country. Those two lines of railway are now in a state of hostility and opposition, but they both must run to the pier at Grenore in Carlingford Bay. I think that the amalgamation of such systems as those would be a desirable thing, so that the country should derive the full benefit of those lines of railway without any obstruction.

3837. Do those two systems compete in rates at the present time?—No; I think that the competition is chiefly carried out by diverting the traffic away.

3838. As regards the public, they compete, in fact, for the through traffic from one point to the other?—Yes, but they do not lower the rates to the public; it is more competition by diversion that exists, which I think operates very injuriously. Also in the south of Ireland, goods that would naturally go—cattle, for instance,—from Waterford to the south of England, are controlled by the arrangements that exist, and are obliged to go to Dublin, and thence by Holyhead. All these things result from the competing interests of the different companies.

3839. Are the two northern lines of railways which you have mentioned paying dividends?—The Newry and Armagh railway has never paid a dividend yet; it has not long been opened.

3840. Does it pay the interest upon its borrowed capital?—Yes, I think it does; the other line does not pay a dividend.

3841. Neither the one nor the other?—No.

3842. (*Mr. Horsfall.*) Not the railway from Armagh to Belfast?—Yes, that pays a good dividend; but I have been speaking of the line called the Irish North-western, which is 125 miles in length, and that pays no dividend.

3843. (*Sir R. Hill.*) Are all the receipts absorbed by the expenses?—Yes; and the payments on borrowed money. The preference shareholders get something.

3844. They do pay the interest upon the loans?—Yes, and something on the preference shares.

3845. They pay interest to the preference shareholders?—They pay them something, but the ordinary shareholder gets nothing.

3846. (*Mr. Horsfall.*) What is the dividend upon the line from Armagh to Belfast?—That company not very long ago paid 6 per cent. I believe their dividend now is either $4\frac{1}{2}$ or 5 per cent.

3847. Has that been consequent upon any reduction of the fares?—No; I think it is from a pure excess of expenditure over the previous working expenses, and the non-improvement of the traffic of the country.

3848. (*Mr. Glyn.*) I suppose they have arrived at that point of time when the repairs and the maintenance of the permanent way are coming against them?—Yes; and they have not laid by any mileage rate, or made any provision for extensive repairs.

3849. (*Sir R. Hill.*) You have expressed an opinion that the union of the railways would lead to considerable savings; will you be so good as to point out what would be the sources of those savings?—I will take the line from Dublin to Belfast, that is only 100 miles; there are three boards, three sets of superintendents, repairing establishments, and engineers, secretaries, managers, &c.; there is a very clear case there of unnecessary superintendence and consequent expense for a very short distance.

3850. And a saving might be effected by reducing the three sets of directors, managers, superintendents, &c., to one?—Exactly.

3851. (*Mr. Glyn.*) Would you apply exactly the same observation to the other small lines of railway?—Yes; wherever separate boards, secretaries, managers, and engineers exist; they rather compete with each other than work together in many cases.

3852. (*Sir R. Hill.*) Would there not be in addition another, and perhaps a more important source of saving, inasmuch as the united companies would be able to employ officers of greater talent than they now do?—I think so, decidedly, for the salaries when split up are small and insignificant, and no sooner is a good man found in Ireland than he gets away directly to England, he is sure to be snapped up in England or the Colonies.

3853. You are of opinion, that if the different lines of railway were amalgamated, to use an ordinary expression, there would be a very large saving effected?

—I have no doubt whatever of it. I believe that great benefit might arise to the public under a system of proper control, but so as not to have any unfair monopoly.

3854. (*Mr. Glyn.*) Do you think that the same system might be carried out in the Midland districts?—No doubt of it.

3855. And again in the southern districts?—Yes, certainly.

3856. (*Sir R. Hill.*) Would the whole system be too large for one company to manage with such officers as can be now obtained?—I forget exactly what it is, but I believe that the whole of the Irish railway system put together does not amount to much more in extent than the London and North Western system, taking into account all the lines that they have to deal with.

3857. (*Capt. Galton.*) Do you know, from your knowledge of the railway companies in Ireland, whether they are willing or not to be bought up or amalgamated?—I am afraid that it would be very difficult to obtain any unanimous expression from them upon that. I am afraid that many boards would be very unwilling to become defunct and to surrender their managements. There are a great many jealousies existing at the seaports. All the eastern ports are vieing with each other, and endeavouring to set up different systems of management, and I think it is very doubtful whether there would be any general favour shown to such a measure.

3858. (*Mr. Glyn.*) With regard to the holders of stock, I suppose if there was anything like a moderate chance of getting a dividend they would come into it with pleasure?—I think that they would be delighted to see any measure carried out that would ensure to them a modest dividend on the ordinary shares.

3859. (*Sir R. Hill.*) It has been stated in evidence that amalgamations promoted by the directors have been opposed by the shareholders. Can you at all explain that?—I think it is very probable that the influence of the directors was at work among the shareholders.

3860. (*Capt. Galton.*) Would it not be likely to be so again in case of any attempt being made to amalgamate them?—If the shareholders saw a prospect of a very positive and good result to themselves, I think that they would act more independently. It has been where things were a little doubtful and uncertain that the shareholders have supported the *status quo* of the company.

3861. (*Mr. Horsfall.*) What do you think would be the opinion of the public upon that point, I mean the shippers of goods, and cattle, and produce?—I think that all the shippers of goods, and cattle, and so forth, would feel very uneasy unless there was perfect protection afforded against monopoly; but if such an amalgamation were accompanied with a general large reduction of fares, I think it would be very popular.

3862. And if there was a maximum rate fixed?—Yes; a low one.

3863. (*Mr. Glyn.*) In case of an amalgamation, entertaining the views you do with regard to the stationary condition of the traffic in Ireland, how could you propose a very large reduction of fares with the hope of making it answer?—I should not expect that for many years, because I believe that it would be an experiment that must be made at a loss.

3864. Who is to bear the loss in the meantime?—There is great difficulty in answering that question. I do not think that the country would respond at once to any such measure; but I believe that at the end of 10 years, the experiment would have a very beneficial result over the whole country, at the same time I am satisfied that there would be loss in the meantime.

3865. The question is, who is to meet that loss in the meantime. Is it to be borne locally?—I cannot answer that question, I do not think that the country can do it. I know that a barony rate could not be put on for the purpose. In the west of Ireland a barony rate was put on to enable a line to be constructed from Mullingar to Galway; in that case the barony had a rate put upon them to come in aid of the deficiencies of the railway, and they have had to pay, in consequence of that, altogether a sum of somewhere about 45,000*l.*, which was raised by presentment upon the baronies, and there were very great complaints made, although they got their railway by that means, which they would not have had to this day without it; but many great complaints have been made of it, and I do not think that the country could bear a general rate of that sort.

3866. (*Mr. Horsfall.*) Can you state what the annual rate was that was charged on the baronies in consequence of that railway being made?—It varied I think in very nearly every parish, according to its vicinity to the railway. $3\frac{1}{2}$ per cent. was guaranteed upon half a million, and there was $1\frac{3}{4}$ per cent. raised upon the country for some years; and, as well as I remember, it came to something like 4 per cent. upon the valuation of the district.

3867. (*Sir R. Hill.*) Or the rental?—Upon a valuation of the rental.

3868. It was an additional rate of about 4 per cent. upon the rental?—It was not so much as that, I think.

3869. But taking an average of the whole?—Yes.

3870. It has been stated in evidence that the landowners and agriculturists derive very considerable advantage from the construction of railways?—No doubt they do.

3871. Are you prepared to say whether the advantage derived by those parties from the construction of the railway which you have spoken of from Mullingar to Galway exceeded or fell short of the 4 per cent. additional rate?—Undoubtedly the advantage was infinitely greater than the loss, because the whole amount which they have paid up to this time for a railway which cost half a million of money has been under 45,000*l.*

3872. In how many years?—It opened in 1851, and it has been going on for about 15 years.

3873. You think then that the landowners and others who contributed to this rate have largely benefited by the arrangement?—Undoubtedly; they have benefited very considerably.

3874. Can you explain why they should think the arrangement disadvantageous to them; you stated that they complained of it?—There was a great deal of jealousy existing between them and the railway company. There was a general impression in the county that the line had cost too much, and that the accounts were not fairly treated, and many complaints were made which probably had no foundation, that the line was not worked with so many trains as they wished for, or so economically as it might be, and the levying of this rate made the company very unpopular.

3875. Seeing that the landowners and agriculturists have in your opinion benefited so largely by the construction of railways, might not any temporary loss be borne wholly or in part by those individuals?—I think it is impossible to obtain any unanimity of feeling on the subject. In an abstract point of view, I think there is no doubt that the country would benefit by even paying a rate in aid, if all the railway fares could be reduced one half; but I do not think it would ever be consented to.

3876. Do you think that it would be advantageous to the landowners and others, although there would be practical difficulties in it?—I am certain that if the public in every county of Ireland were assembled together to discuss the question, they would not pass resolutions in favour of it.

3877. Notwithstanding that it would be to their advantage?—Yes. I am certain that the feeling would be that the loss should be borne by the country at large.

3878. Meaning by that Ireland, or the United Kingdom?—The United Kingdom.

3879. (*Lord Stanley.*) Then it would practically be by contributions from England and Wales, the

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taxes in Ireland being comparatively very small?—Yes.

3880. (*Mr. Horsfall.*) You are aware, I presume, that under such an arrangement, 9-10ths of the contribution would be raised by Great Britain?—Very probably.

3881. (*Mr. Glyn.*) I believe the Irish railways pay no tax upon passengers now?—There is no passenger duty.

3882. (*Sir R. Hill.*) It would appear, according to your view, that in the first place great expense might be saved in working the lines by uniting several railways under one general management?—Certainly.

3883. And next, that the temporary loss produced by a large general reduction of the fares and charges would so greatly benefit the landowners and agriculturists, and I suppose also the residents in towns, that if they took an enlightened view of their own interests they would be willing to guarantee the railway companies against that temporary loss?—That is my opinion.

3884. (*Mr. Glyn.*) Still you do not think that you could persuade the gentlemen and merchants in Ireland to agree to any such plan?—I am sure that they would not agree to it.

3885. Have you turned your attention to any other practicable mode by which a guarantee fund could be raised, if any could be?—The object seems to me to be to find some method of trying the experiment of lowering the fares without incurring a public burden, or, in other words, without sustaining a loss; and I have heard it suggested that if the incumbrances upon railways could be supplied by paying them off at more reasonable terms, the companies might be induced to avail themselves of such an offer, upon the condition that they should lower their fares. Many companies are a good deal encumbered with debt, for which they pay very often very high rates of interest.

3886. Have you ever considered the extent to which a saving might be carried, taking into account the large amount of debt that exists in Ireland?—I am afraid that it would not be large enough to cover the loss altogether, but still it might afford a very great relief to the companies if they could obtain money at a low rate of interest; and I have heard it suggested that it might be an inducement to them to accept the condition of reducing their fares so far. But I do not think it would be enough to stimulate the railway traffic over the whole country; much might be done, but I am afraid it would not be enough.

3887. (*Mr. Horsfall.*) Do you think that that would be more effectual than an amalgamation of the different lines?—I think that an amalgamation of the lines, coupled with a reduction of the fares, placing in their hands sufficient power to enable them to try the experiment and to bear the loss, would be a more practicable thing and much more beneficial.

3888. The power of amalgamating is practically in the hands of the railway directors themselves, is it not?—Supposing them to be all reasonably willing to give up their personal advantages, if there are any, in managing the companies, it would be no doubt in their power; but they are too much scattered in Ireland, and they have too many local interests. Gentlemen who live in commercial towns, like Dundalk, Drogheda and Newry, and who are often directors on these separate boards, derive some local importance from that circumstance, and they do not like the idea of giving up what they think the management of their own business to other people.

3889. Have there been in Ireland no amalgamations of railway interests at all?—Several attempts at amalgamation have been made, but they have been defeated.

3890. You are no doubt aware that instances of amalgamations in England are very numerous?—Very extensive indeed.

3891. How do you account for the willingness on the part of the English directors to amalgamate, and the unwillingness on the part of Irish directors to do the same?—I believe that a great many of the amalgamations in England have been caused by pressure on the part of the commercial companies in many cases, and a strong guarantee being given to the weaker company associating with the larger and stronger one to give them fixed advantages. In Ireland such things have been offered; for instance the Great Southern and Western railway company, which is a most powerful company, were anxious to amalgamate with that system of green lines, the Waterford and Limerick, and they even offered them a dividend, which would have been handsome, a $2\frac{1}{2}$ per cent. guarantee, when they were paying nothing, but the jealousy was so great at Limerick and Waterford that the shareholders, either themselves, or stimulated by the directors, unanimously, or by a great majority, rejected that attempt at amalgamation, but I believe they are very sorry for it now. The Great Southern and Western company have absorbed a few weak branch lines, but nothing more has occurred in that way.

3892. (*Chairman.*) Was that amalgamation rejected in consequence of its being the general opinion at Waterford and Limerick that it would work injuriously to their interests as ports?—I think it was imagined, by the people of Limerick particularly, that everything would be worked up to Dublin, that was their idea; and I believe that that feeling was worked upon in order to induce them to reject the proposal.

3893. (*Mr. Glyn.*) Supposing your notion of dividing Ireland into three systems could be carried out by amalgamating these companies, would it be possible that the working of those systems of railways could be satisfactorily carried on by a few boards, unless there was some superintending power to get rid of all jealousies and conflict of feeling?—I think that at every eastern port they would feel dissatisfied unless there was some means of reference in cases where the traffic appeared to be torn away from them.

3894. Would it not be almost necessary to have some representative on the part of the Government upon each board?—I think it would be very desirable to have some referee.

3895. (*Sir R. Hill.*) Unless that referee exercised an authority superior to that of the board in general, would it be possible to carry the plan into effect?—I do not think that any measure of that kind could be carried out without ample power being given to do justice to every line of traffic.

3896. (*Mr. Horsfall.*) You think that there should be some court of appeal from the decision of the directors where there was a complaint made of unequal rates, or of too high rates?—I think it would be desirable.

3897. (*Capt. Galton.*) I think you stated that the whole system would not be too large to be vested in the hands of one company?—I think there should be one or possibly two. I think that Dublin, as hitherto, should be the centre of the principal railways; there are some interests that perhaps might be better managed by having another centre in the north.

3898. At Belfast, for instance?—Yes; I consider that the interests of Belfast and the trade connected with it are of a different character from those in Dublin. I look upon Belfast more as the trading port for Scotland, and it is likely to be so more and more as the ports below it improve, rather than for England. Therefore that system appears to have rather a different centre. I think that all the ports below will make great efforts to improve, and besides, they are much nearer to Holyhead than the Belfast navigation, which is quite out of the way for Holyhead and the south of England. I think that Dundalk, Newry, and Drogheda, are all working against it, and they ought to be better suited for trade to England. Belfast is the best port for the Scotch trade.

3899. (*Lord Stanley.*) Assuming that an amalgamation of Irish railways is possible, and assuming also that a large reduction of fares would produce a temporary loss, but yet would ultimately produce a

gain, do you see any manner by which that temporary loss could be borne by the railway companies without coming upon the Government for assistance ?—I do not, unless it were by a rate in aid levied on the country.

3900. That would be in fact coming to the State for assistance ?—Unless it was confined to Ireland.

3901. Even then you would require the direct intervention of the State ?—Clearly, it would require a special act of Parliament.

3902. Additional taxation, although confined to Ireland, would require the intervention of the State ?—Yes ; it must come from additional taxation, and a rate in aid would be required.

3903. (*Mr. Hamilton.*) Have you made any estimate as to what the effect would be of reducing the rates 50 per cent ?—No ; I have not gone into that.

3904. You cannot give the Commission any opinion upon the subject ?—Not just at this moment.

3905. (*Sir R. Hill.*) I suppose there is no doubt that there would be at once a large increase of traffic ?—I think it would come gradually, not immediately.

3906. I am not speaking of an increase of traffic sufficient to make up the former receipts ; but that there would be at once a large increase of traffic ?—I am afraid not. I believe that even that would only come gradually.

3907. (*Mr. Hamilton.*) When you mentioned before 10 years, what did you mean would be effected in that time ?—I meant that as the period at the end of which I think it is probable the whole loss would have recouped itself; but I only give you that from general impressions.

3908. (*Mr. Glyn.*) Upon how many branches of traffic do you think a reduction could be made to produce any effect ; upon the cattle traffic ?—No ; but I think that reducing the fares of third-class passengers would, before long, although not immediately, induce the people to use the railways, and go to market as much as they could by railway, instead of walking, for instance, if they could travel for a halfpenny a mile, instead of a penny a mile, I think they would use the railways as a settled thing ; but it would take some time before they did it.

3909. (*Mr. Horsfall.*) You have spoken of reducing the third-class fares, would there not be an advantage, and would not the traffic be increased, if the first and second-class fares were also reduced ?—I think that if the second-class passengers, by a reduction of the fares, could be induced to travel first-class, it would be so ; for the persons who now use the first-class carriages are, I think, all of that class to which a reduction of the fares would not be very material.

3910. But would it not be material to the railway companies ?—Of course, if they reduced the fares, and they could get the second-class passengers to travel first-class as the same description of people do in England, it would be.

3911. (*Mr. Hamilton.*) Would it not also be beneficial to induce the people to travel in railway carriages who now walk ?—As to the third-class passengers, decidedly.

3912. Do you see any objection to the railway companies reducing their fares to such a point as to induce persons to travel on the railways for distances up to within 20 miles ?—I see this objection to it. I believe that a temporary loss would follow any reduction of fares that was worth making. I do not believe that the third-class passengers would use the railways generally unless the fares were reduced one half, and such a reduction would certainly begin with a loss. I believe that the railway companies would be afraid to try it.

3913. It would not increase the working expenditure, would it ?—I think it would ; they have now a certain number of third-class passengers who travel continually, and pay 1*d.* a mile, from which they derive a fixed income, and then if they were suddenly to reduce that 1*d.* a mile to a $\frac{1}{2}d.$ a mile, they would only have half the usual receipts. It is clear that until you have got an ample number of passengers, sufficient to bring the receipts up again, there must be a corresponding loss.

3914. How ? — There would be the loss of the money that they would otherwise have received.

3915. If they provided accommodation in a train for third-class passengers, there would be no increase in the working expenditure ?—Not in that sense, but they have been paying a dividend derived from the receipt of fares at a 1*d.* a mile, and if that 1*d.* a mile is suddenly reduced to a $\frac{1}{2}d.$, and no increase in the number of halfpennies received, their dividend must necessarily be reduced, and there must be a loss in that way.

3916. (*Sir R. Hill.*) The effect would be to reduce the gross receipts ?—Yes.

3917. (*Chairman.*) Do you contemplate a gradual establishment of manufactories in Ireland as the result of the low charges ?—I do, decidedly.

3918. Unless such was the result, do you believe that any great increase of traffic would take place as long as the country remained purely agricultural ?—That is a very difficult question to answer. Whether the country has life enough in it to increase the income of the railways without manufactures it is hard to say ; but I think that a very great reduction in the fares would have a tendency to bring manufactures into the country, and especially if coal could be carried into it at a cheaper rate. I am also inclined to think that, merely as an agricultural country, it might in the end pay, and possibly without manufactures. There is a large population, and if they all use the railways extensively it would certainly produce a very different state of things as to the receipts of the companies.

3919. (*Mr. Glyn.*) You are aware, I suppose, that in this country the use of railways in agricultural districts at low fares has led to a very large increase in the number of passengers ?—Undoubtedly; and in other countries as well. I believe that Ireland is more backward than almost any other country in that respect, and I do not see why it should ultimately be different from any other place.

3920. (*Sir R. Hill.*) Do you not think that there is a slowness in Ireland in taking advantage of any change ?—There is a want of money all over the country, and the consequence is that when people have but little of it they walk, and they use their hands and their limbs rather than pay any money at all to travel ; it is only by the greatest indulgence with regard to the fares that they can be induced to come at all.

3921. (*Chairman.*) Do you believe that the consumption of coal in Ireland could be considerably increased if the charges were greatly reduced ?—I think that the introduction of coal into the centre of the country is becoming more important every year. When I visit the country I observe continually that there is a tendency to discontinue the use of turf and to use coal when they can; and if coal was cheaper, and the trucks, which generally come to the ports with cattle and go back empty, were filled with coal, cheapening coal as much as possible, a great deal could be done. If they had coal depôts at the railway stations all over the country, I think that coal would become a very important article of trade.

3922. Are the cattle trucks adapted for carrying coal ?—Yes ; there is no reason that I know of against it. They could not shoot the coal out of them, as they do in England, but they could carry the coal very well in them.

3923. (*Mr. Glyn.*) Suppose the railway companies made a very large reduction in the rate charged for cattle, and they carried back coal from Dublin at a halfpenny a ton per mile in the same trucks, do you think that would answer very well ?—Yes, I think it would answer in the end; but the difficulty is, that there is no money to begin these things with, and the railway companies are not proper speculators in the coal trade, and unless they could afford to carry it at a very low rate, they could not induce other people

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to speculate in it. If the rates were low enough to induce people to speculate in it, such speculations might arise; but at the present time I think that the rates are not low enough for that sort of thing. But I do not blame the railway companies, for I do not believe that they have margin enough to enable them to make these experiments, and they have not made them; their dividends are too low at the present time to make experiments that would lower them for some years.

3924. (*Mr. Hamilton.*) Do you know the total amount of capital invested in Irish railways?—Not at this moment.

3925. Do you know what the net receipts are on the Irish railways?—I have not got the figures in my head just now.

3926. (*Chairman.*) Have you had any experience of the use of turf for steam engines?—I have had a good deal of experience.

3927. It has been stated that turf can be used more economically than coal for steam-engines?—That, in my opinion, is nonsense. It is not so, as regards locomotives, because I have tried it.

3928. (*Lord Stanley.*) Have not all the attempts to compress turf into a very small compass failed?—Yes, commercially speaking. They have produced very nice articles, but they have failed commercially.

3929. They were not found to pay?—No. In using turf I have found that it required three times the bulk of the best turf to be equal to the same quantity of coke or coal. Good turf in Ireland is not cheap, it is a very dear article. By the time it is dug, dried, and kept, and carried to market, it is not at all a cheap article.

3930. (*Capt. Galton.*) It is not burned on the railways for any locomotive?—No, except to light the fires; but not as a rule on any of the railways.

3931. (*Chairman.*) It has been stated that an engine of 12-horse power can be worked with two cribs of turf a day at a cost of 2*s.* 6*d.*?—It is quite possible if you get an engine established somewhere near a peat bog to drive it with turf at a very low rate.

3932. The neighbourhood of Castlebar was referred to?—I look at it in a broader sense. I have tried it, and if you were to require, in Dublin, for instance, a store of really good turf, such as you could depend upon to work the locomotives, it would be dearer than coal to use it. In some places near to a bog, no doubt, turf might be used cheaply enough.

3933. (*Mr. Gower.*) You have stated that, in your opinion, if the fares were reduced, manufactures would be established in Ireland. What manufactures should you expect to be established?—I see no reason why more flax mills should not be established in Ireland. Many of them that are there are doing very well. I see no reason why cloth or woollen manufactories should not be established in Ireland, as it is a country for wool.

3934. Is it the case that in England any manufactories have been established at any distance from where the fuel is produced?—I think not generally, but there is a great deal of water power, not sufficient, perhaps, for all the manufactories; that would come in aid of the manufactories in Ireland.

3935. Then the manufactories which you think would be established in Ireland would be worked by water power?—Not altogether so; but I think it would come in aid of the steam power. Everywhere in Ireland there is a great deal of water power running to waste.

3936. (*Lord Stanley.*) Has it not been tested by actual experiment that under the most favourable circumstances water cannot compete with steam power?—Yes, in England where coal is cheap; but if there is a very large water power, such as exists on many of the Irish rivers, with auxiliary steam it ought to compete.

3937. (*Sir R. Hill.*) Would not water power come into competition, so to speak, with the power obtained from cheap coal in England, that is to say, that the manufacturers in Ireland would have to compete with similar manufacturers in England?—Yes; and if their chief power was water they ought to be able to compete satisfactorily.

3938. It has been stated that a train upon the Irish railways could convey nearly 1,000 tons of coal. Is that in accordance with your opinion?—A single train?

3939. Yes?—I should say decidedly not; it is much too large a quantity.

3940. The gradients on the Irish railways are not superior to those on the English railways, as a whole, are they?—I think that the gradients on the main lines, as a rule, are quite equal, perhaps a little superior, to many of the leading lines in England. One in 100 is perhaps the worst gradient on that whole system of blue lines. There is a portion of 1 in 80; they are not quite first-class gradients—not so good as those upon the Great Western, or the London and North-western lines.

3941. What would be the maximum load of a train upon the Irish lines generally?—That depends entirely upon the number of engines that you choose to work.

3942. Suppose you had a single engine?—If you take a single engine of the most powerful character, looking at that system of blue lines on the map, and supposing the trains to be worked from one end to the other, I do not think you could safely reckon on more than 35 waggons perhaps at the outside, and in each waggon you might take perhaps six tons of coal, that would be 210 tons, the net load.

3943. That you would consider the maximum?—Yes.

3944. (*Mr. Hamilton.*) The worst gradient on that system of blue lines being what?—1 in 80.

3945. (*Mr. Glyn.*) Generally speaking the gradients are a great deal better; are they not?—Generally speaking the gradients are better.

3946. How many miles are there of 1 in 80?—There is not more than a mile and a half in any part. I think you may assume that the working gradient of the Irish lines upon the average is 1 in 100; that is the gradient that limits the load.

3947. (*Sir R. Hill.*) Then the gradients must be inferior to those on the English main lines?—A great many of those in England are 1 in 70. The Caledonian is 1 in 70 for 10 miles consecutively. When I say that the gradient is 1 in 100 in Ireland, I mean the worst gradient, the one that limits the load, that is what engineers mean by the ruling gradient. A great number of the gradients may be level, and yet the worst gradient would be the ruling gradient, because it limits the load.

3948. (*Chairman.*) If there is a gradient only for a short distance, is it not usual to divide the goods trains?—Yes; if there is only one that is short, of course you may divide.

3949. Are there any other points to which you would like to call the attention of the Commissioners?—I was speaking about steam navigation, and I think that any measures that would encourage the putting on of powerful steamers by the railway companies in connection with the Irish ports would be most beneficial.

3950. To whom should you look to encourage the establishment of new steamers?—I think that all the great railway companies that trade to Ireland would be glad if they had the requisite power to put them on.

3951. (*Capt. Galton.*) What impediments are there in their way now?—They have no power to expend capital in that way, the London and North-western company is the only company who can do it.

3952. (*Mr. Hamilton.*) Would any other company, do you think, like to have the power to do so?—Yes. I am certain that the Great Western Railway company would be glad to put on better steamers than there are now.

3953. (*Mr. Glyn.*) Has power been granted by Parliament when it has been applied for?—I believe

that even the London and North-western Company had considerable difficulty in obtaining those powers.

3954. But eventually Parliament granted their application ?—Yes.

3955. (*Chairman.*) I believe the steamboats between Fleetwood and Belfast, and between Morecambe and Belfast belong to railway companies in one way or another ?—I believe that they participate in the property of them ; but they are not of that class, nor are they so efficiently or so well managed as they might be if the companies were empowered to put on fleets of steamers. The London and North-western Company do it most effectually and beneficially to Ireland, and I think it would be most desirable if it could be more extensively done.

3956. (*Mr. Hamilton.*) I suppose you think that as between Waterford and Milford, if the Great Western Company had power to put on steamers, the service would be better ?—Yes ; for I consider that the service there is wretched now.

3957. Has the Great Western Company ever applied to Parliament for powers ?—I am not sure that they have, but there is a general impression that it is very difficult to get such powers. I know that I gave evidence in favour of those powers being granted to the London and North-western Company, but I also know that the Bill was passed with considerable difficulty.

3958. Is it not the case that in the absence of special powers granted by Parliament, a railway company cannot embark their capital in such an undertaking ?—Yes, they know that the shareholders may stop them.

3959. (*Mr. Horsfall.*) Would the adoption of that principle be fair, in your opinion, to independent steamship companies ?—I am looking at it as a thing that would be beneficial to the railway interest. In the other point of view it would introduce a new element of competition. I should not object to it.

3960. Would it not rather do away with competition ?—I think it would induce competition.

3961. In what way do you think any private steamboat company could compete with a railway company which could carry its railway down to the steamers ?—The private company must either improve its accommodation or succumb.

3962. Even with the greatest improvements they could make, do you think it would be possible for any private company to compete with a railway company whose terminus was upon the pier where the steamers started from ?—I think that such a company as the Waterford company, who have an enormous fleet of steamers, could hold their own against any railway company's boats. There happens to be no other steamboat company in Ireland of individuals. The City of Dublin company is another large company that I think would be able to hold its own against any railway.

3963. (*Mr. Hamilton.*) You say that the Waterford Company have already got a large fleet of steamers ?—Yes.

3964. To what ports in England do they ply from Waterford ?—Latterly, it is understood that they have made arrangements to go entirely to Holyhead and Liverpool.

3965. Do they not ply to the southern ports in Wales ?—No. I think they go to Holyhead, and they send boats to Bristol, but none, I think, to Milford.

3966. (*Capt. Galton.*) Are there no boats to Milford ?—Yes.

3967. (*Mr. Hamilton.*) Do you know who is the nominal owner of those boats ?—I forget now who it is in whose name they run.

3968. If there is already a good sea service between Waterford and Bristol, what advantage would Ireland gain by authorizing such a company as the Great Western Company to embark their capital in steamboats ?—I am assuming what is the case, that it is not a good service, that it is not sufficient.

3969. What benefit would Ireland derive from the establishment of an efficient service of the same kind as now exists between Holyhead and Dublin ?—I think it would have the effect of stimulating the export trade all over the country.

3970. (*Capt. Galton.*) You would make steamboats between the English and Irish ports, as it were a portion of the English railway ?—Yes, or a combination between the English railway and the Irish railway, so as to work together.

3971. Would it be advantageous for the Irish railways to be leased in any form to English railway companies ?—I think that in some cases it might be advantageous to them. I think that as much as possible Irish goods ought to be capable of being booked through in every direction to England, and that means of communication should exist for the same goods from one end to the other, from Galway to London, as an illustration.

3972. You would put the Midland Great Western Company into the hands of the London and North-western Company ?—Not exclusively. The tendency of my evidence is, that as many English companies as would be disposed ought to be able to put on fleets of steamers in connexion with the Irish railways, so as not to give an exclusive monopoly to any one line.

3973. (*Chairman.*) Are there instances in which you think it would be profitable for a railway company to establish a line of steamers where it would not pay a private company ?—I have no doubt that if they could establish through booking, and regular daily services, it would be.

3974. (*Mr. Hamilton.*) Is there any difficulty in the way of through booking, as between Waterford and Wales, now ?—I am not aware that there is.

3975. (*Mr. Horsfall.*) Can you mention any place where it would be advantageous to establish steamers in connexion with a railway company, where they do not now exist ?—They do exist, but they are not carried out in a broad way. The service between Waterford and Milford is very poor, it is carried on with indifferent boats, it takes a very long time, and it is not a good service. Then the service between Dundalk and Drogheda, and Newry and those ports, is at present all a tidal service, and not at fixed hours, and arrangements such as would enable them to start at fixed hours every day and book through, would be most important to the Irish trade.

3976. (*Mr. Glyn.*) At Dundalk, I believe, the present unsatisfactory state of things is about to be remedied ?—A company is about to carry a line to Grenore. The water will be deep enough to enable the boats to start at fixed hours ; but all these things require capital and combination between the railway and steamboat companies.

3977. (*Mr. Hamilton.*) You have no doubt that it would be beneficial to that part of Ireland if there was a good and efficient service between Waterford and Milford ?—No doubt at all.

3978. (*Mr. Glyn.*) Has not Parliament already granted powers for a railway company to run steamboats to Carlingford Bay ?—The London and North-western Company obtained powers to extend their steamers to Carlingford Bay ; but I believe that that is the only company who have obtained such powers.

3979. (*Sir R. Hill.*) Are there not very good steamers in the north, running between Glasgow and Belfast ?—Yes, there is a fixed service there ; but that is the only port at which there is a fixed service. All the remainder are tidal services.

3980. (*Mr. Dalglish.*) And again from Ardrossan to Belfast ?—Yes ; they have lately at great expense made such improvements at Belfast that they are able to start boats at any fixed hour ; but all the other ports are only tidal ports.

3981. (*Mr. Hamilton.*) Does the want of an efficient service between Waterford and Milford add to the cost of the traffic between the South of Ireland and London, particularly in cattle and meat traffic ?—Yes ; no doubt it adds to the cost, because it increases the time, and besides that it diminishes the traffic ; the traffic flows in other ways.

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3982. (*Chairman.*) You would recommend general powers to be granted to railway companies to establish steamboats wherever they thought proper?—Yes; the object in Ireland being to stimulate the business of the Irish railways, every facility should be afforded for the export trade, which would tend in that direction.

3983. (*Mr. Horsfall.*) Do you think it would be fair to independent steamboat companies already established to grant a monopoly to railway companies to run steamers?—If there was only one railway to each port, and that railway were tied to a particular fleet of steamers to convey their goods, any other fleet would, of course, suffer, and it would then be restricted to the goods from the immediate neighbourhood of the port which did not come by the railway.

3984. It would be natural, would it not, for the railway company to book their passengers and goods through from a distance?—They would undoubtedly agree to do so; but I look upon that as very secondary to the interests of the country at large. If the traffic of the country at large is to be stimulated by these means, I think that the interests of a private steamboat company are very secondary.

3985. (*Mr. Hamilton.*) In the case under consideration between Waterford and Milford there is a steamboat service?—There is a communication. I forget in whose hands it is; but it is not a good one; it is an inefficient communication.

3986. The service is limited to three boats, is it not?—Yes, three poor boats; and I have found them to be perfectly inadequate, most inconvenient, and giving wretched accommodation.

3987. Would you allow the Irish railway companies to put on steamboats?—Yes, if they were prepared to do so.

3988. To run them to America?—Yes, if they had the means to undertake it. I believe that in future intercourse with America, direct from Ireland, will be a very important element in the prosperity of the railways.

3989. (*Mr. Dalglish.*) You say that the steamers between Waterford and Milford are very insufficient; must not that be injurious to the trade of the railway which runs to Milford?—Yes, no doubt of it.

3990. Then there would appear to be no objection, as far as the railway is concerned, to preventing the monopoly which exists in the hands of the steamboat proprietors, and to insist upon their running proper boats on the station, and you would give the railway companies power to put on better boats?—Certainly.

3991. (*Mr. Horsfall.*) But it does not follow that they would do so?—There is every expectation, I think, that they would.

3992. (*Mr. Dalglish.*) You would not give a monopoly to the steamboat proprietors to keep bad boats upon a station?—Certainly not.

3993. (*Chairman.*) Have not the railway companies, wherever they have thought it their interest to establish steamboat communication, taken means to do so indirectly, if they had not the power to do it directly?—I think that various difficulties have prevented them from doing it efficiently; for example, when they know that the shareholders can say, "You are doing an illegal thing," the directors cannot safely venture upon any large speculation of that sort, and if it is done, it is done poorly and feebly.

3994. (*Mr. Glyn.*) I suppose that in the case of Carlingford Bay, unless power had been granted to the London and North-western Company in conjunction with the Irish company, the thing would not have been done at all?—No, I doubt whether it would; in fact it is not done yet. It is to be done as soon as the pier is ready.

3995. (*Capt. Galton.*) The Midland Company have a service of boats from Morecambe to Belfast?—I believe they are interested in that. It is not done in their own name.

3996. They have not power by Act of Parliament to run the boats?—I am not aware of it. It may be so, but what I have stated was more to show that, in my opinion, the stimulation of that cross-channel traffic is very important indeed for the Irish railways generally.

3997. (*Mr. Glyn.*) You would establish a system of booking through?—Certainly; from every port in Ireland to every port in England, if possible.

3998. (*Chairman.*) Is there any through booking, except through Dublin, at the present time?—I am not sure. There may be some through booking in the north, and I have no doubt there is.

3999. Not by Waterford?—Yes, I believe there is through booking by Waterford, but the service is not good enough to make it popular.

4000. There is a very short practicable passage in the south of Ireland from Wexford or Carnsore to Fishguard?—There might be, if a proper harbour was made, a short passage across there.

4001. Has not a railway been started to Carnsore?—It is not, I believe, made, and indeed I know nothing about its present state, whether they have got to work or whether a contractor has been found to undertake it; it must be a work of some years.

4002. (*Mr. Hamilton.*) Have you calculated the difference in point of time, supposing there was a good sea service between Waterford and Milford, comparing a journey from London to the south of Ireland with the route round by Holyhead and Dublin?—The distances from Waterford to London by Milford and from Dublin to London by Holyhead, are, within a few miles, the same; going round by Dublin would be just the distance from Dublin to Waterford, and the disadvantage would be by that distance. I think that the distance is about 100 miles.

4003. If the sea service was good between Waterford and Milford, would there not be a large passenger traffic by that route?—I have no doubt of it.

4004. (*Chairman.*) The steamboat passage must be, at all events, four or five hours longer from Waterford than going by Holyhead?—No, I think it need not be four or five hours longer; at the present time it is so; it is about nine hours now.

4005. The distance does not make that difference in time necessary?—Not so much as that; the other is from four and a half hours to five, and this is nine; if the time was reduced to seven the difference would be much less.

4006. (*Mr. Hamilton.*) Do you know what the difference is in the sea routes?—At present it is represented by nine hours against four and a half.

4007. (*Chairman.*) The fast boats running between Kingstown and Holyhead are only adapted for passenger traffic, are they?—There is no physical reason why they should not take goods; but it would not suit their arrangements to carry goods.

4008. (*Mr. Hamilton.*) Is not that a subsidized service?—Yes.

4009. Therefore there is no prospect of getting boats of the same calibre between Waterford and Milford?—One would hardly expect them to be able to get boats of equal power and speed to those running between Kingstown and Holyhead without assistance, but very much better boats than there are now between Waterford and Milford might be put on.

4010. (*Chairman.*) Is there any other point to which you would like to call the attention of the Commissioners?—No.

4010*. I believe we have to thank you for the cartoon map of the Irish railways, which has been very useful to the Commission?—It is quite at your service.

The witness withdrew.

Adjourned to Tuesday next at 12 o'clock.

Tuesday, 30th May 1865.

PRESENT:

The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
The Right Hon. Robert Lowe, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
A. T. Ayrton, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
E. T. Hamilton, Esq.
J. R. M'Clean, Esq., Pres. Inst. C.E.
William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. John Ennis, M.P., examined.

Mr. J. Ennis.
30th May 1865.

4011. (*Chairman.*) You are Chairman of the Midland Great Western railway of Ireland?—Yes.

4012. Have you been connected with that railway for many years?—I have been connected with it for 20 years, and I was the originator of it.

4013. Have you paid much attention to the affairs of the company since its establishment?—Yes, invariably, excepting for two or three years, when I was abroad.

4014. Has the question of the fares and charges on the Midland railway often been the subject of discussion at your board?—It has been so.

4015. Have you ever considered the policy of trying a lower scale of fares and charges than those which are now made?—That question has constantly been submitted to me by our late manager, Mr. Forbes, who suggested to us that it would be a wise thing to reduce our third-class fares; but I must say at the same time that for many years during his management of the Midland system he was very much opposed to anything like a reduction. He agreed with me in the view that traffic in Ireland is a limited quantity, and do as you might in the way of reduction, you would not be able to arrive at anything like a compensating receipt in money.

4016. Have any experiments of the kind upon any occasion been tried on the Great Midland railway?—Not as experiments, but our fares are particularly low; for instance, with regard to harvest labourers, of whom we carried 70,000 last year backwards and forwards to Dublin on their way to England, we have carried them for about a halfpenny a mile, and having done that we thought we had gone as far in the way of reduction as it was possible or profitable to go. I have always felt that there are two views to be taken of this question. If a board of management is prepared to make a great sacrifice for three, or four, or five years, it is possible, that they will arrive at a more satisfactory result than is now obtained; but the shareholders will not consent to go without their dividends during that time for a problematical advantage.

4017. Is it your opinion, that in the course of four or five years, if a large reduction of fares was tried, in all probability the railway receipts would recover themselves?—It is.

4018. Has the system of carrying the harvest labourers at the low fares which you have mentioned been tried for many years?—It has been tried for several years, and notwithstanding the very low rate which is charged, and which I am sure every member of the Commission will acknowledge to be a very low one, we do not carry anything like the number that are passing and repassing. I have often seen men walking past my demesne gates in clusters of 20 or 30. It used to be their practice to hire one of the cars of the country, and take it for 8 or 10 miles, 20* men being carried on the car, their places being taken in turn by 20* others. The party consisting, perhaps, of 40 who would probably share in turns the rest that would thus be afforded them.

4019. (*Capt. Galton.*) What would they have to pay for the car?—1*s.*†

4020. Only 1*s.* for so large a number for a distance of 10 miles?—The charge is for the car, and they use that according to their own state of weariness; they would, as they call it in Ireland, ride in tye.

4021. (*Mr. Glyn.*) And the distance would be 10 miles?—Ten Irish miles. I think the owner would lead his horse.

4022. (*Capt. Galton.*) You mean 1*s.* for the car, and not 1*s.* per head?—No; probably it would be 2*s.** for the venture.

4023. To take them 10 Irish miles?—Yes, I have known that done.

4024. At the present time do you believe it is possible to get a car so cheaply as that?—No, I do not speak of the present time; but I speak from my own observation of people whom I have seen passing my gate. I live in a lonesome part of the country; very few people live there, and I do not see the same state of things that I used to see. Notwithstanding the halfpenny fare that we charge—for instance, 5*s.* from Dublin to Galway, a distance of 126 miles—our manager tells me that we are not getting all that class of agricultural labourers to go by the railway.

4025. It would not be worth your while to charge such low fares as are charged on some of the lines for excursion trains in England, when people are carried for the same distance for half-a-crown?—No; I think not.

4026. (*Lord Stanley.*) The success of the excursion traffic depends, does it not, upon the density of the population?—Clearly so.

4027. (*Mr. Horsfall.*) Are you aware that low fares have been tried as an experiment on the Londonderry and Coleraine line?—No, I am not; I thought that our fares in Ireland were pretty nearly uniform; and, indeed, with regard not only to passenger fares, but to the carriage of goods, I think we generally agree at our clearing house upon a certain rate, and I think we adhere to that, except under special circumstances, as closely as we can.

4028. (*Mr. Glyn.*) That railway fell into the hands of the Exchequer Loan Commissioners; they have leased it, and probably that was the cause?—Yes; where a railway is subsidized, as in the case of the Belgian and Dutch Rhenish railways, low fares can be introduced and be persevered in, because the shareholders do not suffer by the system.

4029. (*Chairman.*) What are your third-class passenger fares at other times of the year, when the harvest men are not travelling?—I have been speaking of exceptional fares, the harvest men's fares; but I wish to speak of them in connection with the state of the country, which I think ought not to be lost sight of. The fare for a third-class passenger is a halfpenny and one-tenth per mile.

4030. (*Capt. Galton.*) Is not that in excess of the charge authorized by Act of Parliament?—I think not.

4031. Is it not a halfpenny a mile by the Act of Parliament?—I think not. I think that we could not very well charge more than the Act of Parliament authorizes. We run a Parliamentary train, which probably meets the requirements of the Act. The Parliamentary train is a penny, and that is the maximum.

4032. How many Parliamentary trains in a day do you run; one each way?—Yes; I think so.

4033. With respect to the harvest-men traffic, do you carry them in the ordinary trains?—Yes.

* These numbers were afterwards altered by the witness to "10."

† This sum was afterwards altered by the witness to "3*s.* or 4*s.*"

* This sum was afterwards altered by the witness to "4*s.*"

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4034. It does not occasion you any extra expense to carry them beyond running a carriage ?—When a very large number of these men arrive by boat in the morning at Dublin, they are not the most orderly people in the world, and they are very anxious to get home to their several residences, and in that case we frequently send them on special, if there are 500, or 600, or 700 of them. They would so interfere with the action of our ordinary trains, that we do in those cases send them on special.

4035. If you sent 500 or 600 of them, would it not be very remunerative to you to carry them for half-price, at which rate you would be charging 5*s.* as between Galway and Dublin ?—Yes. If we had every day 500 of these men on their way to Dublin proceeding to England, or if we carried 70,000 both ways, which would be 35,000 each way, and we had 35,000 to carry every week or every day, it would make a very serious difference.

4036. (*Chairman.*) Are the third-class passengers at all times of the year very limited in number ?—No. Our third-class passengers for the half year ending December 1864, were 161,953 ; the largest number of our first-class passengers, was 65,600 ; of second-class passengers, 140,300 ; by the Parliamentary train, 136,000 ; while the harvest men were about 60,000.

4037. (*Mr. Glyn.*) Does that show a decrease by comparison with the preceding years ?—I cannot state, for I have not the figures here.

4038. Do you think it does show a decrease ?—No. I have had occasion to remark of late years that our third-class passengers have been steadily increasing.

4039. To what circumstance do you attribute that ?—That I think is to be attributed, to some extent at least, to the emigration that is going on, and which has been going on in Ireland, for the last three or four years.

4040. (*Mr. Horsfall.*) Has the cattle traffic increased ?—No. It is at a stand still. The falling off in the last half year, as compared with the previous one may be, I think fairly imputed to the scarcity of cattle in the country, I think very fairly.

4041. You do not think that any reduction of fares would increase the traffic ?—No, I do not. Take for an example the great fair at Ballinasloe, which attracts so much public attention, I believe that our rates and fares are considered so reasonable there, that everybody is pressing us to take away their cattle in priority; but really our rolling stock is not sufficient for the operation, and I do not think as a general principle, that our rates charged for cattle, ought to be complained of. We have lately made a small reduction which may tell. Among those who send cattle to the Dublin market extensively are some who have probably what are called resting farms between Dublin and their residences. I reside 66 miles from Dublin, and I have farms where I rest my cattle. I sometimes send them by rail, and sometimes drive them.

4042. (*Capt. Galton.*) If the rates were lower, would it not be worth your while to send them by railway ?—No ; my steward tells me that it is better they should rest on the road.

4043. (*Mr. Glyn.*) Do you speak of fat cattle ?—Yes.

4044. (*Capt. Galton.*) In England the cattle are generally sent by railway; the farmers seem to prefer it ?—Yes; they go from the farmer to the market, but if the farmer had places on the road where he could rest the cattle, I doubt whether he would find it to his interest to send them by railway.

4045. (*Mr. Glyn.*) How many miles a day do you you drive your cattle ?—From my farmyard, to the Dublin market, it would take five days ; that is for a distance of about 66 miles. But when I send this way, my cattle go a little out of their way for accommodation sake.

4046. (*Mr. Horsfall.*) Seeing that these intermediate farms can be kept up only at a certain expense, might not a reduction of the fares induce you to send the cattle by railway ?—Not if the question means to suggest that I should relinquish my farms and let them to other people.

4047. I presume you do not keep farms for the purpose of resting the cattle ?—Not for that specific purpose, but I am enabled to make use of them for that purpose.

4048. (*Mr. Glyn.*) But that practice could apply only to very few persons ?—Very few.

4049. Do the fat cattle generally go by railway?—Yes ; almost invariably.

4050. You would not say the same thing as to the store cattle ?—No.

4051. Would not a reduction in the rates charged bring them on to the railway?—Yes ; the natural result of low rates would, of course, be to superinduce trade. But would it pay ? that is the question.

4052. That must depend upon the quantity. We have been informed that a large number of store cattle do travel by the roads that might be brought on to the railways if lower rates were charged ?—I think there would be some addition, but I do not at the same time think that the addition would outweigh the disadvantages of a very serious reduction in the fares.

4053. (*Capt. Galton.*) How far is the nearest of your farms from Dublin ?—18 miles.

4054. Are your fat cattle driven 18 miles into the Dublin market and then sold ?—No ; they are driven only for a distance of about seven miles to my Dublin agent's place.

4055. They remain there for a day or two, I suppose to rest ?—They remain a night.

4056. (*Mr. Horsfall.*) Do you not find the fat cattle decrease in value by being driven that distance? —No. Many experienced graziers say that they are the better for being walked a little into the market rather than when they are turned out of a railway truck, in which they generally get bruised, and sustain all sorts of injuries. Nothing is more common than to see in the Dublin markets, cattle bruised when exposed for sale, after being brought in by railway.

4057. (*Lord Stanley.*) Do you say that the injuries which they sustain in a railway truck are comparable to the wear and tear consequent upon their being driven along the road ?—No, I do not go that length.

4058. (*Chairman.*) At what time of the year do you send your fat cattle to market ?—In the winter time.

4059. They could not, I suppose, be driven the same distance in the summer time ?—No.

4060. (*Mr. Hamilton.*) Are there facilities all along the line for putting the cattle into trucks at every station ?—Yes, at every station. We receive and deliver cattle at every station, with the exception of one or two.

4061. (*Chairman.*) Do you carry much store cattle by the rail ?—A great quantity.

4062. But a large quantity also travels in the same direction by road ?—Unquestionably.

4063. (*Capt. Galton.*) Is not the quantity of store cattle that you carry regulated by the number of trucks that you possess ?—Yes, at Ballinasloe fair, where a larger number of store cattle present themselves. At any other fair, and there are many of them in Ireland, our appliances are very ample for the purpose. But I am very willing to admit that we do not get all the cattle to carry that are sold in those fairs ; at least, that is what our manager informs us, and that is what I heard also from gentlemen who are in the habit of attending those places.

4064. (*Mr. Horsfall.*) Can you state what proportion of the cattle does travel by railway compared with those that travel by road ?—I could not venture to give even an approximation to that.

4065. (*Chairman.*) Have you formed any opinion as to what proportion of the whole cattle in the country should travel in a year, either as fat cattle to market, or to be removed from one farm to another ? —No.

4066. (*Mr. Hamilton.*) I thought you stated that the traffic was a limited quantity, and that there was

no prospect of increasing it by reducing the fares ?—Quite so ; I did say that the traffic, in my opinion, was a limited quantity, but I said so more with reference to any prospect of any large money increase by reason of very largely reduced fares. I think the traffic is a limited quantity ; at the same time I am quite willing to admit that of that limited quantity we, on the Midland system, do not carry all that is to to be carried.

4067. (*Lord Stanley.*) You would, I presume, expect to carry more if a reduction were made, but not so much as to compensate you for the pecuniary loss you would sustain ?—Yes.

4068. (*Mr. Glyn.*) You would have to increase your plant in that case, and you think, upon the whole, that it would not pay you better than at the present time ?—I think that we should make very great exertions to do the service of the country, as far as possible, but there are some people, who, if you offered them to carry their cattle at a minimum price would prefer to drive them along the road ; men to whom time is of no moment. And the same remark may be made as to passengers ; I have sometimes thought that if we were to carry a man from Galway to Dublin for nothing, what would he be doing in Dublin ? He has no occasion to go there, no pleasure to seek, no business to transact, and, without seeking to jest, we should be almost obliged to give him his breakfast and dinner into the bargain.

4069. (*Mr. Hamilton.*) I do not understand from your evidence that your railway appliances are deficient, except at particular points of your system, and on particular occasions ?—I have mentioned Ballinasloe as the only point where anything like a deficiency is felt ; but it must be remembered, that that is an enormous fair, and it would require appliances on the largest possible scale to meet the demand.

4070. You could not carry a great deal more than you do?—Yes we could; our receipts vary from 7,000*l.* to 8,000*l.* at that fair in October.

4071. (*Chairman.*) Do you ever borrow rolling stock from other railway companies ?—Yes.

4072. (*Mr. Ayrton.*) Has the number of labourers which you have carried at a halfpenny a mile increased in the last few years ?—The harvest labourers have increased in numbers. These poor people from the west find their way to some market for their labour ; they can hardly get a shilling in Ireland, and naturally they will go to places where they may get many shillings.

4073. Can you state how many you carried about 10 years ago, as compared with the number which you carry now ?—I am afraid I cannot accurately do so; I have three half-yearly returns before me, and there is a very insensible difference, at least dealing with such large figures. I find that up to December 1863, we carried 85,200 harvest labourers ; up to June 1864 we carried 83,000 ; and up to December 1864 we carried 88,000, so that the numbers are not very different.

4074. (*Chairman.*) Do the harvest labourers put off their return homewards to as late as December ?—Yes, they put it off as long as there is any chance of money to be got in England.

4075. (*Sir R. Hill.*) Were the numbers you have given carried in the particular months you have mentioned ?—No ; in the half years.

4076. (*Capt. Galton.*) How do you accommodate these harvest men ; do you carry them in the ordinary third-class carriages ?—Yes.

4077. How many will an ordinary third-class carriage accommodate ?—I should think 40 or 45.

4078. Then I suppose you simply add to any Parliamentary train two or three additional carriages ?—No, we do not like doing that, because there is great detention caused by it. These men get out at the various stations ; they will do it, and there is more or less noise and detention, and therefore we do not like carrying them, and never do, with a fast train.

4079. Why not ?—For the reason I have just given you, that they will get out of the train, and then it is very difficult to get them in again, and therefore the train is detained ; but on some occasions, and they are not very few, we send them by a special train.

4080. If you got as much as 4*s.* a mile, I suppose it would pay you ?—Yes.

4081. If you carried 170 of those men at a farthing a mile, it would be a paying rate, would it not ?—That would be 2*s.* 6*d.* for 120 miles, and I doubt whether it would be a paying rate. At the same time I think it is only fair to say that it has been recommended to us, that we should carry people at that rate.

4082. (*Mr. Ayrton.*) Did you not formerly carry them cheaper than you do now ?—No ; at the recommendation of our manager, Mr. Forbes, we in the year 1860, advanced our passenger fares 10 per cent.

4083. (*Capt. Galton.*) On all classes of passengers ?—Yes ; and I think I have Mr. Forbes's note. He stated in a note, dated 17th July 1860, "I beg to "suggest for the consideration of the directors, whether "it is not desirable at once to revise our scale of passen-"ger fares. The accommodation given on this line is "at least equal to that afforded by the Great Southern "and Western Railway company, whose fares are 10 "per cent. higher than ours." On the receipt of that letter in July 1860, we raised our fares ; the fares of the first and second-class passengers were to be raised 10 per cent. higher than the then present rates, and a full penny a mile, was to be charged for passengers going by Parliamentary trains.

4084. (*Mr. Glyn.*) What was the effect of that alteration ?—The effect was to increase considerably our receipts.

4085. Was there any great diminution in the number of the passengers ?—I am afraid that I have not any data of so anterior a date as July 1860 to enable me to answer that question.

4086. (*Mr. Ayrton.*) Have you received applications from any other class of working people to have the advantage of the harvest labourers train extended to them, or that they might have the benefit of the same rate ?—No. We issued return tickets from market town to market town at very reasonable rates indeed. If the question refers to that fact I can say that applications were made to us from time to time and we met those applications by giving return tickets from town to town at a reduced rate.

4087. (*Chairman.*) Did any considerable number of passengers avail themselves of those return tickets on market days ?—Yes.

4088. Which are the principal market towns on your line ?—Mullingar, Boyle, Longford, Carrick, and Athlone.

4089. How do you distinguish the harvest passengers from the other passengers ? At the time you are conveying the harvest passengers do not other labourers or other persons present themselves desiring to be carried at the same low rate ?—We treat any persons who will travel by those fourth-class trains that we start in the same way; if a man in a blue coat chooses to come we will carry him.

4090. Do you also carry women and children by those trains ?—No.

4091. Not if they present themselves asking to be carried at those low fares ?—If they did come and ask us I do not think we could or should refuse them, but in fact and in practice they never do.

4092. (*Mr. Horsfall.*) I suppose they are all through passengers ?—Yes.

4093. (*Mr. Glyn.*) You issue a particular description of ticket ?—Yes ; called the harvest ticket.

4094. (*Mr. Ayrton.*) Did Mr. Forbes change his opinion upon the subject of the rates after the period to which you have alluded ?—No ; he partook very much of my view ; that we were getting practically all the traffic that we could get at a fair paying rate. I have read his evidence, and I am afraid I must state, as I have already stated, that it was upon his recommendation we advanced our fares ; and so far from his being an advocate for lowering them, I have a copy of a letter of his, in which he presses upon me the expediency of advancing our fares ; and that was

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done after he had three or four years experience of the working of our line.

4095. (*Mr. Horsfall.*) What is the date of that letter?—19th July 1860.

4096. (*Sir R. Hill.*) You have stated that the immediate effect of advancing the fares was to increase your revenue?—Yes.

4097. Can you state what the ultimate effect, or what the more remote effect was?—If I am justified in attributing the then existing state of things to the fact of our having advanced our fares in 1860, I am sorry to be obliged to admit that within the last half year our revenue has fallen off; it has decreased considerably. I ascribe that to the impoverished state of the country, and particularly of the towns.

4098. Is the country more impoverished now than it was in 1860?—Unquestionably so.

4099. (*Lord Stanley.*) In consequence of the three bad years that followed?—Yes; and in consequence of the quantity of land that has been thrown out of cultivation, particularly in the west of Ireland.

4100. (*Mr. Horsfall.*) In your opinion, would the railway companies in Ireland be benefited by a general amalgamation?—Is what is meant an amalgamation under Government superintendence, or the simple amalgamation of one company with another?

4101. Would either of those systems confer a benefit on the country?—I should like to see it tried. It stands to reason that if you diminish the expenditure for management, railway staff, and those things, you will gain something. Whether it can be carried out with facility in Ireland is another part of the question. But I should like to see it tried there. I have had such instructive experience of the trouble and difficulty of managing a moderate concern like ours, extending only over 337 miles, that I should be very glad to see such an amalgamation carried out as is alluded to.

4102. (*Mr. Glyn.*) Is your system an entire system; or are there some small companies which do not belong to you?—I can answer the question critically. I should say that our system proper is 245 miles; that is, from Dublin to Galway, and from Dublin to Sligo.

4103. What independent companies are there?—There is a small independent line of 15 miles in length from Athenry to Tuam, which is worked by the Midland company; we rented it for a sum of 4,000*l.* a year, and I think our loss upon it has been about 2,000*l.* per annum.

4104. You have the regulation of the rates and fares charged upon it?—Yes; then the Great Northern system is 71 miles long, from Athlone to Castlebar; and it is now being carried down to Westport. We do the haulage of the line, and also regulate the fares; that is to say, by an understanding with the promoters.

4105. (*Mr. Horsfall.*) Have you an equal mileage rate over the whole of your line?—Yes.

4106. (*Mr. Ayrton.*) We have been informed that the inhabitants of Galway could give you a guarantee as to that part of the line between Athlone and Galway, and that they have repeatedly remonstrated with the directors against the excessive rates of charge, stating that they were anxious to have a reduction, and that they would accept any responsibility that would fall upon them for any loss that might ensue. Are you aware of those circumstances?—I apprehend that the Honourable Member is alluding to a statement that was made by Mr. Monsell in the House of Commons, and to which I replied at the time.

4107. No. What I have referred to was stated by a witness who was examined before the Commission?—The only application of that kind that I have ever heard of was made by Lord Clancarty, who was a director of the Midland railway. He was so full of the notion that low fares would bring largely increased business, that he proposed to his brother directors to try a reduction as between Galway and Athlone, and with a great deal of patriotism and belief in the truth of his system, he proposed to guarantee us against any loss by reason of the trial. The proposal was considered, but the difficulty then arose what should we do with the rates over the rest of our system, because we could not have differential rates, and we were obliged to decline it. With that exception, there has never been any application made to me officially by any persons in Galway for reduced rates.

4108. (*Mr. Glyn.*) Could you not have tried the local rates as differential rates?—We could have tried them certainly, there is no doubt about that; but I was very much disinclined to meddle in the matter under an exceptional state of affairs as between the Company and Galway, where they found that it was very onerous upon them to make good the deficiencies every half year of 3,000*l.* or 4,000*l.*, under the Act of 1849, and I thought it would be hardly right under those circumstances, to make an exception with them, and at the same time expose ourselves to be attacked by people living upon every part of the line who would have asked us to do the same thing.

4109. It was therefore declined?—Yes.

4110. You have just referred to the Act of 1849; what was that Act?—That was the Loan Act. Sir Charles Wood concluded an arrangement with the Midland company, by which a sum of 500,000*l.* was to be advanced to be laid out in the western districts of Ireland, but it was more for the sake of giving employment to the people at a period of great distress, than benefiting the railway; so much so that I refused it at the time; I said the money was not worth having at the price, and unfortunately my words have come true.

4111. (*Mr. Horsfall.*) Did Lord Clancarty's proposal extend to goods as well as to passengers?—I do not say that that is what he said, but I suppose he intended that.

4112. (*Mr. Ayrton.*) Did the Grand Jury of Galway come to any resolution upon the subject?—Not to my knowledge. On the contrary, the Grand Jury have been very anxious to get rid of the operation of the Act of 1849, and to relieve themselves from the payment every half year of from 3,000*l.* to 4,000*l.*

4113. Was it not suggested that they might get rid of that responsibility by your company reducing the rates from Athlone to Galway?—I have never heard of that.

4114. (*Mr. Hamilton.*) What plea have the Grand Jury put forward as the ground for releasing themselves from that payment of from 3,000*l.* to 4,000*l.* a year?—The plea was, the arrangement entered into by them in the year 1857, I think, with the promoters of the Great Northern line from Athlone to Castlebar and Westport. The county gentlemen of Galway opposed the bill, because, they said, "It taps "our traffic completely, and it renders our Athenry "station useless, and as we are accountable for all "deficiencies between the payment of the interest "upon the Government loan and the net receipts of "the line, we will require you to release us from our "liability if you encourage a line which is otherwise "an advantage to you, but which involves very "serious consequences and losses to us." We entered into that arrangement limiting it to a certain period, and it was only the other day that an arrangement was finally entered into, by which the Midland company, in consequence of the part we have taken as shareholders in the Westport line, and in consequence of the large amount of traffic it brings to our system at Athlone, have consented after 1870 to release the baronies in the county of Galway from any liability under the Act of 1849.

4115. (*Mr. Hamilton.*) The plea which they put forward was not that they had not received the advantage which they expected owing to the high rates imposed by the directors of the railway?—Certainly; the plea was, that an interference with their traffic would be caused by reason of the construction of the Great Northern line.

4116. (*Mr. Ayrton.*) They considered that the construction of any competitive line released them from

the obligation to give a guarantee?—That was the effect of their plea.

4117. (*Capt. Galton.*) I observe in the Board of Trade returns of the traffic on your line that, while there has been an increase in most of the articles carried, there has been a great falling off in the receipts from coal and coke. In 1861 the number of trains of coal and coke was 19,000, and the number in 1863 was 11,000; the amount received in 1861 being 4,500*l.*, and in 1863 only 2,000*l.*; to what do you attribute that difference?—With regard to the question generally, I should say that where there has been a comparatively large increase in the money received for the carriage of coals it must have been from the season having been very wet and turf not to be had. Take my own case, I use turf in preference to coal; I like it better; and I can get coal delivered at my house for about 20*s.* or 21*s.* a ton.

4118. (*Mr. Ayrton.*) Do you live near Athlone?—Moate is my station; the coal is carried for three farthings a ton per mile.

4119. (*Capt. Galton.*) Was the year 1861 a very wet year?—I think that 1861, 1862, and 1863, were bad years; I am sure of it. By a bad year, in Ireland, we mean a very wet year.

4120. I observe that the receipts from coal and coke, which, in 1861, were 4,500*l.*, and in 1862, 4,800*l.*, fell, in 1863, to 2,000*l.*?—Yes.

4121. I understand that in a wet year you require coal for consumption?—Yes; because we cannot get turf.

4122. 1862 having been a wet year, one would have thought that the coal would have increased in 1863, but instead of that it appears to have diminished?—Yes; except that the return may have referred to a bygone period.

4123. In the evidence of Mr. Forbes he was asked, at question 1849, "Have you ever urged upon the "directors of the railways with which you have "been connected the policy of trying the effect of a "reduction of the rates upon coal especially?—Yes; "when I joined them I found that the rate was about "1¼*d.* per ton per mile, and I recommended them to "reduce it to ½*d.*, but I induced them eventually to "reduce it to ¾*d.* What was the effect of reducing "it from 1¼*d.* to ¾*d.*?—That the traffic was increased, "I think, about 25 per cent. That was attended "with loss probably?—No, I think not; the reduc-"tion that was made was not sufficient to create "any loss. I think that anything short of ½*d.* a "ton per mile would not be of the least use. (*Mr.* "*Ayrton.*) Upon what calculation is that opinion "of yours based?—It is based upon this, that at a "rate of ½*d.* a ton per mile you can deliver coals "into all the principal towns in Ireland for about "16*s.* or 17*s.* a ton; and I believe that for mere "domestic purposes it would entirely supersede the "use of turf." Do you dissent from that opinion?—Yes; if Mr. Forbes means to say that by reducing the rate upon coal to a halfpenny a ton he could deliver that coal into all parts of Ireland for 16*s.* or 17*s.* a ton, what becomes of the fact that we pay 16*s.* and 17*s.* for our coal in Dublin?

4124. Is the coal delivered at Dublin at that price?—The coal is delivered at the quays opposite the Custom House in Dublin, and the price is 16*s.* a ton.

4125. Delivered from the ship?—Yes, including the carriage.

4126. (*Sir R. Hill.*) Can you say what the price would be at the quay?—I make a contract generally speaking with a man who supplies the Bank of Ireland, and I think that my contract in the last year was 16*s.* or 15*s.* 9*d.*, I do not know which.

4127. (*Mr. Glyn.*) Was it laid down at that price?—Yes.

4128. (*Sir R. Hill.*) At the quay do you mean?—No; at my house in Merrion Square.

4129. What is the price charged for the carriage?—I suppose it is 1*s.* 6*d.*

4130. Then the price at the quay would be about 14*s.* 6*d.* or 15*s.*?—Yes, or something less.

4131. (*Capt. Galton.*) Are there facilities for unloading the coal on the quays at Dublin? Any steam machinery?—There is no steam machinery.

4132. (*Mr. Glyn.*) Then there is the cartage also to be paid for from the ship to the railway station in Dublin?—Certainly; and I think that the cartage up to the Bank of Ireland, or to my house, is about the same. It is probably 1*s.* 6*d.* at the outside.

4133. (*Mr. Ayrton.*) Then you would have to pay cartage from the railway station in the country to where you live?—Yes, and that is a very serious thing. To say that coals can be delivered in the country at 17*s.* a ton by reason of our charging a halfpenny a ton per mile is a fallacy.

4134. It would also have to bear the charge of the local dealer who sold it at the railway station?—We have endeavoured to encourage local dealers in coal. We have done all that we could to do so, but we find that we cannot compete in an ordinarily good year with turf. It is suited to the habits of the people, and their appliances are in keeping with its use. I do not think that if the rate was reduced to a halfpenny a ton, it would encourage very much a proportionate increase of the consumption.

4135. (*Capt. Galton.*) Do you remember Mr. Forbes making that suggestion to you?—He may have done so, but I do not remember it. Three farthings a ton we have acted upon.

4136. (*Mr. Ayrton.*) Can you give us in coal the exact equivalent to a ton of turf?—I cannot; but I know that I should have my house and gardens supplied with fuel much cheaper if I used coal instead of turf.

4137. At what price should coal be to make it cheaper?—I pay a man 25*l.* a-year for cutting my own turf and saving it, and then I have to cart it, and that 25*l.* worth of turf does not last me from September till March.

4138. (*Lord Stanley.*) Does not the price depend very much upon the wetness or dryness of the season?—In a wet season you get no turf, it is not worth anything.

4139. (*Capt. Galton.*) Did you say that in Dublin you paid 15*s.* 6*d.* a ton for coal?—Not delivered. I think my contract was 16*s.*, certainly not higher.

4140. Of that 1*s.* 6*d.* would be for carting?—Yes, of the 16*s.*

4141. Which would make the price 14*s.* 6*d.* at the quay?—Yes, landed.

4142. Then it might be delivered, if carried at a halfpenny a ton, within 60 miles of Dublin for 17*s.*?—There would still be the cartage to pay for from the depôt.

4143. I think Mr. Forbes stated that in order to enable it to be delivered at that price it would be necessary that the rails should run down to the side of the wharf where the coal was brought on shore?—Our Liffey branch is carried down to the quay, but not to the edge of the water; and if a vessel discharged the coal alongside the quay wall, necessarily there would be the cartage across the quay and loading into our trucks.

4144. Is it impossible to lay down rails on the quays?—They are thinking of doing that; and I believe the Ballast Board have had a bill before the House this session to enable them to lay tramways along the quays with sidings.

4145. Then the coal could be at once put into the trucks?—Yes; except I think that there will not be any coal wharves. I think it is mostly the place where the steamers lie, and it would be very inconvenient as regards the public.

4146. (*Mr. Hamilton.*) What price do you pay for coal at your own residence in the country, 60 miles from Dublin?—They are delivered at Broadstone for about 15*s.* 6*d.*, and I pay ¾*d.* a ton a mile, which for 68 miles is 4*s.* 3*d.*, making 19*s.* 6*d.*; then I have to pay for cartage for four and a half miles.

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4147. Making up altogether perhaps 1*l.* 1*s.* a ton?—Putting what charge you please for a man's own carts.

4148. (*Sir R. Hill.*) Still I understood you to say that you would save by substituting coal for turf?—It would be cheaper for me; but then I take into consideration the enormous waste that there is; if I burned nothing but coal, it would be a saving to me, even at the present high rate.

4149. *A fortiori* you would save if the rate upon the coal was reduced to a halfpenny a ton?—Yes; if I allowed opinion and fancy to enter into my calculation, I should prefer coal at 40*s.* a ton to turf at 1*l.*, although, economically speaking, I am quite satisfied I should be wrong.

4150. Would not the economical view of the question be that which would influence the greater number of consumers?—I should say so.

4151. According to your view, if the consumers looked simply to the cost of the fuel, they would, even at the present rates charged for conveyance, use coal rather than turf?—True; but we must bestow a thought upon those who are the consumers, the masses. The masses have not the appliances; they have not the grates in which they could burn turf or coal respectively; their dwellings would have to be re-arranged. Persons of a certain class would find it more economical to do the one rather than the other; the great masses of the people would not know how to burn coal, and you could not convince them that they would effect any saving by it. Then there is an additional question to be considered; that they would not be in a position to buy any quantity, or to cart it home. We have to deal with people who are very poor, and who cannot take advantage of economical operations.

4152. (*Mr. Ayrton.*) Are the cottages provided with hearths rather than with grates to burn coals in?—Yes; in the cottages in the interior there are no such things as grates. Gentlemen who build cottages for their tenants put these things in very nicely, but the great masses of the people have no such things provided.

4153. (*Mr. Hamilton.*) Upon your line what number of tons do you consider a full train load?—We sometimes carry as a load 40 trucks and waggons; we have carried as many as 40 and 50 trucks. The weight of a truck loaded will be at least nine tons.

4154. (*Chairman.*) Including the weight of the truck itself?—Yes.

4155. (*Sir R. Hill.*) What is the weight of the contents of a truck?—The average weight I suppose is five tons.

4156. (*Mr. Hamilton.*) What is the maximum number of tons of goods that you would carry?—That is a question I cannot answer.

4157. What is the maximum quantity of coals that you could take along your line?—I should think, looking at our appliances, that we could take any quantity.

4158. With one locomotive, what is the maximum quantity of coals that you could take in one train?—We could take four tons of coal in a waggon; I suppose we ought to be able to draw at all events from 30 to 35 waggons, and that would be 120 tons. But trade in coal is a thing that does not exist.

4159. (*Mr. Glyn.*) Do you mean that the quantity required is so small?—Yes; and the use of it is so opposed to the habits of the people.

4160. (*Mr. Ayrton.*) Can you give the Committee a statement of the leading items of goods which are carried on your line?—I hardly know how to name them; there are all sorts of groceries, and all sorts of wines and spirits.

4161. Those are the leading articles of the goods traffic?—Those are the articles which would come under the class that would produce the largest amount of receipts.

4162. (*Chairman.*) Do you also carry corn?—Yes; a good deal of corn is carried; but in certain years the corn trade is infinitely better than in others. Last year there was very little Indian corn carried into the country; the corn crop and the oat crop were so exceedingly good that Indian corn was found to be more expensive than oats, and the consequence was, that the import of that article diminished very considerably.

4163. (*Mr. Ayrton.*) Is turf carried upon your line?—Never; it could not be done; it is carried in boats upon the canal; and inasmuch as the Royal Canal, which is owned by the Midland Great Western company, runs almost parallel with our line from Dublin to Mullingar, and from Mullingar to Longford; there is of course an element of competition there.

4164. That railway company holds the canal under their own management, and they work it?—They bought it at the time they made the line; but they are not carriers on it, they merely charge tolls.

4165. They do not interfere with traffic on the canal; that is left to the option of the freighters?—Yes, and private enterprise may charge any rates it pleases. With regard to the Grand Canal, the system is different there, by an arrangement between the Great Southern and Western company and the Midland, the Grand Canal company are empowered to charge from 10 to 15 per cent. lower than the railway companies.

4166. (*Mr. Glyn.*) On the canal that your company hold, the freighters may charge what they please?—Yes.

4167. (*Mr. Ayrton.*) What commodities are chiefly carried on the canal?—Every description of commodity. I have often seen in our docks, under our windows, boats being loaded with soft goods, sugar and articles of that kind, and which one would suppose ought to go by railway.

4168. What charge is made on the canal?—We charge by the tonnage.

4169. The tonnage of the boat?—Yes.

4170. There is no discriminating charge on account of the character of the goods put into the boat?—No.

4171. (*Sir R. Hill.*) They are not carried at your risk?—No.

4172. (*Mr. Ayrton.*) What is the toll charge on the boat?—5*s.* 6*d.* from Dublin to the Shannon.

4173. What is it to Athlone?—The Royal canal does not go to Athlone; it goes to Longford.

4174. Can you state how many miles it is?—I think it is upwards of 90.

4175. Is it a mileage charge that is made?—No; it is 5*s.* 6*d.* a ton for the whole distance.

4176. Is it a mileage rate, or do you charge a sum in gross for the goods taken to Mullingar and other places?—It is a mileage rate based upon the 5*s.* 6*d.* for the entire journey per ton.

4177. Is it *pro rata* for the whole distance?—Yes.

4178. It is a charge per mile throughout the whole length?—No; we charge 5*s.* 6*d.* a ton. Then if the distance be to Mullingar, of course, it would be only half of that; it is so much per ton by the mileage.

4179. Do you know the principle upon which it is computed?—No; it was considerably higher, and when we got possession of the canal we reduced it; it was very considerably higher; I think the Parliamentary licence is much higher than that.

4180. (*Capt. Galton.*) Suppose a boat went for 6 or 8 miles, what would be the charge?—I suppose the tollage would be higher in proportion.

4181. (*Mr. Glyn.*) Did you reduce the rates the moment you became possessed of the canal?—Yes.

4182. Then you established a competition against the railway?—To a certain extent; because our object was to encourage the description of traffic that was peculiarly suited to the canal, such as lumber and coarse goods, for we found that from place to place they were in the habit of carting all those things, and the moment we reduced the rates on the canal we certainly got a very considerably increased amount of traffic; but then the rates were extravagantly high as fixed by Parliament. It was under

an old Irish Act of Parliament, and the rates were ridiculously high.

4183. Then you put the canal in competition with the roads?—Yes; we did that at a time when our railway was under construction; we were the owners of the canal, and it was of course our business to make it as profitable as possible, and to pay our shareholders the interest upon their money pending the making of the railway.

4184. (*Mr. Ayrton.*) Do you obtain an income now equal to the interest which you parted with in the price paid for the canal?—No; and I think I can best answer that question by referring to some facts. In December 1864 we received for rents and tolls and water supply (I should mention that we have a very considerable amount of house property in the neighbourhood of the canal in Dublin) 5,000*l.*, and I will suppose that in another half year it would be 6,000*l.* or 7,000*l.*, take it at 12,000*l.* together. I think that we gave 330,000*l.* for the canal, but then there is to be included in that, to the credit of the company, the facility that this gave them of making a considerable part of the line on the banks of the canal.

4185. Then you have all the expenses to bear of keeping the canal in repair?—Yes; but they are very small. I think it is 2,700*l.* for the half year.

4186. Does the road come into competition at all with the railway now?—No; I have not seen that.

4187. Is the charge you make very much under the charge for cartage by the road?—I think it is. The carting business was formerly a very flourishing one in Ireland, but I think it has disappeared. I do not now see the long strings of carts that, when I was a boy, I saw upon the high roads in Ireland.

4188. Has your company any agreement with any person in Dublin to cart goods from the stations?—Yes, with Mr. Wallace, who receives and delivers goods for us in Dublin; also in Galway, in Sligo, and in Athlone.

4189. Can you state what the relative rates of charge are for cartage and by railway conveyance?—No; I cannot.

4190. (*Mr. Horsfall.*) Although the traffic by the canal has increased, the net profit or the dividends on the canal have not increased?—The traffic by the canal, I think, has not increased. Indeed I know, that in 1863 of the half year ending December, the total traffic produced 6,099*l.*

4191. I was drawing a distinction between the traffic and the money receipts?—I did not intend to say that the traffic on the canal was either one thing or the other, for we have nothing to say to that; we have nothing to do but with our tollage. The quantity of goods carried we know nothing about. I can only say that from the tolls we receive so much, for water supply so much, and from our house rents so much; but as to the traffic on the canal, that is a term that can hardly be applied as to us, because we are not carriers on the canal.

4192. (*Mr. Hamilton.*) But you receive tonnage rates for the goods that are carried upon it?—Yes.

4193. Is not that very much the same as receipts from traffic?—Yes.

4194. (*Mr. Glyn.*) You charge a tonnage upon the boat?—Yes; and the tonnage upon the boat will depend of course upon the quantity carried.

4195. You know nothing about the receipts upon the goods taken by the freighters?—No; they are private undertakers, who, I believe, are not making anything of it.

4196. (*Mr. Horsfall.*) You have stated that the traffic has not materially increased consequent upon the rates being reduced; has the income from the canal been increased by a reduction of the rates?—When I made that statement I alluded to a period of nearly 18 or 19 years ago, when the Midland company obtained possession of the canal; at that time the tolls were very high, extravagantly so, and the first thing which the company did, was to reduce those tolls, and the consequence was immediately a very large increase in the traffic upon the canal.

4197. And an increase in the receipts?—Yes; that state of things continued up to a certain period; but we then found that it did not answer our purpose to be carriers upon the canal, and we thought that we would throw it open to public competition, and be content with our tolls, and our water and house rents.

4198. (*Chairman.*) Are any mines worked in the neighbourhood of your line of railway?—None. An application was made to me some time ago by a man who proposed to work some property belonging to a relative of mine in the county of Leitrim. I should mention that at the head of Lough Allen, there is a canal, and I believe it comes down into the neighbourhood of Carrick, and we offered, as an experiment to carry the minerals for next to nothing in the hope that something might come of it.

4199. (*Capt. Galton.*) What rate did you offer?—It was something extraordinarily low.

4200. (*Chairman.*) What were the minerals?—Ironstone.

4201. (*Capt. Galton.*) Did you offer to carry them at a halfpenny a ton per mile?—It was not so much as that; I cannot give you the precise figures, but the expression I used to the agent was, "I shall carry "your stuff for anything you please to give me, as "an experiment."

4202. What was the result?—They found so many difficulties in getting it to the railway, that it did not come.

4203. (*Mr. Ayrton.*) Have any other applications for special rates been made by persons for the purpose of developing some particular branch of industry?—I do not remember that there have been; but I should be only too glad, not only in the interests of the railway but in the interests of the country at large, to encourage, almost at any cost, the development of anything that might be beneficial to the country.

4204. (*Chairman.*) Is the fish traffic of any importance to your railway?—It is of course an advantage, and we give it all the facilities that we can. The valuable fish we carry by a night train, and the fish that is less valuable, such as hake, and other kinds of coarse fish, we carry at a very low figure; but the Galway fisheries, where one would expect to find plenty of fish, are totally neglected.

4205. (*Sir R. Hill.*) What is the reason of that?—I will endeavour to explain. I had occasion a few nights ago to speak to a gentleman in the House of Commons with regard to an application to the Fishery Board for 2,000*l.* to restore the pier at Buffin in Cleugh Bay, and I said, "Will you join me in the "application? I am told it is a place that swarms with "fish, and if we have a pier there, the fishermen will "have some security, and they will go out." The answer that I received was, "They will not go "out; they pay no attention whatever to the fisheries, "they allow the fish to come and go without making "any effort to catch them." Now it is very hard to say what is the reason of this, but if the fisheries on the west coast of Ireland were developed, the Midland Railway company being in connexion with it, would feel it to be their duty, and their shareholders interest, to afford every facility in the world, and, as in the case of carrying minerals, everything they could do, they would do to facilitate it.

4206. (*Mr. Ayrton.*) Do you regard the Irish people naturally as a seafaring people; or do they dislike going to sea?—No, I do not.

4207. (*Sir R. Hill.*) The unproductive state of the fisheries in the neighbourhood of Galway is not owing to any want of facilities afforded by the railway companies?—Unquestionably not. There is no doubt that railway companies may be sinners to a certain extent, but they are on the other hand very much sinned against.

4208. (*Mr. Ayrton.*) Do you think that if English fishermen went to the west coast of Ireland, they would be able to get on in harmony with the native fishermen?—We know the fact to be, that some years

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ago a company was established for the purpose of trawling in Galway Bay, and what was the consequence? The fishermen who inhabit a region in the neighbourhood of Galway called Claddagh, turned out against them, and would not allow them to trawl; and the Englishmen very properly went away with their lives.

4209. (*Sir R. Hill.*) They will neither fish themselves, nor allow any one else to fish?—It seems to be so.

4210. (*Chairman.*) You have spoken of an arrangement between the Great Southern and Western and the Midland companies as to some canal; where does that canal run from?—I spoke of the Grand Canal, which passes along here (*pointing to the map*), on to Tullamore and Banagher, and so on with a branch to Ballinasloe, that is the Grand Canal; the Great Southern and Western company with their systems to the west, and the Midland company, after a conflict of considerable duration, have entered into terms by which the Grand Canal company are allowed to carry goods at a differential rate of from 10 to 15 per cent. less than the railways.

4211. Have you any arrangement with the Great Southern and Western company by which steamers are prohibited from plying upon any navigation?—We have not any arrangement prohibiting them from doing anything with their steamers; but when we had a long conflict with the Great Southern and Western on the Shannon, between Athlone and Limerick, we carried our competition so far as to take a man from Dublin, *viâ* Athlone, to Killarney as cheaply as the Great Southern and Western carried him by their line direct to Killarney. We carried passengers all round the river to Limerick, and with the assistance of cars took them to Killarney; but that is now at an end, and at this time there are steamers running between Limerick and Athlone, and I know a gentleman who would be very glad if the steamers called off Scarriff, where he lives.

4212. Are there any other facts that you desire to state to the Commission with reference to your railway?—I have only to add that, in my judgment, if an experiment were to be made of low rates and fares, and which appears to be now the great desideratum, it might be tried; but inevitably it could only be tried at the expense of the existing shareholders,—whether the experiment should extend to one year, or to three or five years, it is impossible to say,—but, looking at the state of the country, and mixed up, as I am, with the people of the country, and taking an interest in most of its industrial pursuits as a director of the bank, besides being connected with railways, I am strongly disposed to assure the Commission that they will find that traffic in Ireland is what I have called it, a limited quantity; and that lower the fares and rates as you please, you will not be able to obtain anything like a countervailing increase in the receipts, as the result of the experiment.

The witness withdrew.

Mr. George Parker Bidder examined.

Mr. G. P. Bidder.

4213. (*Chairman.*) You are a civil engineer of long practice?—Yes.

4214. You are, I believe, chairman of the Great Eastern railway?— I am one of the ordinary directors.

4215. You have been often consulted by railway companies on general financial questions as well as questions relating to engineering?—Yes.

4216. You have paid some attention to the position of Irish railways generally?—Yes.

4217. Have you formed any opinion as to a reduction of the charges upon Irish railways, both for the transport of passengers and goods?—Yes, for passengers, and particular classes of goods, such as coals, cattle, &c. The main object appears to me to be, if possible, to improve in some way or other the management of railways in Ireland, so that the industry of that country might be stimulated by reduced charges; if that might be done without inflicting any pecuniary loss upon the present owners of the railways there, and also, if possible, without throwing any charge upon the imperial revenue. With that view, of course, I have considered that, in the acquisition of these railways, ample powers would be given for dealing with them as we do in this country as to the acquisition of land, (in this country or in other places,) for the formation of a railway in the first instance, when private rights have to give way for the public convenience. It is impossible in Ireland, or in any other country, to get the full benefit of railroads so long as they are cut up into a small number of divisions; you cannot have through rates, and you cannot have the power of adjusting the rates with that flexibility which my experience teaches me is necessary in order to give full convenience to the public, and to secure the largest revenue to the railway. What one ought to aim at in railways is very much the same as that which was done by the Post Office, that is, to have one rate, if possible, to all places. Of course that is practicable enough as to letters that pay a rate of 300*l.* a ton, a fixed charge, but the rate for carrying a ton of goods, even to the Land's End would be a very small per-centage upon that rate. Coal is an article which ought to be vended, in order to secure its extensive use, at a few shillings a ton; but that is a case that does not admit of that perfect equalization of rates which has been accomplished in the Post Office with regard to letters, and you can only approach it by consolidating the railway systems as much as possible. With that view it has occurred to me, looking at the Board of Trade returns, and the map of Ireland, and the extent of the railway traffic, that there is no practical difficulty, or no more, perhaps hardly so much, as in any other great system, in working all these railways under one management. There are some 1,100 or 1,200 miles of railway that the North Western company have under its present management. In the Great Eastern system we have about 700 miles. In Ireland, in 1863, there were 1,700 miles, probably there are now more; but the gross traffic in Ireland is only very nearly equivalent to that which we earn on the Great Eastern system, and running through a district which is an agricultural district merely. We have not more manufactures I think, upon the whole, than is comprised in the Irish system. There is Norwich and Ipswich, and then there are the fisheries at Yarmouth and Lowestoft. Then looking at the number of engines which I see are employed in Ireland, and also at the rolling stock, I am convinced that it is quite as easy to manage the whole of that system of railways under one system of management as it is to manage the North-western system, or the Great Northern system, or the Midland system. I assume that if you are to lower the rates in Ireland and to increase the accommodation, the basis of that is that the whole of the systems in Ireland should be consolidated, and worked under one management.

4218. Is it the result of your experience that the industry of a district cannot be much stimulated as long as the railways are in the hands of special companies?—It is so, and it is the fact that that disadvantage has been gradually met in this country by amalgamations. I am interested in a colliery in Staffordshire, in the North Staffordshire district, and their rate to us was a fair rate, that is, if I had been acting for the company I should certainly have charged that rate. We do not complain of it, nor do we complain of the rate charged by the North-western company; but having two rates combined, they almost prohibit us from establishing any coal trade in London.

4219. Have you considered any scheme by which an amalgamation could be effected of the Irish rail-

ways?—Yes, I have. In the first place I may mention an idea I have long entertained, and one that I believe to be applicable to this country; and that is, speaking from my own experience in the management of railways by boards of direction, I believe that they can be improved by being managed by individuals for their own interest, and in my opinion the most efficient management of the railways in Ireland would be obtained and carried out by what is called in these days a Limited Company, consisting of some 9 or 10 individuals. I mean that they should subscribe a capital of at least a million. That they should pay up one half, and one half of this to be invested to meet the security to be given to the Government. The other half would partly be required immediately for the purpose of increasing the rolling stock, and enlarging the stations, and for trade capital. Of course that company would have a contract let to them with all the conditions that might be imposed upon them, for affording every possible facility to the public, and subject to very low rates, certainly for coal, cattle, and passengers, and possibly for dairy produce, and to increase the traffic also in fish. That contract I should put out to tender, and I believe there would be no difficulty in obtaining tenders. Then you would have to guard against an obvious difficulty, by obtaining security that the rolling stock and permanent way should be adequately kept up, and that the covenants or conditions of the contract should be faithfully fulfilled; at the same time subject to this, that the fullest and freest action should be given to such a company. Now as regards the rolling stock, our experience at the present time is, I think, quite adequate to enable that to be fully secured, and also with regard to the permanent way. I let a contract, and I believe it was the only one that was worked out, for the rolling stock on the North Staffordshire railway when I was their engineer, and the precautions which I took there, and the additional experience which we have acquired since might be applied in this case, in order to fully secure to the Government that the estate they had leased should be fully and efficiently maintained; the plan that I adopted was that for every mile run by the trains, three halfpence was to be set aside out of the payment to the contractor and invested at interest, and out of that sum so invested he was allowed for any new engines that were bought and put upon the line for use; the effect of that was, that that three half-pence was rather in excess at that time of what was required for the renewals of engines, and it would be still more in excess with regard to modern engines; but it was to the contractor's interest, for rather than having that money lying comparatively idle, he could have new engines and have the use of them in working the railway. Now at the present time if a penny farthing is set aside per mile for the engine, and a similar amount is set aside for waggons and carriages, and that fund is kept solely applicable to provide new engines and carriages, and so on, you would, either in the shape of engines or carriages, or in the residue of that fund that might be left, have an estate, and part of that estate kept at its full value.

4220. You mean that a certain proportion should be set aside for every mile run by the trains?—Yes; so much for the engine and so much for the waggons, and so on.

4221. So much for every engine, every carriage, and every waggon?—Yes; or rather instead of complicating it with so much for every waggon and so much for every carriage, I should subdivide it into two sums per train mile, taking an average all round; so much for the engine, and so much for the rolling stock; and I would also adopt the same plan for permanent way. There are two elements in that, one of which is the sleepers, which decay, and which is irrespective of the wear and tear, or nearly so; then there is the rail, which decays according to the work done. That we find on the Great Eastern line comes to five-eighths of a penny, or a halfpenny and half a farthing per train mile. The sleepers must be made good as they decay, and with reference to that, I have been looking through the working expenses of the Irish railways for 1863, and the only part that will be subject to increase I think is the renewals of the sleepers, for the fund set aside for expenditure for permanent way will certainly be inadequate when that permanent way increases in its age and the sleepers decay. Subject to that I have no doubt that a large reduction could be made in the working expenses which, probably, would fully meet the increased expenditure that must become necessary for the purpose of replacing the sleepers.

4222. Would the leasing company be authorized from time to time out of the fund produced by this mileage rate to purchase new engines?—Yes.

4223. Do you mean that at the expiration of the term the whole of that fund should be handed over to the Government?—Yes; it must go to the Government, unless the lessees had absorbed it by engines. That fund would be a little in excess, and the interest of the lessees would be to absorb that fund in placing new stock upon the line.

4224. Every time a new engine was bought it would be paid for out of that fund?—Yes.

4225. And in a similar way with regard to additional waggons and carriages?—Yes, the same. Then there would be this to be met. The increase of receipts in Ireland was about 70,000*l.* in 1863, over 1862, and therefore there must be a provision made for an increase in the rolling stock, that would be necessary in order to meet the growth of the traffic. It would probably increase more rapidly than might be expected if worked in this way, and that would be easily enough provided for; because the advance made to the contractors for the rolling stock which they should be authorized to put on the line should be always represented by the gross increase of the annual revenue; that is to say, if it increased at the rate of 100,000*l.* a year, you would authorize the lessees to put 100,000*l.* worth of rolling stock upon the line. It is now I think pretty well admitted on all hands that the gross annual revenue under ordinary circumstances represents the working value of the rolling stock.

4226. Do you mean that every year there ought to be an additional amount of rolling stock equivalent to the increase of the previous year upon the different kinds of traffic?—Practically that takes place on all railways in England; certainly on the Great Eastern line; that is worked out with extreme accuracy and minuteness. I do not mean to say that that would apply to a railway like the Metropolitan line, which takes 30,000*l.* a mile per annum, nor to any small local line, that is taking from 400*l.* to 500*l.* a mile per annum; but taking any great system, that is quite sufficiently near to meet all general considerations.

4227. You have stated that this leasing company should have a considerable amount of freedom, but still that they should be restricted in certain respects as to the charges they were authorized to make?—Yes.

4228. Will you be kind enough to explain to the Commission in what respects you would leave them free to act, and in what respects you would limit their discretion?—As far as my view goes in regard to restriction, I should certainly restrict them generally to the present charges in all cases in Ireland. I should fix a maximum, and nothing should exceed the present existing charges. Then as to certain articles of large amount, take coal, cattle, or fish, or passengers. I would carry coal at 3/8ths of a penny per ton per mile. I would carry passengers by one train a day at a farthing a mile. I would have a train which might be used as a pick-up train, so that if there was not a large number of passengers to carry, it might bring up its earnings by carrying a certain quantity of goods, but that train should run so as to cover 12 miles an hour. With regard to cattle, at this moment I can hardly state what rate I should propose, because cattle from Ireland are cattle which

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are brought over to England to be fattened. Pigs, of course, would be brought over already fattened, but probably, it would be something like one half of the rate charged in this country for similar traffic that I should limit the charge upon cattle to. With regard to the fish, I should get our fish rates from Lowestoft and Yarmouth, which pay us very well; probably they might be reduced one half with the view of stimulating that branch of industry.

4229. I do not quite understand whether you would compel the leasing company not to exceed those rates?—Yes, I would limit them to those rates.

4230. Then those would be their maximum rates?—Yes, they would be the maximum rates, but they might charge as much less as they liked. I have said that they should be limited to the present rates charged for all descriptions of traffic, and that they should be in future the maximum; but upon those great items of traffic which I think would stimulate the industry of Ireland, I should limit them still further, and make the rates I have mentioned the maximum.

4231. Would you include manure?—Certainly.

4232. Do you know enough of Ireland to be able to form a decided opinion that a reduction of the rates and charges to the amounts you have mentioned would operate as a great stimulus to the industry of the country?—I have not that local knowledge of Ireland to enable me to say that it would particularly apply there, but I believe that it would apply anywhere, and that the rates I have mentioned would stimulate the industry of any country.

4233. Do you think that, with a population so poor as that of the greater part of Ireland, there would ever be a large passenger traffic?—I think so, because this company would have all Ireland in its own hands; and at a farthing rate I believe you would have a large passenger traffic; in fact, the gentleman who has just been examined, Mr. Ennis, said that they had very large trains when they reduced the price per waggon, I think he said from Dublin to Galway; I have no doubt that you would have an enormous number at a farthing rate, and that you would make that the earning up to the amount which I consider to be the normal earning of all railway trains, viz., 5*s.* a mile.

4234. Are you aware that Mr. Ennis stated it was only during harvest time that the low fares were charged?—No doubt; but I think that one of the objects which the Commission has in view as to Ireland is, that this rate should be applied continuously, and it will only be by applying it continuously, that you will really know the extent of the traffic that it excites.

4235. From your experience of the Eastern Counties railway, do you think that a large amount of traffic can be carried in a purely agricultural district?—We have a very large traffic there. We have carried this year, omitting coals, about 1,800,000 tons. Coal we are seeking very much to increase, but this is merely agricultural produce and fish.

4236. Do you look upon coal as one of the main articles of produce in the Irish traffic?—I think there is no doubt that there would be an increase if you charged at the rate that we are bringing coals into London now for; we had a contest last year as to bringing them in at a farthing a ton per mile, and then it was urged by nearly all the railway managers that it was absurd, but I believe they all now agree that it was not absurd, and in the cases of those who were the most opposed to us, they are prepared to quote the same rate with us. We are now bringing coals from Peterborough to London, a distance of 100 miles, for 124 farthings.

4237. Are you aware that a large proportion of the Irish population live in cottages in which there are no means of using coal?—Yes; but coal is such a blessing that if they could get it at a cheap rate I think they would consume it. Coal is incomparably better than any peat or wood, and even in Norway, where they can get wood for next to nothing, I know families who, whenever they can get coal, use it.

4238. Do you look forward to a consumption of coal chiefly for household purposes, or that, if it were carried cheaply, manufactures would gradually be established in the country?—No doubt it would assist in the establishment of manufactures.

4239. Do you look to a large increase in the consumption of coal for household purposes?—Yes; one of the main objects of the railways ought to be the diffusion of coal.

4240. Can you state at what price you think it would be practicable for coal to be delivered at the stations in the central parts of Ireland?—Three-eighths of a penny a ton per mile. You must charge three-eighths of a penny and allow 5*d.* for terminals. You could not carry it for three-eighths of a penny for nine or 10 miles; you could not handle it for that, and therefore 5*d.* for terminals is what is allowed everywhere now.

4241. Take a distance of 100 miles from Dublin, what would the cost be at three-eighths of a penny a ton per mile?—It would be 3*s.* 1½*d.*; then, if you add to that 5*d.* for terminals, it would be 3*s.* 6½*d.*

4242. What is the price of coals delivered on the quays in Dublin?—I do not know, but I assume that it would not be above 8*s.* or 9*s.* a ton; I only judge from knowing where they come from, and what the freight ought to be.

4243. If, in Dublin, the price of coals is 15*s.* or 16*s.* a ton, and you must add 3*s.* 6½*d.* to that, that appears to be a very large amount?—I suppose that that is the price when delivered.

4244. I think it was stated that deducting 1*s.* 6*d.* for cartage, the price at the quay was 14*s.* 6*d.*?—If so, it is as dear as it is delivered in the Thames, so much farther from Newcastle.

4245. Unless the price of coal was reduced considerably below 20*s.* a ton, do you believe that any great consumption of it could take place in Ireland?—Not among the poorer population perhaps, but still one hardly knows. Referring to the agricultural population in Norfolk, where they burned wood before we went there, and where the population are very poor, 800,000 tons of coal a year have been imported there, and then we also carry coals to Lynn, Wisbeach, Yarmouth, Lowestoft, and Harwich. A ton of coal is equal to about seven or eight tons of wood, with regard to the heat that it gives out.

4246. The first step you would take, I suppose, would be to obtain an Act of Parliament authorizing the Government to take possession of all the Irish railways?—Yes.

4247. What sort of provisions would you have inserted in that Act?—In the first place you would have to deal with three descriptions of stock; you would have the debenture stock, the preference shares, and then the ordinary stock. Of course you would impress upon this stock the Government guarantee, and dealing first with the debentures, they might be converted into terminable annuities at 3½ per cent. interest, that is rather more than the funds now yield, but you must make them an advantage in respect of interest to get people to take them; or if you compel them to take them, at all events the scale must turn in their favour. If you added 1 per cent. to that, those annuities would all expire in 43 years, that is to say, 4½ per cent. all round, and then the present charge upon the railways from this item would terminate in 43 years. Then as to the preference stocks, they do not carry so many years' purchase as the debentures; probably some of them are not well secured, or not marketable, as we know in this country, and probably they will not range at more than 5 per cent.; 100*l.* of that stock would represent 5*l.* of current interest; then I should calculate that 100*l.*, taking the value, and not the interest, also at 4½ per cent., and make it a terminable annuity.

4248. Would it, in your opinion, be just to deal with the holders of preference shares in that way,

supposing them to be irredeemable?—Quite just, if I give them in exchange for their preference shares a security which bears a higher market value; it would be quite as just as taking possession of a house in the City of London. If you take a house, or you give a railway company authority to take it for the purpose of making a railway, you take care that the compensation to the owner shall be adequate, and if you take possession of these railways in Ireland for the sake of improving the condition of the country, you must do there the same thing as you do when you take possession of a banking house in the City, to make room for a railway. Then as to the holders of ordinary shares, I do not know the process in Irish railways, but you must take some period before the Act, whether you take one year or two years; but you will find that the rule holds there as it does in England, that they bear about 20 years' purchase; but there is also some little speculation in that, as the increase of receipts will increase, the current dividends and the price of the shares; but they would represent about 20 years' purchase. I find, by the Board of Trade returns, that the capital embarked in Irish railways may be taken to be, in round numbers, 24,000,000*l*; that is, at the end of 1863. 12,000,000*l*. I should say in debenture and preference shares, and 12,000,000*l*. in ordinary shares. Then the revenue is 1,578,000*l*., leaving about 768,000*l*. net. Then, assuming that the 12,000,000*l*. of debentures and preference shares rule at 5 per cent., there will be 600,000*l*. absorbed out of the 768,000*l*. in preference charges, which leaves only 168,000*l*. for the dividends on the ordinary shares, and that would hardly leave more than 1½ per cent. If you took 1½ per cent. and gave them that at once, that would be worth 30*l*. market value. If you gave to it the Government guarantee you would make it, at 1½ per cent. worth from 42*l*. to 43*l*. If you so dealt with it (and that is one way of doing it) you would give them the advantage of 30 or 40 per cent. upon the value of the stock. But there is another way of dealing with it, and that is, to confirm them in the existing dividends, or convert the stock into capital, giving the holders certain contingent advantages to be derived from the future working of the railways, and the expansion of the traffic. The public do, somehow or other, always incline to put a liberal value upon anything that is a little speculative. These are two modes in which you might deal with that stock, and still give a decided advantage, in the present value of the stock, to the present owners of it.

4249. Upon a large number of ordinary shares in Irish railways, no dividend whatever is paid?—That is so.

4250. Would you compel the holders of them to make a present of them to the Government?—No; you must take the market value of them, and deal with them.

4251. Are there not some shares that are perfectly unsaleable, and that have no value in the market at present, but which, nevertheless, the shareholders would be unwilling to throw away?—I should think it would be found that they would exchange hands if you impressed a value upon them, but still you could deal with them; there is quite margin enough, I am convinced, even to give them a value, to make it worth while to exchange them.

4252. When the Government had dealt thus with the holders of the debentures and shares, you would then proceed to offer a lease of the railways to a company?—Yes.

4253. If no company was found willing to offer such terms as would enable the Government to meet their engagements, how should the deficiency be made up?—I assume the question to mean that an offer would not be made.

4254. That the Government would not obtain an offer upon terms that would enable them to meet their engagements?—I can hardly suppose that; I believe they would. But this must be borne in mind, that the terminable annuities, which would amount to 540,000*l*. a year, supposing that the working of the railways went on for 43 years, would, at the expiration of that time, all fall in, and the whole would become the property of the State; and as they had been paid off by the revenue received in Ireland, I take it that then, to the extent of the annuities which would fall in, you would make further abatements in the charges made upon the railways. And if, in the meantime, there was any deficiency, you would carry that on after the charge against the railways had been satisfied, after the expiration of 43 years, and you would then have 120,000*l*. a year to meet any deficiencies arising out of the terms of the lease.

4255. Do you entertain a confident opinion that offers would be made to the Government by such a company as you have supposed?—Yes; and if I was a younger man I should be very glad to form one of the party, for I should feel certain that it would be a very profitable undertaking. But there is another question as to that that ought to be considered, whether there would not be some objection to any individuals taking a lease being bound for so long a period as 43 years. People do not like that generally, and therefore I would suggest that the terms of the lease should be re-considered in not less than every 10 years, and probably not more than 14 years; and so have the terms of the lease re-adjusted upon the net revenue of the railway at that period. Then of course there is this obvious objection, that it would not be for the interests of the lessees to stimulate traffic beyond a certain point; or if they did, the effect would be to raise the terms which they would have to pay after that period had elapsed; and I would propose to meet that in this way, so as to make their interests and those of the state identical. Suppose, for example, that they had an increase of traffic to the extent of £100,000 a year gross, of which one half, £50,000, would be net. I would then assign to them one fourth of that, either in the shape of interest, or in capital, as a bonus for the traffic of the previous ten years, and that would be a very large element of profit. Then you would go on either by reducing the rates charged upon the railways to the extent of the increase of traffic, or you would get large means to enable you to liquidate the debt that might have accrued upon the railways. In the natural course of things the traffic must increase, and if all the rates were in one hand, so that they could put an end to equal mileage rates, which are quite subversive of all railway traffic (and which is one of the first things that a limited company would do), they would establish through rates, so as to get any trade that could be got and leave a profit. Take the trade between Belfast and Galway, which now has to pass over the Westport line, and over three or four other railways, it is not worth while to cut up the whole of the profit upon three or four railways, but it would be worth while to carry the whole of the goods at any rate that would leave a profit.

4256. You have not stated how you would deal with any extensions of railways in Ireland?—There are two ways of dealing with them. In the first place, if the extensions were not projected by the limited company, or by the State, but by other parties, I would bind them to work them at 50 per cent. under covenants that they should work the traffic fairly. If, on the other hand, the limited company projected them, then they should be liable for the full interest, which they would have to pay in respect of the cost of any such extensions.

4257. You would put all future extensions of railways and the traffic upon them into the hands of this company?—Yes, they must be in their hands.

4258. There may be fresh Acts of Parliament obtained this session; what would you do with the railways authorized by those Acts?—I can hardly give a satisfactory answer to that. I should like to see those Acts first, and consider the circumstances connected with them; but I think you might provide for them by leaving an option to parties to make a

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line, compelling the new company to work it at 50 per cent.; they could not work it for less. There might be this difficulty to deal with, supposing it was a large company, they might abstract traffic unfairly from them, and carry it on their own line, and carry it round about, or divert it; and to meet that, I would suggest that wherever the new line formed the shortest route, it should be credited with the traffic, whether it went over that line or not.

4259. (*Lord Stanley.*) With regard to the purchase of lines of railways, in the first instance, by the Government, I suppose, as to the debentures, there would be no difficulty; they have a recognized market value, and you would have to purchase them at their value?—Yes.

4260. It would be merely the purchase of a debt having a limited term to run?—Yes.

4261. I do not understand the object of turning the debentures into terminable annuities; why not take them over as they stand, and raise money on lower terms, as the Government are able to do, for the purpose of paying off the debts so incurred?—I think the advantage of the plan would be this, that it would be a great thing to get rid of them in the space of 43 years, then they would merge and become the property of the State to deal with as they pleased. Whether you should issue them at $3\frac{1}{2}$ per cent. with the security of the State, or at $4\frac{1}{2}$ per cent. to terminate at the end of 43 years, is a matter of opinion. I should make them terminable annuities.

4262. You would prefer to turn them into terminable annuities as merely another form of providing a sinking fund for the extinction of the debt to be contracted?—Yes.

4263. Do you propose that the persons actually holding the debentures should be compelled to take these terminable annuities, whether they were a form of security as convenient for them to hold or not?—It would not be necessary as to the debentures, because they would expire in a certain time. You would have, perhaps, a little more interest to pay upon them; you would only take them, and re-issue the Government paper, and therefore there need be no extraordinary powers taken as to them, because a few years must put an end to them.

4264. Putting aside for a moment the question of creating a sinking fund, all you have to do as to the debentures is simply to take them over?—Yes.

4265. With regard to the preference shares and the ordinary shares, do you think it would be just to the holders of those shares to take them at their market value?—Yes. I should take them at their market value. Suppose you had 5 per cent. preference stock, and that is worth 100*l.*, perhaps a fair rate; you would give in lieu of that a terminable annuity of 4*l.* 10*s.*, and at the present price of the funds, that 100*l.* would be worth about 105*l.* Then you would inflict no hardship upon the holder, because he could purchase plenty of preference stock to give him 5 per cent., and he would get 4*s.* or 5*s.* per cent. more interest for his money.

4266. Take this case, which would apply equally to preference shares: supposing I purchase a certain quantity of stock in a railway, paying next to no dividend, and suppose that I then submit to receive only 1 or $1\frac{1}{2}$ per cent. for a certain number of years, in the confident expectation that the line will improve, and that the capital I have embarked will double itself in value; do you think it would be fair for the Government, or any one, to come and purchase compulsorily that which I have so invested, on a calculation of the actual return it has brought me, and not what I expect it will bring?—If it is regarded as preference stock, and the railway has not been paying its charges, but there is an expectation that it will, that preference stock must be represented by the market value. I cannot provide for a fancy value. With regard to ordinary stock we have had a very strong case in the Caledonian railway, where the stock once was at 15*l.* or 16*l.* to the 100*l.* I really do not know what premium it is at now, but it is at a considerable premium, and that company was allowed by an Act of Parliament to cut down all their preference charges, so that you can hardly deal with the market value; you might, in this case, if you adopt my suggestion, of giving terminable annuities, assuming that the railway does meet its charges, including those terminable annuities, have an accumulating fund, out of which you could give contingent advantages to the ordinary stockholders, which would be more than equivalent for any hardship you put upon them.

4267. I am looking to the interest and to the just claims of a person upon whom you propose to call to sell his property; do you think it would be just to call upon a man to sell stock of comparatively small value at the present time, and which he is unwilling to sell, because he has a reasonable expectation that its value will become double in a few years?—If there is a reasonable expectation of that sort it must be based on the usual data, and they are as accessible to others as to himself, and will be represented by the market value.

4268. Do you think that the actual market value is the only thing that should guide you?—Yes; if there be cases where there is no market value, probably some mode of arbitration might be established to give a fair value to the stock.

4269. You have probably had a good deal of experience as to compulsory purchases and sales?—Yes.

4270. Did you ever know a case in which a railway company, purchasing land compulsorily, did not pay for what it bought more than the market value?—I cannot say that I have; they generally pay a great deal more.

4271. Then I may suppose that if the State bought up all the railway property in Ireland, it must give, not merely the market value, but something over and above it?—Yes.

4272. It would not be able to make a favourable bargain?—I think the result would be favourable to them; I think the charges, with the Government guarantee, would be so reduced that the result would be favourable to them. But if you mean that the Government would not acquire the stock at its fair value, I may say that I do not believe they would, and I think that you ought to give the turn of the scale to the other parties.

4273. Whatever might be the ultimate result, you must start with a bad bargain?—You must pay more for the railways than they are absolutely worth.

4274. Your proposal is to lease out the Irish railways to one large company for a short period?—I should lease them out for the whole period; but, as I have before stated, I think that the terms of the lease should be re-adjusted after every 10, and not more than 14 years.

4275. The very essence of your system is, as I understand it, that you would incur considerable temporary loss by a large reduction of the fares and charges?—I do not think there would be; I doubt it very much. I believe this, that the economy which would be introduced by sweeping away many boards of directors, the greater economy that would take place in the working from being in one set of hands, the greater use that would be made of the rolling stock, and the stimulus that would be given to traffic by a lowering of the rates, would be attended with great advantages. I believe that a company taking the Irish railways in hand upon the terms I have suggested, and beginning at once upon those terms would relieve the State from any possible loss. If my views are correct, and if their operations were carried on for 10 or 14 years, there would be no loss; there might be a loss in the first year or two; but I believe they would recover from that afterwards.

4276. They would make a bargain by which they would expect to sustain a loss for the first few years, but with the hope of recouping themselves by a gain towards the end of the period you have mentioned?—Yes; in the hope of relieving themselves from any

loss, they would look forward to being able to increase the traffic to such an extent that at the end of 10 or 14 years they would have a large bonus in respect to it.

4277. You would not tie their hands very tightly as to the amount of reductions they should make?—No; I would leave them to deal with the traffic as they thought fit, so that they might establish the greatest equality of rates as to mileage rates, and as to the actual charges.

4278. You feel confident that you could get, in the first instance, such terms offered to the State as would cover the interest of the debt that the state would incur in purchasing the railway property in Ireland?—I have no doubt of it; and if I were a younger man I should like to be one of the party.

4279. In the event of there being a loss, I presume it would fall upon the State?—There must be a loss of 120,000*l.* a year, or there will be no loss to the State.

4280. The sum which the Government would have to pay would be about 24,000,000*l.*, would it not?—No. If you take the debentures and preference stock as one item upon 12,000,000*l.*, it would be, at 4½ per cent., 540,000*l.* a year. But unless I had all the half-yearly accounts I could not give you the exact figures. Then there would be 12,000,000*l.* of ordinary stock, which would certainly not have more than 170,000*l.* a year to divide amongst it. If you increase that at once to 200,000*l.* a year, then you have only 740,000*l.*, as against 770,000*l.* the existing net revenue. You have 540,000*l.* every year to pay, and there is an accumulated value to the State of 120,000*l.* out of that.

4281. You propose, with regard to the creation of any new lines of railway to be added to the proposed system, that they should be laid out upon the same plan as at present?—Yes; upon the same plan, and that the company should be compelled to work them at 50 per cent., and that those lines should have the traffic secured to them for which they were fairly designed; if they abstracted or diverted that traffic, they should account for it all the same.

4282. If you suppose from the first that the rent received from the company to which these lines of railway would be let, would cover the expense incurred by the State, I do not see the advantage of your plan of terminable annuities?—It is this, that at the end of 43 years, I suppose that all the charges will have been met, and the terminable annuities will be at an end, and gone. Then you will have an opportunity of applying that saving of 540,000*l.* either in renewing the lease to the other parties with so much less charges, and therefore so much less rates; or on the other hand, if there is a deficiency, you will have the 540,000*l.* a year to meet that, and I think that you would be more relieved from clamour by having the charge in that way.

4283. What is there in this plan that would not be equally well accomplished by these two methods: In the first place, allowing the existing companies to borrow money to pay off their debentures, borrowing upon the security of the State at a reduced rate of interest; and next, if Parliament thought it desirable, to have compulsory amalgamation between the leading railway companies?—I think it should extend over the whole system. I hold that you will not secure the full advantages in Ireland which I am contemplating unless all the railways are in one set of hands. If you divide them into two systems, you must have the rights of two parties to deal with, and what would satisfy one would not satisfy two, and there would always be disputes to settle, and jealousies between them, which there always are between adjoining railway companies. The scheme is very manageable as to capital, and as to working, and why should you give up the full advantages of it by complicating the matter and cutting up the railways into two or three systems. I think it would be more difficult to carry out.

4284. Do you think there would be any material loss sustained if, instead of a complete amalgamation of all the companies, they were divided into two systems, taking a line drawn from Dublin westward; and giving the railways to the north of that line to one set of managers, and those to the south to another?—I do not think that would be so good a plan; no doubt it would be a great improvement upon the present system; but it would not be equivalent to converting them all into one system. There is no doubt great traffic arising from Belfast, and if it was properly cultivated, I believe that traffic would spring up that nobody knows anything about. When a company can quote a rate, without having to go to another party, it excites traffic which nobody has any notion of at all until the facilities are given.

4285. Can you explain to the Commission what there is peculiar in the state of Ireland which requires that the State should take upon itself a duty and a responsibility which it has never incurred before in this country?—That is not my affair.

4286. You would decline to discuss the general policy of such a step on the part of the State?—Certainly. If you can confer a great benefit upon Ireland, the same as you might confer upon any county in England, without laying any charge upon the State, I cannot help feeling that it is very desirable to do so. I should object to it if it were to be done by laying any charge upon the State.

4287. The State has at all times the command of capital at a lower rate of interest than individuals have?—Yes.

4288. And the State by borrowing at its own low rate of interest and accommodating companies with capital so obtained, can confer upon them a great benefit?—Yes, and it is a great benefit, and we see now what an opportunity the State had before if they had adopted my plan; if the State had supplied railway debentures at 4½ per cent., in a few years a large amount of debentures would have become the property of the State, with positive advantage to the railways.

4289. That is quite a different proposal. You say that the Government might have lent to the existing companies at 4½ per cent., and that they might have raised their money at 3½ per cent., employing the other 1 per cent. as a sinking fund?—Yes.

4290. And that they might thereby have made, both for themselves and the public, a very considerable profit?—Certainly, and they might do that now.

4291. But that is an entirely different proposition from that of leasing all the railways in Ireland to a new company?—It is entirely a different one, and is much more comprehensive; but it is part of the general proposition, when it is said that railways are so unmanageable now in the United Kingdom.

4292. You say that you do not wish to discuss the general policy of your plan, and therefore I, perhaps, may not ask you whether you think that there would not be a perpetual pressure upon the Government to get this new company worked on such terms as should be hardly remunerative?—The answer to that is, that you would have made your contract with the company, and that would be an answer to all clamour, and the contract would last for 43 years.

4293. I think you spoke of the probability of Irish railways being ultimately considered a permanent source of profit to the public exchequer?—I did not say that exactly; but if the Irish railways, at the end of 43 years, shall have paid off all their charges, and shall have paid off these terminable annuities, I think that that capital in the terminable annuities would belong to Ireland and should be given to it, and if there should be any charge that was not met, that that should be carried on for the future. You might deal with that property, either by keeping the interest for State purposes, or you might renew the lease at still lower charges, calculated upon the reduction in the annual interest.

4294. Upon what do you found your calculation as to a company being found willing to take over the

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railways at such a rate as would not cause loss to the State; have you gone into that question in detail?—I can see that in Ireland there are very much the same elements to be worked out in figures as there are in this country; the earnings per mile are the same; the expenses are the same; but the railways are worked now by a number of small companies, with a great many establishments, and you see the miscellaneous charges put down at something like 80,000*l.* a year. A large proportion of that amount would be saved; and then the rolling stock, the maintenance of it, and the use of it, would be made much more efficient, that is to say, the new company would then work but for one object, and they would make two waggons do the work of three. If they were worked by individuals working for their own benefit, it is well known in this country that they will be worked much more advantageously than when railways are worked by boards of directors.

4295. I do not question the advantage of having a few large companies instead of many small ones, but is it not your experience in this country that there is a tendency in small companies to consolidate themselves into a great system?—Yes; they are doing that now rapidly in this country.

4296. The Great Western company have done it, and the North-western too?—Yes; all the large companies have done it.

4297. And that has been done without State interference of any kind?—Yes.

4298. Simply by men of business and men of commercial experience seeing that is was profitable to do so?—Yes.

4299. Why should not that same rule be acted upon in Ireland?—I have no doubt that it would go on in Ireland, and that it would work in time; but many years, I think, must elapse before it would work. I think that this is really a case in which the State might step in and hasten all these operations, and by one piece of legislation secure very great advantages to the public in Ireland without throwing any charge upon the State. I feel assured that it can be done, and with regard to the capital it is on so moderate a scale that as a mere experiment only I really think it is worth trying. I am sure that the advantages I have pointed out will result from it.

4300. I suppose the advantage of concentrating all the railway companies into one would be felt in England as well as in Ireland?—Yes; we know that in England great advantage has resulted from consolidating many small companies into large ones; but if they are too large I do not think that much more advantage can be got.

4301. You think that some of the great English companies have reached the limit of size for convenience in working?—No, I do not think that amalgamation in England is complete yet. The Great Western company is one large company, and at the present time there are four companies that ought to be one, and will be one from John o'Groat's house to the Land's End. The North-western company I dare say will be some day one company to Aberdeen, I know that they are always trying for it. We, the Great Eastern company, want to go to Edinburgh, and to be one company all the way.

4302. Do you not think that everything you have said as to the Irish railways is equally applicable to the English railways?—Not equally applicable, but in some respects it is. I think that there is a great opening for the State to step in in the case of the English railways and take the debentures; I know that it would be felt as a great convenience to several railway companies. The State would have them to deal with as they came falling in as valuable property.

4303. Should you be prepared to see the State take over all the English railways?—No, not to take over all the railways at all.

4304. Do you look upon the scheme with regard to Ireland, as an experiment intended to test the possibility of doing the same thing in England, or as an exceptional case?—I look upon it as an exceptional case; I doubt that in England you can go beyond dealing with the preference capital; you cannot interfere with the management.

4305. If Ireland is an exceptional case, will you be good enough to state the circumstances that make it exceptional?—First, of all you have got a system of railways in that country of a manageable extent and with a manageable capital, but from which the greatest possible inconveniences arise to the public from their being cut up into a number of small companies, but being so cut up, an opportunity does arise, and a case occurs in which the State can step in and deal with it, without incurring any liability; but at the same time conferring, without doubt great benefits upon the country.

4306. The Irish railways, according to your statement, are very much in the condition in which the English railways were, when the Manchester and Liverpool railway was a separate line, and the London and Birmingham also was a separate line?—Yes.

4307. In course of time, they have worked out of that state of things without any State assistance?—Yes.

4308. (*Mr. Gower.*) Do you consider that the market value of railway shares would be likely to be considerably raised, if there was any expectation of your scheme being adopted?—I think it is very likely.

4309. Would not that be an artificial value in view of its adoption?—No, you must take the value, but you most antedate the period at which you take the value.

4310. You would take the value at a certain period before?—Yes, I would take it at the announcement of the scheme.

4311. Supposing the traffic on the railways was to increase between the first proposal of the scheme and its adoption, would not great dissatisfaction be felt if the value of the shares at the time of the first proposal was adopted?—I have no doubt that if this were carried out there would be some dissatisfaction amongst the ordinary shareholders, but still I contemplate that any terms you might make must be in advance of the present value.

4312. Is it your proposal that the lease of the Irish railways should be offered to be competed for by any number of companies?—Yes; to those that were prepared with the requisite capital and security.

4313. Would you make it an absolute rule that whichever company offered the best terms should have it?—Yes, the best terms, taking all the circumstances into account; because there might be circumstances connected with one offer which, although of a less pecuniary amount, would make it the most eligible.

4314. Who should decide upon that qnestion as to which company offered the best terms?—I suppose that you would put it in the hands of parties who were competent to deal with the matter. I think there ought to be a commission of some sort to receive and judge of the tenders.

4315. You would propose that there should be some commission or board appointed to judge of the tenders with a view to carrying out your scheme?—You must have somebody appointed to determine the conditions upon which the railways are to be let, and to report upon the tenders that may be offered; and that probably would be one of the greatest difficulties in the way of it, for it is very difficult to find in the State those who have had experience in dealing with these matters.

4316. Do you think that it ought to be an Irish board?—No, I think not.

4317. Should you approve of Irishmen being members of the board?—Certainly.

4318. We have been informed that one of the reasons why railways in Ireland are not amalgamated is, because local jealousies exist there more than in England; do you not think that the existence of those local jealousies would cause great dissatisfaction to be felt with any scheme of this sort?—I dare say

there would be many persons who would, by the carrying out of this scheme, be dispossessed of their influence, and they perhaps would feel very much dissatisfied; but when once the whole management was placed in the hands of a company of individuals, they would not pay much attention to local dissatisfaction.

4319. With regard to the extension of railways, I did not quite understand from you, who was to decide as to what extensions should be carried out?—There are two parties; first of all there is this limited company, and suppose the lessees desired to make an extension, it would go through the ordinary ordeal; they would go for their Act, and if they carried it out, they would have to pay all the charges upon it, and that would be a security to the State. If the State, or persons in a locality, thought fit to have a railway, they would have to find the money, and those parties would be compelled to work it on proper terms; or the parties might work it themselves, although they never could work it so well.

4320. Do you think that localities which are not now served by railways could obtain power to make them with much facility if they were opposed by so powerful a company as you propose to have in this case?—I do not think it would be very powerful as to influence. They would not have a large parliamentary influence, unless they consisted of Members of Parliament, which of course is not likely. The Great Eastern company are a large company, but they do not possess any influence in that way.

4321. Would you permit your proposed company to appear in opposition to any application that might be made by other parties?—The referees must of course judge of their *locus standi*. You could not oppose them if they had a legitimate *locus standi*.

4322. (*Mr. Ayrton.*) I presume that the purchase of any railways that yielded more than 4 per cent. would, according to the Act of Parliament, be at the rate of 100*l.* for every 4 per cent. of income?—Yes.

4323. Therefore all railways yielding as far as they did yield more than 4 per cent. must be purchased at that rate?—Yes, if purchased by the State.

4324. That would apply to all preference capital, would it not, whether the railway yielded 4 per cent. or not?—I suppose it would.

4325. You would proceed upon that basis?—No.

4326. How would you get rid of that basis as to Ireland unless you proposed to abandon it as to England?—I suppose that nobody in their senses would apply it to buying up railways at 25 years' purchase. I do not suppose that that was ever intended to be acted upon in that way.

4327. Will you explain what would be the difference in favour of a purchase, supposing a lease could only be made according to the present returns?—You see that you have this advantage upon the present returns, that all the charges and the preference charges will fall in within a limited period of years.

4328. I mean, what would represent the interest of the sum of money the Government would have to pay compared with the 768,000*l.*, or have you calculated what would be the charge for the interest upon the money the Government would pay for the railways as compared with what they would receive?—There would be 540,000*l.* a year on the preference stock, and that would leave 230,000*l.* a year to be appropriated to the ordinary shares, without any liability attaching to the State.

4329. What would be the interest upon the sum the Government must pay to purchase up the ordinary shares?—I do not know that; I do not know the present market value.

4330. Have you made any investigation as to the particular sources of increase of revenue that would result from a differential charge?—No, and I do not think that anyone can do so at present; but one thing is quite clear, you find that all the mineral traffic in Ireland is represented by 234,000 tons. I look upon that as a perfectly ridiculous amount, and I think that it ought to be quadrupled at least. We find that whenever we establish low rates, and we give railway companies the means of quoting rates between certain places for certain traffic, a traffic arises which nobody knows anything about.

4331. What would be the increase of traffic that would be required to make the income equivalent to a corresponding decrease in the rates?—Seeing that the whole amount of the mineral traffic in Ireland is only 234,000 tons, the proceeds from that must be very small, and if you were to reduce the rate charged to one-half, I think you must double the quantity carried; but in what time it would recoup itself, no one, I think, can say. It is plain, however, that by putting the whole of the systems of railways in Ireland under one management, it would be the interest of the parties entrusted with that management to cultivate the traffic, and I believe that there would be traffic that nobody knows of.

4332. Would you not do something more than merely double the quantity of minerals carried, if you reduced the rate by one-half?—Yes, you would have more traffic to work.

4333. Have you considered the ratio of increase that would be necessary upon the working expenses?—That does not come out, but the fact is this; we find as a rule, that whatever the traffic is, whether at low or at high rates, it is made up by quantity, and it in fact comes to this, that the normal earnings of a railway are 5*s.* a train mile, and the normal expenses are 2*s.* 6*d.* a train mile. If you take the earnings in England, and the earnings in Ireland, upon any of the great systems, that is what they are; they all tend to that.

4334. What increase of traffic do you think would be required, speaking generally, would it be three times the amount of the existing traffic?—No. If you take coal which is now carried at three farthings a mile, and you carry it for three-eighths of a penny a mile, you must probably take three tons for one to get the same profit; but you get it back in this way, if you have small rates, you will get large train loads, which they do not get now. I suppose that at the present time there is not a single goods train loaded up to one-fourth of its capacity.

4335. Is not the increase on English railways, and also upon continental lines, mainly due to the fact that they have long leads?—Yes, a great deal of it is.

4336. Do you not think that, as a general rule, that would be much modified in a country where the heart of it, could only give you a lead of 60 miles?—Yes; but that would be met in this way; there would be a terminal charge which would be made, whether the articles were carried 50 miles or 60. On coals that terminal charge would be 5*d.* and then the three-eighths of a penny would attach also; but there is no doubt that the longer the lead the better.

4337. What do you consider to be the demurrage upon a waggon per day?—I have known it to be charged as high as 2*s.* 6*d.*, but that is intended to compel people not to keep them under demurrage; the real cost of demurrage is regulated by what you can haul a waggon per annum for, and you divide that by the number of days; you can haul a large 10-ton waggon for about 10*l.* a year, and if you divide that by 312 that gives you probably a shilling or more a day.

4338. But that becomes a very serious question, does it not, in loading and unloading, and keeping waggons for longer and shorter distances?—No; we do not get the mileage out of the waggons at very much less than you would imagine it is to be got out of them at; and that is one of the advantages which you derive when you consolidate systems, for you get rid of those demurrages.

4339. How shall you be able to give long through rates in a country which is so narrow between any two points of it?—You cannot have so long a through rate as you can where a country is extensive, but still

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pro tanto it would be an advantage to consolidate railways and to get as long a lead as you can.

4340. Where the lead is so short, does not a reduction of rates produce a very small total reduction in the charge for conveyance, say, from the interior to any port?—That depends upon the amount. If the distance were 50 miles, and upon coal you charged a penny a ton per mile, and you reduced the rate to five-eighths of a penny, you would effect a reduction of 2*s.* 6*d.* a ton.

4341. Do you believe that a reduction of 2*s.* 6*d.* a ton would stimulate the consumption of coal to the extent of three times the present quantity?—I have not information before me to enable me to answer that question.

4342. You propose, by your scheme, to reduce the charge upon passengers to a farthing a mile?—Yes; and to run one train a day.

4343. If you reduced the charge to a farthing per mile what would be the requisite increase in the number of the passengers to make up the net receipt?—It would be obtained upon the traffic altogether. At that farthing per mile people would travel who do not now travel at all. Of course it would require 240 passengers to earn 5*s.* a mile. I propose that the train should travel at the rate of 12 miles an hour, and should make up its earnings by taking goods from station to station on its way.

4344. Having regard to a comparison between the Great Eastern system and the Irish systems, do you think, considering that the length of the Great Eastern is 673 miles and that the Irish system is 1598 miles, and the income of the Great Eastern company is 1,497,000*l.*, and that of the Irish systems 1,518,000*l.*, that the working expenses of the Irish systems, which are 750,000*l.*, compare unfavourably with those of the Great Eastern company, which are 770,000*l.*?—I think I have already alluded to that; and I said that the existing earnings of the Great Eastern company are about 1,700,000*l.*, and that the working expenses are very nearly 50 per cent.; but with regard to the Irish railways there is one thing to be taken into account, which is, that the charge for the permanent way is not made up to its average amount, the sleepers have not yet begun to decay in such quantities as would give the fair average cost; excepting that, and assuming that the accounts have been honestly rendered, they speak for themselves, subject to what I have said as to the sleepers. They certainly get some advantage in their wages, but with that exception the working expenses appear to be very nearly the same per-centage.

4345. The chief difference would seem to be in the miscellaneous charges; those of the Great Eastern being 34,000*l.*, and in the Irish system 82,000*l.*?—Yes, and those charges on the Great Eastern would be much reduced if the system was worked by individuals.

4346. Do you see any objection to the amalgamation in Ireland being carried out upon the basis of the Great Western amalgamation?—I do not know what their basis is, but there is no doubt that you can establish a satisfactory basis for amalgamation.

4347. That has been arrived at after a conflict between a great variety of very hostile interests?—No doubt it has.

4348. Previously to that amalgamation was there not, especially in Wales, as great a division of railway interests as even in Ireland?—Yes, and so there is now.

4349. Those Welsh railways are being rapidly absorbed, are they not?—Yes; that is going on very well.

4350. The division of capital and the smallness of the lines in South Wales was as great as it is in Ireland?—Yes.

4351. They are all being combined upon a basis which is agreed upon?—A great many of them are.

4352. Is that basis this, taking the existing earnings as a certain proportion of 100*l.*, and dividing the future gains in that ratio?—It is often this (although every one stands on its own basis) that if there are three railways, and one is paying 4 per cent., another 3 per cent., and another 2 per cent., they sometimes combine, so that in future their relative dividends should also be in the same ratio.

4353. Why should not the amalgamation be made upon the bases that have been arrived at by conflicting interests in England?—I think you would find that a much more difficult problem to deal with, especially taking into account those railways that pay no dividends; it would be more difficult to get them to amalgamate among themselves than to deal with them as a whole. I think you would find greater difficulty in dealing with local jealousies than in dealing with the whole question as one proposition.

4354. Have you considered the income of the different Irish railways in reference to the whole amount of revenue as compared with the value of the district which the Great Eastern system serves?—No.

4355. (*Capt. Galton.*) In England the principal railway companies are amalgamated together, but there has been no wholesale reduction of the fares, except in cheapening certain classes of traffic, as the interests of the companies have led them to do so?—I think there is no doubt that those amalgamations have greatly tended to a gradual reduction of the fares and rates.

4356. Your proposal, rather, is to avail yourself of Government aid in amalgamating the Irish railways, and to obtain a large reduction of the fares charged for third-class traffic and of the rates charged for the coal traffic at once?—Yes.

4357. Do you propose that the limited company should pay a sum equal to the present net receipts?—No; it is to be a subject of tender; they might offer more, I think, if put up to competition; you might get a larger offer than would be equal to the existing net receipts.

4358. How would you deal with the extensions made by this proposed company at the end of the lease?—The new company would make the extension.

4359. Out of the capital that it would raise?—Yes; out of the capital which they would raise, and it would become then a charge upon the revenue; a permanent charge; but they would be relieved by a part of that being converted into a terminable annuity and part into ordinary stock at the expiration of the lease.

4360. You mentioned that, in proportion to the extension of the traffic, for every 100,000*l.* produced by increase of traffic there should be put upon the railways new rolling stock to the extent of that amount?—Yes; I should limit them to that.

4361. The new company would put that on out of their own capital?—Yes; out of their own capital; but then at the expiration of the lease they would be paid that in the valuation of the stock which they gave up; they might be entitled, as against the estate, to 100,000*l.* for rolling stock, if they had put it on, but not more than that.

4362. All the rest beyond that must be charged against the fund?—Yes.

4363. You mentioned that in the case of a colliery in which you were interested in North Staffordshire the London and North-western company gave you rates for coal, that would not enable you to carry it to London; will you just explain that a little?—We travelled I believe for a distance of about 16 miles on the North Staffordshire line, and this company said, it is not worth our while to take your coal unless we have a terminal and charge a certain rate; the North-western Company charged us the same mileage as from Wigan, viz., a halfpenny a ton, and that halfpenny a ton would represent 36 miles as against our 16 on the North Staffordshire; but then the North-western company made their terminal charge, so that we had two terminal charges to pay, besides a higher mileage rate on the North Staffordshire, and the result is, that the Wigan coals, although much further distant from London, have a preference. But I make no

complaint of that, they are different and separate companies.

4364. You propose for the short traffic in coal on the Irish lines a terminal change of *5d.* ?—Yes.

4365. You also propose a rate of three-eighths of a penny per ton a mile, whereas the rate between Peterborough and London, a distance of 100 miles, is a farthing a ton per mile ?—We charge 124 farthings and *5d.* for terminals ; *2s. 7d.* is the cost exclusive of *5d.* for terminals.

4366. You referred to the circumstance of coal coming into use in Norway in preference to wood ?—Yes ; I have known families in Norway who, whenever they can get coal, use it in preference to wood.

4367. (*Mr. Hamilton.*) How do you propose to accomplish the purchase of this railway stock for the Government ; what legislative form would it assume ?—Very much the same as an Act of Parliament to make a railway. Power should be granted to buy up the whole of the existing lines upon certain terms to be found in the Act. The only thing open to discussion would be the ordinary stock, that is the only real difficulty, for there is a prospective value attached to that, and perhaps there ought to be some court of arbitration to adjust the claims arising out of that.

4368. Would you consider the directors entitled to compensation for the loss of their places ?—I dare say they would get it ; but I do not think that they would be entitled to it.

4369. Do you think that they would receive compensation under Parliamentary sanction ?—I dare say the result would be that they would get something. In amalgamations which take place in this country, it is quite a usual thing to provide for officers of long standing, such as the secretary and others.

4370. Is it not the case that in amalgamations in this country the terms are agreed upon between the companies, and they go to Parliament to ratify the agreement ?—Yes.

4371. That would not apply in the case under consideration ?—No.

4372. Therefore there would be a great difference between the step which Parliament would have to take in this case and what is usually done in cases of amalgamation in this country ?—This is quite abnormal.

4373. Have you made any calculation as to the actual amount of annual saving that would be effected by the proposed consolidation of the Irish railways ?—It is impossible to make any, unless I went personally through the whole of the accounts of the Irish railways, and saw the stock, and examined everything in detail, I could not give you that information ; but I know, in the nature of things, it must be very large.

4374. On reference to the returns of the Board of Trade, it does not appear that the per-centage of the working expenses on Irish railways is materially larger than that on English railways ?—No ; but I do not think that all their expenses in that respect are brought in yet ; they have not come upon them ; that is to say, the charges on the permanent way cannot have been ascertained and set down at their fair average.

4375. I observe in this return before me that the charges are much larger in Ireland than they are in England ?—You must take it per mile ; it is under *100l.* a mile now ; it does not matter what the traffic is, there will be charges upon the permanent way ; the sleepers consist of timber, and they will decay, and whether you have a large traffic or a very small one, does not materially affect it.

4376. Then there is another allowance to be made, the per-centage is apparently the same, but the English railways are charged with a Government duty of nearly three per cent., from that the Irish railways are exempt ?—Yes.

4377. If that were taken off, that would make the per-centage in the Irish system larger than it is in the English system ?—By that amount, no doubt.

4378. Have you any reason, looking at the traffic, for saying that the rolling stock which the Irish railway companies now possess is inadequate ?—No ; judging by the number of the engines, I should say it was adequate. They have rather more engines than we have ; they have 390, and we have done the work with 330.

4379. On what grounds would you lay down, as a general rule, that you would carry coal at three-eighths of a penny a ton per mile ?—I should do that for this reason, that at present it is the rate which the Great Northern company charge, and it is the rate, I believe, which the Great Western company are arranging with the coal owners of South Wales to bring coals up for, and it is the rate which applies to very large quantities of coal that are carried in this country. Undoubtedly it ought to be a higher rate in Ireland than in England, because the quantities will not be equal to those which are carried in England, but the object would be to stimulate the industry of the country, and I think there would be great moral advantages result from the diffusion of coal throughout that country.

4380. If you had to fix a rate on a railway, would you not rather be induced to look to the peculiar circumstances connected with that railway ?—Yes.

4381. What would those circumstances be ?—If you were to let to me these railways without any restriction, I think that, in all probability, I should charge a higher rate than three-eighths ; but if, for the purpose of advancing the country and stimulating enterprise, the State thought it desirable that three-eighths of a penny should be the limit, then I say that you can enforce that rate, and I believe you can enforce it without any charge being brought upon the State, and still afford to the Irish public that advantage.

4382. How do you think you could induce the company you propose, to undertake to act upon such terms unless, upon investigating the circumstances of the railways, they found that that rate would be profitable ?—*Quoad* the coal it might not be profitable ; but when you see that the whole of the mineral traffic of Ireland is represented by 234,000 tons, it is a mere bagatelle, and the loss upon it could not be large ; whereas the general increase would, in my opinion, be very large.

4383. I thought that one of the items upon which you particularly calculated was an increase in the coal traffic ?—Yes, and minerals in general ; but when you put it to me, whether the parties going to lease these railways would be satisfied with three-eighths of a penny per ton, I say that I do not think they would ; but if it were forced upon them, it would have no great effect upon them, because the existing traffic to which it applies is so very minute.

4384. On the one hand, you say that the loss would be small because the traffic is small ?—Yes ; the existing traffic, and if it did not grow, the loss would not be much ; whereas the probability is, that if everything were brought under one management, that traffic would swell greatly.

4385. There is no instance in this country of a lower rate than three-eighths of a penny per ton per mile for coal traffic, and only as low as three-eighths of a penny where there are full trains and favourable gradients ?—From Peterborough we have to pay 124 farthings for 100 miles ; we have full trains, and we have only one exceptional gradient between Peterborough and London.

4386. You quoted an instance in which some arrangement was likely to be made between the Great Western company and another railway company ; do you know the gradients on that line ?—The gradients are favourable, but not so favourable as we have on the Great Northern.

4387. You have not got such gradients as 1 in 400 in Ireland ?—No ; and that is the reason why I propose to fix it at three-eighths of a penny.

4388. And that is the rate which the Great Western company have assented to carry the coal for ?—Yes.

4389. The gradient between Swindon and London

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is extremely favourable?—Yes; but there are some heavier gradients.

4390. There is a line upon which the most unfavourable gradient is 1 in 200?—Yes, that is the Great Northern gradient.

4391. It has been represented to the Commission by many of the Irish witnesses that the traffic of the country is a fixed quantity, and that there is really no prospect of any material increase even under the inducements held out by lowering the fares; that is not your opinion?—I do not believe in that; on the contrary, I am certain that if the whole of the Irish railways were under one management, traffic would grow up throughout the country that nobody has any notion at all of; and if you could quote a rate for the transport of materials and produce according to the fluctuations of the market, I am certain that freight would arise and other sources of traffic and income present themselves of which there is no appearance now.

4392. The same thing might have been said before the days of railways as to the traffic of this country?—Yes. In the Great Eastern district we have increased at the rate of about 80,000*l.* to 100,000*l.* a year in agricultural produce, but the increase was arrested for many years before additional facilities were given and the charges were lowered.

4393. (*Mr. Glyn.*) With regard to your limited company, you propose that they should raise a capital of 1,000,000*l.* and call up 500,000*l.*?—Yes; and of that 500,000*l.* 250,000*l.* should be invested as security, and the other 250,000*l.* I think the company should have for the purpose of improving the stations and as capital in trade. If they laid out 100,000*l.* in improving the stations and in increasing the rolling stock to be put on to the lines, that would become a security to the State.

4394. You would use the other 250,000*l.* to increase the working stock?—Yes.

4395. Would all that be repaid to them when everything was valued at the end of the lease?—Yes; subject to this, that they could not compel the State to take more rolling stock than they had when they took the lease, and that would be represented by the gross revenue.

4396. The quantity put upon the railway which they ought to be paid for, would be measured by the quantity of new traffic that they brought upon the railway?—Yes.

4397. With regard to the arrangement that you alluded to, and which was made with the Caledonian company, if I remember rightly the assent of all parties was obtained before any reduction was made in the charge upon the preference stock?—Yes, but I think it was rather upon compulsion, although the consent was obtained.

4398. I understood you to say, that the annuity of $4\frac{1}{2}$ per cent. was to be an annuity for 43 years?—Yes.

4399. (*Mr. Lowe.*) Is it essential to the working of your scheme, that the State should be the purchaser of these railways?—I do not see who else is to do it.

4400. You follow the analogy of a Bill compelling sales of land, putting the State in the place of a company?—Yes.

4401. You do not think that it would be possible to get a company that would have the requisite capital?—I am not certain that you could not. It would be possible that a company might be formed to buy up the whole of the railways in Ireland upon certain terms being defined, but I do not think that by such a plan you could secure the eventual advantages to the country, that the plan which I suggest would secure; because my plan contemplates the absolute absorption and annihilation of all the permanent charges.

4402. You assume that a company could not borrow on as easy terms as the Government?—The Government would lend the money, or lend their credit.

4403. Would you rather have the Government directly, or the Government supported by a company?—I am sure that it would be better in the hands of the Government. The only question would be what Department should carry it out.

4404. You propose that the Government, when it had completed this purchase, should lease the line to a company to be established for that purpose?—Yes.

4405. What powers do you propose that the Government, as reversioners of this property, should retain in its own hands?—None, during the lease, except that having leased the line upon certain covenants, the Government should have the power to see that those covenants were fulfilled.

4406. What sort of covenants do you contemplate would be insisted upon by the Government?—In the first place there would be a covenant restricting the rates, providing that the existing rates should be the future maximum; that upon certain exceptional articles reductions that might be determined hereafter should take place; that there should be the daily train I have referred to; that the existing train facilities should be continued, or increased facilities substituted for them. It should be provided that the alterations should not be in reduction of the facilities but in multiplication of them. Then there would be the provision that I have mentioned with respect to the rolling stock, and the provision with regard to the permanent way.

4407. With regard to the maintenance of the permanent way, what arrangement do you contemplate?—With regard to the maintenance of the permanent way, a fund should be established by the company paying over to the Government weekly or quarterly a rate equal to five-eighths of a penny per train mile, so that when 10,000*l.*, or 15,000*l.*, was required to be expended in new rails, it should be taken out of that fund.

4408. The enforcing of the performance of those covenants would involve some legal questions, would it not?—Legal questions would no doubt arise.

4409. How would you propose that those should be decided?—My own notion about it is, (but the Commissioners are far better capable of forming an opinion upon it than myself,) that, looking at the delays involved in an ordinary arbitration, the legal questions that would arise, would have to be left to some high legal authority in Ireland, probably the Lord Chancellor or the Chief Justice.

4410. Do you mean such questions as whether people were receiving the accommodation which the Government had stipulated?—No, only legal questions.

4411. Suppose one covenant said that people should have such accommodation as they had before, and the Government insisted that the accommodation that the company were giving was not the same, while the company contended that, substantially, it was the same, would you call that a legal question?—That would be a matter of fact. There would be questions of law involved, and also questions of fact. There would be first the legal question as to the construction of the covenants which would have to be settled by high legal authority. Then there would be the mechanical questions, How is the permanent way kept up? Is the rolling stock properly kept up? The machinery for the determination of these would be the lessees appointing an engineer, and the Government appointing an engineer, who should settle it, or in the event of their not agreeing, an umpire to be appointed between them should settle it. The Government would appoint whom they liked, then the lessees would appoint whom they liked. Then comes the commercial question. I think that might be left to two commercial men, one to be appointed by the Government and one by the lessees.

4412. What do you call the commercial question?—Any question as to whether there had been a breach of the stipulations with regard to rates, or whether arrangements were being made with regard to traffic which might be contrary to any of the covenants in

the lease; such questions should be settled by commercial men.

4413. Appointed in the same way; one arbitrator being appointed by the Government, and the other by the lessees, an umpire being appointed in case of difference between them?—Yes.

4414. Those exhaust all the questions which you foresee would arise?—Yes. Then the question arises, who is to put all this in motion. There must be some department of the State to receive the rent, and to audit the accounts; because, of course one of the covenants would be that a statement of the receipts of the railway should be furnished to the Government annually.

4415. The Treasury would be the proper department to receive public money, would it not?—I am not able to speak to that.

4416. With regard to the accounts, they would have to be investigated, would they not?—Yes.

4417. Who would you propose should do that?—The department would order it to be done by some public accountant; some London accountant would probably be sent down.

4418. Do you contemplate that there would be any chance of competition for such a lease as this?—Yes.

4419. You propose that tenders should be invited for it?—Yes.

4420. Do you think that one board could manage 1,700 miles of railway?—Yes, very easily.

4421. Is there any instance of such a thing at present?—The London and North-western system is 1,200 miles, I think, but then their revenue is 100,000*l.* a week. It is a much more complicated system than the Irish, because the different companies are so much interlaced with each other, and constant contests arise.

4422. Do not you think that your proposal has this weak side, that it would operate unfavourably as to the creation of new railways in Ireland?—It might so operate; unless properly guarded it would have that effect.

4423. The State would be rather disposed to support its lessee?—It would.

4424. Taking the analogy of France, we know how difficult it is to get a new concession, the State and the present concessionaires uniting against any one applying for another concession?—Yes; I see that there would be that difficulty.

4425. How would you guard against such a difficulty in the case of Ireland?—In the first place I should propose that this company should be bound by covenants in the lease to work any new line that was really required, projected by any party, that they should not divert from that line the traffic for which it was designed, and that if they did they should be accountable. I think with those covenants, where lines were really required, the parties for their own interests would promote them.

4426. Would it be possible to put any covenant in the lease to the company, stipulating that they should work those new lines to the satisfaction of any independent body?—The covenants of the lease would embrace such a provision.

4427. Such a body as the Board of Trade?—They should be bound to work them efficiently, and if they did not work them efficiently, the arbitration clause which I have already mentioned, would come into play.

4428. You propose that the term of the lease should be renewed every ten or fourteen years?—Yes.

4429. Do not you think that there would be a very awkward pressure put upon the Government by Irish gentlemen, when that time came round?—No; they would have no power to interfere, the lease would be renewed, and the terms would be arranged according to the receipts of the last year.

4430. It would be according to something that worked itself; it would not be discretionary with the Government?—No; the reason why I propose a short time is, because many people would be willing to go into such a venture if it were terminable at the end of ten years, who would not like to go into it for a long time, unless it could be revised.

4431. With regard to the maintenance of the permanent way, you would rely upon the covenants in the lease?—Yes. I would make it their interest to keep up the road, because the money that would accumulate as a renewal fund, would be more than would be necessary to renew it.

4432. The company would gain nothing by saving anything within that fund?—No, they would lose.

4433. So that practically it would be spent on the permanent way?—Yes.

4434. You think it possible to estimate what it would be?—Yes, to within a fraction of a farthing, it would be five-eighths of a penny, or at the most three-fourths.

4435. Have you ever known an instance where the figures you have put were practically worked out?—I know an instance where the calculation as to rolling stock worked out satisfactorily at the end of a ten years lease, the parties who had worked the line and the parties who had leased it being both satisfied at the end of the contract.

4436. (*Sir R. Hill.*) You propose no general reduction of rates?—No.

4437. You would leave it to the company to charge any rates not exceeding the present rates that they may think most profitable with certain exceptions?—Yes.

4438. You said that in the natural course of things the traffic must increase. You are aware of course that the population of Ireland has for several years been decreasing?—Yes.

4439. Do you think, supposing that decrease to continue, there would be an increase of traffic under the arrangement you propose?—Yes, I think so. Of course there would not be that increase which takes place with a growing population, but the traffic of the population that would exist would become developed and enterprise would be excited. They would travel a great deal more and produce more to be carried. The land would be cultivated to a greater extent, and so the traffic would be increased. The population in our agricultural districts is stationary, and in fact decreasing, though the traffic has increased.

4440. You have stated that coals are conveyed by the Great Eastern from Peterborough to London for about $\frac{1}{4}d.$ ton a mile, does that charge include the waggons?—No; that is carried in coalowners waggons, and to that the terminals have to be added. The 5*d.* for terminals is a fixed charge, whatever the mileage; it is to cover rent of land and the labour which is done in the station yard.

4441. What would be the additional charge if the company found the waggons?—$\frac{1}{8}d.$ per ton per mile; but this is purposely excessive, in order to induce the coal owners to provide their own waggons.

4442. When you spoke of doing away with all mileage rates, I presume you spoke of giving a lower rate in proportion for a greater distance, and not different rates, as between towns equidistant from a common centre?—Yes; I mean that in working a railway you must put mileage rates on one side altogether. Supposing you have a certain amount of traffic to carry between A. and B., if the net cost of carrying that is, say 3*s.*, and you cannot get above 4*s.*, you must be content to take the 4*s.* rate, whatever the distance is; you cannot cultivate traffic to any extent on any other principles.

4443. You would adopt unequal mileage rates in different parts of the country?—You must adopt them if you mean to develop traffic.

4444. (*Mr. Glyn.*) You set apart for permanent way $\frac{5}{8}d.$ or $\frac{3}{4}d.$, $1\frac{1}{4}d.$ for engine power, and $1\frac{1}{4}d.$ for carriages and waggons?—Yes, amounting altogether to $3\frac{1}{8}d.$ per train mile.

4445. I understand you to say, that as far as regards permanent way, that figure has actually been tested?—Yes. I went into it with Mr. Sinclair, and it is based upon this: we took up last year some

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rails on the Colchester line that were put down when it was first made, 26 years ago. Some rails which I laid on the Cambridge line (which are rather lighter, being 16 lbs. to the yard), are still in existence; that is where our heaviest traffic is. Therefore on the average you may take the life of a rail at 25 years. With regard to sleepers you may take their duration on an average at 20 years.

4446. Is not 25 years a long average for rails?—No; not taking them all round. The rails at the Derby station wear out in a year. I do not mean to say that 20 years would be the life of a rail on the Great Northern, where a very large coal trade is carried at a high rate of speed; but on the Great Eastern, with which Irish railways may be taken to correspond, 25 years is the life of a rail.

4447. (*Capt. Galton.*) What is the life of a sleeper?—At this moment there are sleepers between London and Colchester that were laid down in 1839.

4448. (*Sir R. Hill.*) Were those sleepers prepared in any way?—They bear no appearance of having been prepared; they are made of large Scotch fir. Mr. Sinclair had them analysed, and they gave indications of having been prepared with a solution of copper.

4449. (*Mr. Hamilton.*) Are the rates you have given derived from the practical working of your own line only, or from the practical working of all the lines in the United Kingdom?—From the working of all lines. You may reduce the working almost of all railways to a few definite and simple figures. You may take the total value of the rolling stock (half of which is for engines) as represented by the gross annual income. You may reckon the proper performance of every engine as 20,000 miles per annum. The average earnings are about 5*s.* per train mile, therefore the earnings of the engine ought to be 5,000*l.* a year. The average expenses are about 2*s.* 6*d.*, made up as follows, in some cases a little more, and in others a little less. 1*s.* for maintenance of engines, rolling stock, and waggons; 6*d.* for maintenance of permanent way; 9*d.* for coaching expenses, guards, station masters, porters, and goods depôts, and 3*d.* for miscellaneous charges, including Government duty, rates, and taxes, and compensation for accidents. If you take the Board of Trade return, and take the half-yearly statements, you find with very slight variations they will come to those results.

4450. (*Chairman.*) You contemplate that the leasing company would pay over to the Government in the shape of rent an amount corresponding to that now divided amongst the shareholders and debenture holders?—I think it would be that amount at least.

4451. Having made an arrangement with the Government to pay over that amount, would they not be likely to consider themselves tolerably safe without making any considerable reduction in the fares, or exerting themselves to develop additional traffic?—Having once entered upon the lease, they would make no further reduction than they were compelled to make, unless with a view to their own advantage.

4452. Do you think under the plan you propose there would be a sufficient inducement to them to do all they could to increase the traffic of the country?—I have no doubt of it. It would be for their interest, for instance, to cultivate a traffic which does not now exist, viz., quoting rates between places where there is no existing traffic at all, which would have nothing to do with any existing traffic whatever.

4453. You think that no company would take the lease unless with the expectation of being able to develop a greatly increased traffic?—No, I should think not.

4454. Would the Irish gauge in your opinion offer any obstacle to the working of your proposal?—Not at all.

4455. Is not the expense of the permanent way rather heavier?—Not necessarily so at all.

4456. The sleepers must be rather larger, must they not?—A little larger, about 6 inches more; that would not be a material item.

4457. The dead weight is heavier, is it not?—A very little.

4458. You do not think that that would be found to be any impediment to the working of your scheme?—No; you could not put a value upon it.

4459. Do you anticipate that the lease might be taken by parties connected with English railways with a view to improve the traffic on their own railways?—Possibly English companies might be represented on the leasing company, which would enable them to quote a through rate, there being only one party to deal with. The London and North-western or the Great Western possibly might be represented in the company, and it would be very desirable that they should.

4460. Do you think it possible that one of the great English companies might get possession of the Irish railways, and work them to the detriment of all other companies in England?—I do not see how they could without the permission of Parliament.

4461. (*Mr. Glyn.*) Do not you think the English companies would view it as a mercantile speculation, in fact?—Yes; the great companies would, no doubt, for the sake of the advantages they would derive in this country, be represented in the leasing company; and that being so, very likely more rent would be obtained.

4462. (*Sir R. Hill.*) Do not you think that the arrangement should comprise some provision as to a reduction in the rates of charge?—They would be revised at the end of every 10 years.

4463. I mean during the first 10 years?—When once the lease is signed, except seeing that the lease is fulfilled, the State must not interfere. They must not nurse it or coerce it.

4464. (*Mr. Glyn.*) Do not you think the resources of Ireland would be likely to be better developed if the lease were in the hands of a mercantile company than if it were in the hands of the large English railway companies?—I do not know that they would. I am not at all certain, if it were in the hands of the London and North-western, that they would not develop traffic even to a greater extent.

4465. They would cultivate through traffic?—Yes, I mean through traffic.

4466. (*Capt. Galton.*) Could you give us any idea what the economy has been in the management of the Great Eastern company since its amalgamation?—With regard to working we were in fact amalgamated before the amalgamation took place.

4467. Could you inform us what the saving was when the amalgamation took place?—No; because I am sorry to say that until this amalgamation I never considered the lines as fairly and honestly kept up.

4468. (*Chairman.*) Do not you know of cases in which the traffic of particular districts is imperfectly developed in consequence of being part of a very large system?—I cannot say that there may not be such cases, but I do not know of any.

4469. Do not you think that if the railways were in the hands of parties connected with the district they would be likely to take a greater interest in the development of the resources of the district, than if the railways were in the hands of parties not locally connected with the district?—Possibly; but on the other hand it is much a sounder principle to rely on the interest of the parties working the line being identical with the general prosperity of the country. Local interests in the directorate might lead to the same evils as independent companies.

4470. (*Capt. Galton.*) The traffic of the Great Eastern has been very much developed, has it not, since its practical amalgamation?—Yes.

4471. To an extent which was not anticipated at all?—We did not anticipate such a large increase of local traffic. We anticipated a larger increase from another source, which at present we have not approached.

4472. The local traffic has been very largely developed, has it not?—Yes, very largely.

Adjourned to Friday next.

Friday, 2nd June 1865.

PRESENT:

THE RIGHT. HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ.
WM. POLE, ESQ., F.R.S., *Secretary*.

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. WILLIAM HAUGHTON examined, Mr. J. W. MURLAND being also present.

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4473. (*Chairman.*) You are chairman of the Great Southern and Western Railway of Ireland?—Yes.

4474. For how many years have you been chairman of that system?—Since 1860. I was deputy chairman for several years previously. I have been connected with its affairs from the commencement, and have taken an active part in them.

4475. You have been a member of the board since the railway was opened?—Yes.

4476. I presume the question has frequently come under the consideration of the directors whether measures could be adopted for rendering the railway more profitable to the shareholders?—Constantly, of course.

4477. Can you state whether the possibility of rendering the railway more profitable by reducing the fares has been one of the subjects which has been considered by your board?—He would be a very bold man, I think, that would make the experiment.

4478. Has your board had that question under their consideration?—No; it has not been taken into very serious consideration at any time.

4479. Are you decidedly of opinion that a reduction of the fares and charges on your railway would be too hazardous an experiment to undertake?—I have not the shadow of a doubt on the subject.

4480. May it be taken as a general axiom that if the fares were greatly reduced, the effect would be to increase the number of the passengers?—No doubt of it.

4481. Will you state upon what grounds you have come to the conclusion that that increase in the number of the passengers would not make up for the falling off in the receipts occasioned by lowering the fares?—The Great Southern and Western Railway runs almost entirely through an agricultural district, and I think it has been found, both in England and in Ireland, that people do not travel largely in agricultural districts, and I do not know of any internal traffic that there is between any towns in Ireland, that we could hope would bring any large increase of traffic to us, if we made a great reduction in the fares.

4482. Have you ascertained that low fares in agricultural districts do not produce any considerable increase in the number of the persons who travel?—I inquired of one of the principal traffic managers on the London and North-western Railway in the course of private conversation whether it was so in England, and he informed me that it was the same in England as in Ireland.

4483. Have the fares upon your railway remained substantially the same since it was opened?—There has been only one change that I can recollect, and that was an addition of 10 per cent. that was made to the first and second class passenger fares some few years ago.

4484. What was the result of that experiment?—At this moment I really cannot say.

4485. You are not able to say whether it was satisfactory to the shareholders?—It is almost impossible to arrive at an accurate conclusion on the subject, owing to the great number of branch lines, and the extension of the mileage of the railway since it was first opened. We first commenced with 56 miles, but now it is nearly 400 miles. We have had many branches made.

4486. When was the advance of 10 per cent. made?—Some eight or nine years ago.

4487. With that addition has the scale of fares remained the same ever since?—Yes.

4488. Did that apply only to the first and second class fares?—Yes.

4489. Have you a third-class traffic of any importance?—Yes, the third-class traffic is large; but it is very small in proportion to what it is in England or in the north of Ireland.

4490. Do you give special facilities to third-class passengers on market days, or to any of the towns on your line?—No, we have nothing of that kind.

4491. Do you run any excursion trains at low fares?—Frequently.

4492. Are they excursion trains for the poorer classes of people, or mainly for those who are expected to travel first and second class?—We always attach carriages for third-class passengers.

4493. Between what towns or places do you run the excursion trains?—We run them from Kilkenny to Dublin three or four times in a year, and very frequently also from Cork to Dublin. We run also special trains from the south of Ireland to Killarney. This time table will explain it (*handing in the same*). I have also brought with me to lay before the Commission a table, showing the times at which the different portions of the Great Southern and Western Railway were opened for traffic, and the receipts upon every description of traffic for every year from that time down to the present (*handing it in. See Appendix* AH.) It enters very fully into detail, showing everything connected with the traffic upon the Great Southern and Western Railway, and perhaps the most important feature in this return is this, that when we had only 90 miles of railway opened, we carried a good deal more than half as many passengers as we carry now, when we have 400 miles of railway opened. On goods and cattle it has been just the reverse, for we have had a steady increase in them at all times, until within the last two or three years.

4494. Between what places were the first 90 miles of your line opened?—The first division was to Carlow, a distance of 56 miles; then from Maryborough to a place called Ballybofey, which was only a field at the time. We made an addition to the 90 miles in the year 1847, by an extension of 34 miles; that was the Maryborough and Roscrea Junction.

4495. At that time you did not communicate with Cork?—No, and not for a long time after that.

4496. Was there any large increase in the traffic when you effected a communication through from Dublin to Cork?—I find by the return that of first-class passengers, when we had 90 miles of railway opened, there were 51,000, and that when we got to Cork the first-class passengers were only 49,000.

4497. (*Mr. Horsfall.*) Were the fares varied at that time?—Not at all. I am speaking of the first class only.

4498. (*Chairman.*) As to the second and third-class passengers, were there corresponding results?—The second-class passengers in number were 128,000 in 1847, and when our line was opened to Cork, their numbers increased to 153,000.

4499. Was that after the line to Cork had been opened for any considerable period?—No; this was only in the first year.

4500. Had the line been opened for a year?—I had better perhaps take the following year, and after it had been opened for a little more than a year (it had

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been opened from October 1849 to December 1850), the number of first-class passengers then was 74,000.

4501. Compared with about 80,000 other passengers in 1847 ?—Yes, the two other classes together made, in 1847, 68,000 ; but I have been giving you the first-class passengers in 1850, after the line had been opened to Cork.

4502. Was there any considerable increase in the number of passengers after the opening of the line to Cork ?—I will give you the numbers of the third-class passengers. In 1847 there were 289,135 third-class passengers, while in 1850 there were, of third-class passengers, 245,379 ; so that there was an actual decrease.

4503. (*Capt. Galton.*) Had you altered the fares between the two periods ?—I think not.

4504. (*Chairman.*) To what do you attribute the falling off in the traffic after you had effected a communication with such an important town as Cork ?—I cannot give you the reason, for I only have the facts here. The return to which I have referred was prepared for the directors, and it furnishes every possible information with respect to our traffic. It is headed, " 1st Class," " 2nd Class," " 3rd Class," " 1st Return," " 2nd Return," and so on, showing the receipts per mile.

4505. (*Capt. Galton.*) Were the receipts smaller per mile for passengers ?—The receipts for passengers per mile in 1847 were 746*l.*, and in 1850, 684*l.*

4506. What was the increase in the mileage in 1850 ?—The mileage then was 98 miles.

4507. What were the actual receipts for the passengers ?—In 1847 the actual receipts were 62,227*l.*

4508. (*Mr. Glyn.*) Have you any objection to put in that return ?—No ; I have already done so.

4509. (*Capt. Galton.*) What were the receipts for passengers in 1850 ?—128,805*l.*

4510. A smaller number of passengers must have travelled over a longer distance ?—Yes.

4511. The local traffic had not improved ?—We have no local traffic ; at least it is really so small that it is hardly worth speaking of, and that is the reason why we do not see the necessity for altering our trains between the different towns. The paper which I hold in my hand is not a very accurate account of what might be the result if other towns were taken in, but I found this in the copy-book, and I thought the Commissioners might wish to see it, as it will show how small the traffic is between the different towns. Between Hazlehatch and Carlow the total amount of money received in 1856 was only 2*l.*

The following return was handed in :

GREAT SOUTHERN AND WESTERN RAILWAY.

GOODS TRAFFIC between the under-mentioned Stations for the Years 1856, 1857, and 1858.

1856.	1857.	1858.	Stations.	1856.	1857.	1858.
Tons.	Tons.	Tons.		£	£	£
4	50	10	Hazlehatch to Carlow -	2	19	4
7	11	5	Carlow „ Hazlehatch -	2	4	2
38	28	6	Sallins „ Athy - -	11	8	2
26	34	100	Athy „ Sallins -	6	3	8
7	15	4	Sallins „ Carlow -	3	5	2
10	16	38	Carlow „ Sallins -	4	6	11
3	3	8	Newbridge „ Athy - -	1	1	4
326	224	333	Athy „ Newbridge -	64	44	68
13	36	8	Newbridge „ Carlow -	4	9	2
77	6	13	Carlow „ Newbridge -	22	2	4
.	3	.	Newbridge „ Tullamore -	.	1	.
45	4	86	Tullamore „ Newbridge -	12	2	23
3	71	4	Carlow „ Monasterevan	1	14	1
10	16	31	Monasterevan „ Carlow -	3	5	6
.	.	8	Carlow „ Roscrea -	.	.	3
.	16	37	Roscrea „ Carlow -	.	7	16
7	26	4	Carlow „ Tullamore -	3	9	2
8	12	12	Tullamore „ Carlow -	4	8	8
3,238	2,116	975	„ „ Cork - -	2,498	1,084	507
217	200	24	Cork „ Tullamore -	177	152	21

4512. (*Mr. Glyn.*) During what period of time ?—For a whole year, in 1856, the sum received was only 2*l.*

4513. (*Mr. Gower.*) What was the distance between the two places ?—I suppose it was about between 30 and 40 miles. In the next year, 1857, the amount received was 19*l.*, and in 1858 it was only 4*l.* In fact there was no traffic between those towns to speak of, except those which have a communication with the Curragh Camp ; there is a small traffic between those towns, but not otherwise.

4514. (*Mr. Glyn.*) What is the largest return between any two places mentioned on that paper ?—From Athy to Newbridge in 1856 the amount was 64*l.*

4515. (*Mr. Horsfall.*) For goods only ?—Yes.

4516. Is your traffic chiefly confined to what passes between Dublin and the more important towns in the interior ?—Our traffic is almost entirely confined to what passes between the large towns of the country and the capital ; but of course that rule varies. When you come to a large town like Cork, for instance, the traffic from Mallow, which is within a distance of 20 miles from Cork would be to Cork, or again from Fermoy to Cork ; it is just like attraction, the larger town attracts the traffic from the smaller towns within the circle round it.

4517. The return you have handed in refers entirely to goods, can you speak as to passenger traffic between the different towns ?—I cannot give you a return of those.

4518. Can you say whether there is much passenger traffic between the second-rate towns, and generally from one to the other ?—I think there is none at all worth speaking of. I do not see what the business would be that people would have to go about from town to town.

4519. (*Mr. Glyn.*) Between Limerick and Dublin is there much traffic ?—Yes, a very considerable traffic.

4520. (*Mr. Horsfall.*) Can you give a return of the passenger traffic between the two towns you first mentioned, Hazlehatch and Carlow ?—I have not got a return of the passengers, but I am sure it would be nil.

4521. Do trains run between those places ?—Yes, they run several times a day. Hazlehatch is a very poor place, and the towns are nearly all of the same character throughout. I may mention that at one time we ran a very vigorous opposition against the Grand Canal ; that was continued for nearly two years, and I have got a return of the result of that very vigorous opposition, which was carried on at lower rates than any one had ever proposed to reduce the rates to, and I will state to you the results. I have brought every document that I could lay my hands upon which I thought would be useful to the Commission since I received a summons to attend.

4522. Between what towns did the Grand Canal Company compete with you ?—The most important towns were Athy, Carlow, Milford, Bagenalstown, Tullamore, and Maryborough. I need not trouble the Commission by going through all the places mentioned in this document as I have handed it in. The town of Carlow is one of the best towns we have on the line ; it has 10,000 inhabitants, and the rates were reduced from 7*s.* 6*d.* to 2*s.* on second class goods.

4523. What description of goods were they ?—Principally grain and flour, and the result of it was, that while prior to the opposition, we carried, 5,968 tons from Dublin to Carlow ——

4524. (*Chairman.*) Do you mean in a year ?—Yes; there has been a very strong opposition there, because the river Barrow and the Grand Canal compete very successfully, the water navigation runs close to the mills, and we cannot compete successfully with them. As I have stated we reduced the rate upon second-class goods from 7*s.* 6*d.* to 2*s.*, and the result as to tonnage was, that whereas before the opposition commenced we had 5,968 tons in 1856, in 1857 we had 9,531 tons. During the second year's opposition we had 13,408 tons. In money receipt the result was that while we received, before the opposition commenced, 3,164*l.*, in 1857 we received, with the increased tonnage, 1,692*l.*, and in 1858 we received 2,261*l.* The gross result of the opposition was a total increase in the tonnage upon the two years of 31,843 tons, that is, between the 12 stations ; and the total loss in money upon the two years was

12,490*l.*; the opposition extended over 102 miles of railway. I should also mention to the Commission that the increase arose in a great measure from traffic, extraneous to the district, being induced to come to that particular point for transmission on account of the very low rate of 2*s.* a ton being charged. It was not permanent traffic, and we should not have had that increase, if the same rate of 2*s.* a ton had been extended over a larger district.

4525. (*Capt. Galton.*) Did not the experience which you obtained on that occasion make it worth your while to make an experiment to see whether it was entirely owing to that, or whether it was not due to the lower rate that you charge?—I should explain that this traffic was abstracted from the Grand Canal.

4526. Can you state what the receipts on the Grand Canal were at the same time?—I cannot.

4527. (*Mr. Glyn.*) Did you raise your rates again at the end of that time?—Yes; but we came to terms with the Grand Canal Company, and we allowed them 15 per cent. differential rate; they were to take the risks and to carry the entire traffic along the line of their navigation.

4528. (*Capt. Galton.*) Has your traffic fallen off since that time?—Yes; along the line of the navigation; but it affects particular classes of goods more than others; what we call call bale goods would not be so much affected as grain and flour would be. There is no hurry required in the transmission of the one kind of articles, and dispatch is required with the others; we generally get goods to convey which require very quick transmission, and the canal company get goods to carry which may be conveyed slowly, although it is of very little importance whether a man gets his goods from the canal or the railway, because the distances are so short.

4529. (*Mr. Horsfall.*) Did the revenue in those years pay the working expenses of the line?—Yes, we have paid a dividend ever since we opened; a very good one.

4530. What dividend have you paid?—It began, I think, at 3 or 3¼ per cent.; then it got up to the highest point, in 1856, when we paid 6 per cent.; but that was entirely owing to the enormous amount of traffic that we carried, particularly military stores, which was carried over our line during the last year of the Crimean war. The dividend became reduced afterwards to 5 per cent., and in the last two years, it has been 4½ per cent.

4531. (*Mr. Glyn.*) Are you charging your maximum fares for first and second class passengers?—We charge 1*d.*, 1½*d.*, and 2*d.* for the three classes of passengers, with 10 per cent. added to the first and second classes.

4532. (*Capt. Galton.*) Do you charge your maximum on the third-class passengers?—That is the parliamentary rate.

4533. I observe by the return that your line was opened throughout for traffic in 1860?—Yes.

4534. It was then 320 miles long?—Yes.

4535. Your first and second class passengers were in that year respectively 85,000 and 52,000, and in 1864 they were only 80,000 and 48,000?—Yes.

4536. Your return tickets had increased about 5,000. Your third-class traffic was 400,000 in 1860, and 468,000 in 1864. Therefore the third-class traffic appears to have progressively increased every year, while the first and second class traffic remained very nearly stationary?—Yes.

4537. Does not that show that there is a source of traffic which, if appealed to, will respond to the call?—Yes; but I fear that that arose from increased emigration.

4538. It appears that there has been a very steady increase throughout the whole time?—Yes.

4539. I observe also, referring to the traffic in coals, that in the year 1859, when you had 249 miles of railway opened, your coal traffic was 29,000 tons, and the receipt in money 5,000*l.*?—Yes.

4540. In the next year you had opened 329 miles, and the quantity carried suddenly sprung up to 45,000 tons, and the receipts in money to 8,500*l.*?—Yes.

4541. Where was the fresh mileage opened which produced that increase in the coal traffic?—It brought the Killarney district on to the line; but I think that that had not so much effect as the very wet season of 1860, which caused the turf to be very badly saved.

4542. In 1864 I see that the coal traffic amounted to 49,000 tons, and the receipt in money 9,000*l.*?—The coal traffic has always been an increasing traffic; but at the same time it is a very small one.

4543. At what price per ton is the coal carried?—I have had that accurately taken out, and the gross amount that we received for every ton of coal carried last year was 3*s.* 9*d.*

4544. Can you state what the price per ton per mile was?—We charge a penny a ton per mile for coal, without terminals, and we provide the waggons.

4545. From what ports do you chiefly carry coals?—Upon that point I may mention that Judge Longfield was mistaken in saying that it was from Dublin we chiefly carried coals; we carry coals from Cork to a greater extent than from Dublin.

4546. Does that coal go to the districts of Mallow and Killarney?—The 3*s.* 9*d.* is 45 pence for an average distance of 45 miles.

4547. The length of the line is 387 miles?—Yes; but really the consumption of coal in the interior of Ireland is almost entirely confined to the gentry. It is not used for manufacturing purposes, to any extent, I am sorry to say. I believe that one reason for the increase which has taken place in the coal traffic has been that the price charged for saving turf has increased; labour has greatly increased in value, and the gentry of the country cannot get turf supplied to them so cheaply as they used to do. The poor people themselves do not place any value upon turf, because they have what is called "turbary" attached to their farms, and they are permitted to cut turf without paying anything for it. I think it is quite hopeless to expect a traffic in coals for the consumption of the poor. The only source from which we could expect an increase would be for manufacturing purposes, and, I am sorry to say, that at the present time there is a very large amount of mill power that is not availed of in the most favourable parts of Ireland—water power. This is owing to the stoppage of the flour mills; that trade, which was formerly the principal manufacturing trade in the south of Ireland, is now in a very bad state indeed.

4548. (*Chairman.*) Do you communicate direct with the shipping at Cork?—Yes.

4549. Can the vessels be unloaded and their cargoes be put into your trucks at once?—Not ordinary goods; coals are unloaded and put into the trucks.

4550. (*Mr. Horsfall.*) Have you any through booking arrangements with railway companies in England?—Yes, very extensive.

4551. With what railway companies?—The London and North-western, the Lancashire and Yorkshire, the Manchester, Sheffield, and Lincolnshire, and the Great Northern.

4552. You book the goods through?—Yes, over all those lines.

4553. (*Capt. Galton.*) Do you book through with the Great Western line?—We book through by Holyhead with them.

4554. Not by Wexford or Waterford, or Cork?—No.

4555. Have any attempts been made by the Great Western Company to induce you to book through?—They have asked us to book through passengers, and we did book through with them, although it has been stated that we did not, but that was a mistake.

4556. Have there not been some negotiations recently?—Simply on account of this, that they would not pay us the money that they received last year,

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and we stopped the booking until they paid us; when they paid us we resumed the booking again. But the whole thing amounts only to 100*l.*

4557. (*Mr. Horsfall.*) Have you through traffic in goods as well as in passengers?—It is principally in goods.

4558. How do you arrange with regard to the terminals charged, do you allow the parties forwarding goods from your line to the London and North-western to pay their own terminal charges, or do you charge them a specific sum?—There is a through rate at first; the terminals are deducted from the gross rate, and the balance is divided according to the mileage.

4559. That is, as between the two railway companies?—Yes.

4560. But I mean as between the public and the railway companies?—We never charge the public terminals at all.

4561. You allow them to transact their own business?—Yes, the rate is a net rate that we charge.

4562. Supposing the shipper of goods was anxious to pay his own terminal charges, would you make a deduction from your through rate equal to what he would have to pay?—Such a case has never arisen.

4563. (*Mr. Glyn.*) Who does the cartage for you in Dublin?—Mr. Fishbourne.

4564. Does he settle with the parties who ship the goods?—Not at all, the railway company settles that.

4565. Is not that a terminal charge?—No, that is an additional charge. The cartage is across the town.

4566. (*Mr. Horsfall.*) Do the railway companies pay that additional charge across the town?—It is added to the gross charge. The through rate is 2*s.* a ton from the Great Southern Railway to the shipping place.

4567. Is that for local traffic?—No, our rates are from station to station rates. I think it only right to say here, that I have seen some evidence which was given before this Commission, impunging the character of Mr. Fishbourne, and I consider that the statements which have been made are very unfounded. The rates are fixed by the railway company as those which Mr. Fishbourne is to charge, and he cannot exceed them. The rate charged is 2*s.* a ton for a distance of fully two miles and rather more.

4568. (*Mr. Glyn.*) Does he collect the goods?—Yes; he acts in Dublin just like Messrs. Pickford do in London.

(*Mr. Murland.*) I think the Commission should understand that any person who chooses may bring his goods to the railway, and thereby save Mr. Fishbourne's charge, or he may take his goods away from the railway and in the same way save the charge. Our rates are station to station rates, except where we book through to England.

4569. (*Chairman, to Mr. Murland.*) When a person comes to the station for his own goods do you not charge him anything beyond a mileage rate?—We charge him nothing but the regular rate. In calculating those rates no doubt we consider the expense that we are at with regard to terminals; but nothing is added apparently for terminals.

(*Mr. Haughton.*) The rate from Cork to Dublin is 12*s.* 6*d.* per ton for second class goods.

(*Mr. Murland.*) In calculating that rate the railway company of course take into account the terminal expenses.

4570. (*Mr. Horsfall, to Mr. Murland.*) Are you confining your observations now to Ireland?—Yes; to the Great Southern Railway.

4571. Does the same principle apply to Liverpool? You have a through booking arrangement with the London and North-western Company, and do you allow parties in Liverpool to pay their own terminal charges?—I do not know. We book through to Liverpool, and of course we forward the goods by our carrier from the railway at Dublin to the steamer, and the charge for that is added on, the person owning the goods could not interfere.

4572. (*Mr. Glyn.*) If a person in Dublin chose to do it he could send his own goods to the railway station, and free himself from the charge paid to Mr. Fishbourne?—Yes.

4573. (*Capt. Galton to Mr. Haughton.*) Do you give special rates to individuals?—We have frequently done so; but in every case in which we have made a contract of that kind, the party has failed to fulfil his contract as to the quantity which he promised in the first place to send.

4574. Could you state any instance of that kind?—I will take the town of Tralee—at that extreme point on the map. There is a large barley trade carried on there, and people have come to us and said, "I will undertake to send so many tons of barley to "Dublin if you will charge me such and such a re-"duced rate." We have said, "Very well; if you "will send us that quantity we will charge you so "and so, and we will give you a drawback." I do not think there has been an instance in which the drawback has not been applied for, nor in which the full amount of the goods agreed for have been delivered.

4575. You have scarcely any special rates at present?—I do not think we have one at this time.

4576. Are your ordinary rates published, so that any person may see them?—Yes.

4577. (*Mr. Gower.*) Are your rates uniform throughout the system?—They vary according to the distances very much.

4578. And also according to direction?—No.

4579. Are the rates the same inwards or outwards?—Yes.

4580. I see, by the return, that the amount of goods sent from Tullamore to Cork is about 15 times as much as the goods sent from Cork to Tullamore. I suppose there is a great number of empty trucks sent from Cork inwards?—I think it must have been a very exceptional year.

4581. The larger quantity being from Tullamore to Cork?—I believe it consisted entirely of potatoes.

4582. Would it not answer to charge reduced rates for goods carried from Cork to Tullamore?—There is no natural traffic between Cork and Tullamore at all; it was quite an exceptional case that has been referred to, potatoes were very scarce in Cork, but they were plentiful in Tullamore.

4583. (*Capt. Galton.*) For all those three years, 1856, 1857, and 1858?—Yes. There was some grain traffic between Cork and Tullamore, but not between Tullamore and Cork. Cork is a great depôt for shipping; foreign grain vessels come there.

4584. If you had carried grain at a cheaper rate, would not more of it have been carried?—I think not. I am intimately acquainted with the grain trade of Ireland, and I do not see why there should be any more.

4585. (*Lord Stanley.*) Have you tried the experiment for a limited time over a limited portion of your railway of reducing the fares considerably to see whether there would be an increase of traffic?—No, except in the case of the opposition that I have already mentioned.

4586. Has there been any proposal for an amalgamation between your system and the Waterford and Limerick?—Yes, repeatedly.

4587. Have the negotiations come to nothing?—Yes. We made an offer to them at one time, which was assented to by several of the directors, who waited upon the Great Southern and Western Board, to give them in perpetuity a 3 per cent. dividend. We were anxious to have a uniform rate over the whole of the southern parts of Ireland, but the present chairman of the Waterford and Limerick Railway told the proprietors that if they would leave the matter to him, he would give them a far better dividend than that; but their dividend has gone down until I believe the last dividend was only a quarter per cent. for the half-year.

4588. Do you see any insuperable obstacles in the way of an amalgamation at some future time?—No. I have always felt that it was only a question of time, and that in time there must be an amalgamation between all the lines in the south of Ireland, for they are all in a state of bankruptcy at the present time.

4589. You do not see any reason why the smaller Irish companies should not, like the English railway companies, become merged in the larger systems?—No; and if you will look at the map you will see that we are gradually carrying that out. We have merged into one line from Carlow to Kilkenny; we have also merged into one line from Mallow to Killarney, and on to Tralee; and we are working now the Charleville and Limerick line.

4590. If any one were to assert, the multiplicity of Irish railway companies being admitted to be an evil, that that evil could not be got rid of without some compulsory interference on the part of the Government, you would not agree with that?—It would be difficult, I think, to get any parties whose line of railway is as bad as it can be, to give it for its value, unless the Government interfered. Of course you could not expect the Great Southern and Western Company to purchase a line, and to give a certain sum of money for it, if there was no profit to be obtained by the transaction. The lines that we have bought up we were subscribers to originally; they were constructed under the control, and in a great degree under the management, of the Great Southern and Western Company. I was a director of every one of those lines which I have named, and which have been amalgamated, and the consequence has been, that from the moment they were placed at the disposal of the Great Southern and Western Company, we have got our work done on the cheapest possible terms, and the result has been that the lines were well made and cheaply made; while the other lines, which are called contractors' lines, where there was not money enough to make them without borrowing, were made very badly. The result is, that where the traffic is so very small, they have nearly all gone to ruin.

4591. (*Chairman.*) Do you think that the public suffer much inconvenience from many of the smaller lines not being amalgamated with the larger ones?—Beyond all question, because they are not through lines. That was the great complaint that was made, that there was not traffic between Limerick and Dublin backwards and forwards the same day. We ran trains through as long as ever the Waterford Company would work with us, but I do not blame them for it at all; they did, of course, what they thought would be the best for their own interest; and it was no use working trains as far as Tipperary and to the junction there, if the passengers could not get on. There is no accommodation that has not been supplied by the Great Southern and Western Company to the third-class passengers; but the complaint is, that there are not more trains on the line, and that the third-class passengers cannot go and return on the same day conveniently.

4592. (*Capt. Galton.*) Do you issue third-class return tickets?—Never.

4593. Do you not think that that would be attended with advantage to the Company?—I am opposed to it, because I think it is a very bad system.

4594. (*Mr. Glyn.*) Have you ever tried it on market days?—No; we do not think it is of any use, or that there is any traffic of that kind.

4595. (*Mr. Horsfall.*) What are your objections to issuing return tickets?—My own feeling is that I would rather give a passenger the option of travelling at a cheap rate, paying for every journey separately. I believe that the practice of issuing return tickets leads to great frauds. I am aware that it has been complained of, that we do not give free tickets to drovers, and that we charge them for the tickets; but the reason why we do this is because when we give them free tickets, if a gentleman grazier sent many cattle to be forwarded, the drovers would subdivide, say, 20 or 30 head of cattle into 10 lots, and we should have to carry up 10 persons, and, more than that, the tickets would be sold publicly in the streets. That was the reason why we charged for the drovers; but I know that this is a subject of great complaint on the part of the graziers' men.

4596. (*Chairman.*) Is the traffic in cattle at the present time stationary?—It has been always increasing until within the last year or two.

4597. Does it chiefly consist of fat cattle?—No; by far the larger amount of the traffic is in store cattle.

4598. Do you suppose that any large quantity of store cattle are driven along the roads in the same direction as the railway runs?—It may be so within certain distances, say within 20 miles of the railway; but I should say not for long distances. Our principal cattle traffic is from the fairs, and I need not mention here that the cattle which are sold in fairs are all store cattle. It is a very expensive traffic to work, and all our trucks go back empty. To give the Commission an idea of the quantity of store cattle carried from the great fair at Ballinasloe, I may mention, in the first place, that the Midland Company carry by far the largest proportion of that traffic, and I asked our traffic manager, who was at that fair, to inquire into the matter, and let me know the result. He has informed me that the Midland Company carry as many as 1,300 trucks of cattle from that fair, and that the Great Southern and Western Company carry, I think, about 180 trucks.

4599. (*Capt. Galton.*) Your trucks go through Athlone, have you no branch to Ballinasloe?—No; but we did try one year cheap rates for cattle from Athlone, in opposition to the Midland Company, because we were so far from the fair that we found we did not get the cattle to carry; however it was a total failure, people did not send them.

4600. (*Chairman.*) Was the reduction made in your charges on that occasion a very large one?—I do not think it was very large; but we do not compete with the Midland Company at all now.

4601. (*Mr. Glyn.*) Are there any small railway companies within your district which are not amalgamated with you, and which you do not work over by agreement?—Yes, there are many.

4602. Are they a hindrance to your traffic?—No.

4603. Do they run their trains in concert with yours?—Yes, we work amicably with them, and have been doing so for the last seven years with the Waterford and Limerick Company. The proceeds of the through traffic of the whole of the district of the south of Ireland, taking Tipperary, Limerick, Cork, and Waterford, are put into a joint stock purse, and after deducting 40 per cent. for the company that carries the traffic for working expenses, the remainder is divided between the different railway companies according to the mileage.

4604. So far as working goes, your system is nearly complete?—Yes, it is very complete.

4605. Throughout all the districts?—Yes.

4606. (*Chairman.*) I understood you to say that if the Waterford and Limerick was in your own hands, the communication between Limerick and Dublin would be more conveniently worked than it is at the present time?—Of course it would; we should run through trains to Limerick.

4607. At the present time the public does suffer inconvenience either from the delays which are occasioned, or from some cause or other?—Yes, beyond all question they do suffer inconvenience; but at the same time, I do not think that a man going from Limerick to Dublin hardly ever wants to return on the same day, he almost always has some business to occupy him, and to detain him there for a day; that there is some inconvenience felt I have no doubt.

4608. Do you ever receive proposals from parties to put on to your line an additional quantity of goods which you feel unable to entertain, because you believe that they will not be remunerative to you?—

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I have no recollection of any such proposals being made.

4609. With regard to mineral traffic, for instance?—Now I recollect that there was a small mine. I read some evidence that was sent to me by the secretary, and there was a small mine at a place called Shallie, and the directors of the company went to the place in order to inspect it, and we bought some land there, which we still hold, with the idea of erecting a station there; but when we came to investigate the matter, we found nothing to induce us to open a station there in the first place, and in the next place, we could place no reliance in the representation that the mine would be worked, and that we should get the traffic from it. And furthermore, we found that the traffic that was proposed to us would only give us a small return without terminals for our portion of the line, and that in fact it would not pay half the working expenses.

4610. (*Capt. Galton.*) What sum was offered to you?—The sum offered from the mine to Limerick was 2*s.* a ton.

4611. Should you have had to load the waggons?—No.

4612. What distance would the minerals have passed over your line?—I believe some five or six miles.

4613. If the whole distance over which the minerals would have passed had been in your hands, would such a price have paid you?—That of course would have depended upon the number of the trains, and whether the trains were continuous.

4614. Did the parties in that case promise you a fixed quantity?—No, we had no promise of anything.

4615. (*Mr. Glyn.*) It was too small a matter for you to entertain?—Yes, it was; a large prospective traffic of that kind cannot be carried cheaply unless it be continuously supplied in certain quantities. It would not answer to be asked to send at one time 100 trucks for goods to be loaded, and then to have to send those trucks away again to be idle for a month, because what would they be doing in the meantime?

4616. (*Capt. Galton.*) You mean that such traffic could not be worked in with your general system?—Yes; it would be quite impossible.

4617. (*Chairman.*) Is it your opinion that the traffic of the country, so far as it depends upon railway arrangements, is developed to as great a degree as it is possible for you to accomplish it?—I think it is in the south of Ireland, so far as the Great Southern and Western are concerned.

4618. You think, so far as your railway is concerned, that it is not in your power to take any steps that would increase the traffic on the Irish railways, or that would stimulate production in any respect?—Do you mean with regard to the quantity carried, or to the amount received?

4619. Do you think that there would be any increase in the traffic by lowering your charges?—Yes, I think there would be some increase, but I am not sanguine about any large increase in the principal products of the country; I do not see what it is to arise from. I have directed my attention to the evidence given by Judge Longfield, and I have made some observations upon the evidence that he gave.

4620. Are there any parts of his evidence to which you wish to make any addition or to explain?—I find that he was, from a want of knowledge of details, a little at a loss. A question was put to him by Capt. Galton, in these words, "Is it not the case that "cattle are sent from one part of Ireland to another "to be fattened?—They are generally sent first to "the fairs, and they are then bought by the graziers, "who fatten them, from the people who breed them." My observation upon that is this: A considerable quantity of store cattle are carried from the counties of Tipperary and Limerick to Kildare and Meath. The average mileage is about 50 miles, and very few store cattle are walked beyond 20 miles. As a rule, all this traffic is carried on by special trains from fairs.

4621. (*Lord Stanley.*) If some of the minor lines in Ireland are in a state of bankruptcy, is that owing to their having charged too high fares, or to there not being sufficient traffic to support them?—Some of them have cost too much money, and others of them have so little traffic, that if they had been made for nothing they would not pay the expenses. There is the Wexford and Bagenalstown line, as to which proceedings are now going on the Bankruptcy Court in Ireland. The Great Southern and Western Company were anxious to develop the traffic upon that line, because we were original subscribers to it, and we worked it for the bare cost out of pocket, without charging interest upon the rolling stock; the weekly receipts did not pay anything like the working expenses, although the line runs within six miles of the town of New Ross, which is an important town.

4622. (*Capt. Galton.*) You did not perhaps think it worth your while to charge very low fares?—The line passed through a district where there is no population.

4623. What is the population of New Ross?—About 8,000 or 10,000; it is a long way from Wexford.

4624. (*Lord Stanley.*) I suppose the population of the south of Ireland is, upon the whole, decreasing, and that you do not look forward to any increase in the passenger traffic?—I think Ireland is in a poor condition, and I do not think we can expect any great increase in the passenger traffic.

4625. (*Capt. Galton.*) Where does the Wexford and Bagenalstown line run?—It was originally intended to go on to Enniscorthy, which is a very important town, and not far from Wexford. It got to a point where the dotted line on the map begins, and that point is in a field. The town of New Ross is not marked upon that map; it is on the River Barrow.

4626. Would New Ross be about there? (*pointing to the map*).—A little to the left of that. An effort has been made this session to obtain powers to complete the line to Ross, but the parties had not the means to carry their Bill through, and it was withdrawn.

4627. (*Mr. Gower.*) Are there any new railway projects before Parliament this year in connexion with your line?—No, there are not any new projects of ours, there were some Bills that were passed; in one case there was a line from Thurles to Clonmel, that Bill was passed; and then there was another line proposed to join our line near Fermoy, that line goes from Lismore to Fermoy.

4628. Did you oppose those lines?—No, we merely asked for clauses. We have never opposed any lines, I think, for many years.

4629. Have you never opposed any?—I think not.

4630. (*Chairman.*) Can you state what interest you pay upon your debentures?—We have not any bonds at this time outstanding, except those that we got belonging to the companies with which we have become amalgamated, and which are not yet due.

4631. Have you no debentures?—We paid off the whole of our debentures on the Government loan, by raising money at four per cent. We have £1,300,000 of preference stock at four per cent.

4632. Is that redeemable or irredeemable?—That is irredeemable.

4633. (*Mr. Glyn.*) Is that at four per cent. only?—I should say that we have about half a million of debentures out now, and the interest upon them is exactly 4¼ per cent. We renewed all the bonds that fell due this year to the extent of 20,000*l.*

4634. Had not some of the railway companies with whose lines you have become amalgamated some debenture debts?—I have stated that particularly. The principal bonded debts now outstanding are the bonds belonging to those lines of railway that we became amalgamated with.

4635. The yellow line to Cork belongs to you, does it not?—No, we rented it with the intention of purchasing it ultimately, if Parliament should sanction

it, and the proprietors should agree to it. There is a large passenger traffic on the line; but there is no goods traffic there; you cannot carry on the goods traffic.

4636. For what reason?—Because there are no stations, or they are very badly constructed in every way.

4637. Would there be a goods traffic if the stations were good and convenient?—Not to any extent. I think it would be cheaper for the vessels to send up their goods by lighters to the port of Cork than to send them by railway.

4638. Even although the goods might be going into the centre of Ireland?—Yes; but I will explain the course of things. The trade is carried on in this way. A merchant in Cork purchases a cargo of grain, and then he distributes that cargo in small lots to the millers in the interior of the country.

4639. Does it go by train into the interior?—Yes, or by sea. There is a large traffic between Dublin and Cork which goes principally by sea, for in fact we cannot compete with the sea traffic; the charge that way is only half the amount that we charge.

4640. What freight per ton is charged by sea?—The freight from Cork to Dublin is 6*s.* a ton.

4641. What is the distance from Cork to Dublin by your railway?—168 miles.

4642. And you think it would not be worth your while to attempt to compete with the sea route?—Certainly not. We would rather be without the traffic a great deal.

4643. (*Chairman.*) Did you not say that you had given up the second-class traffic between Dublin and Carlow, and that it was carried by the Grand Canal Company?—No; I said that the Grand Canal by their navigation came in contact with the great millers, and that they got the preference, and that they had 15 per cent. advantage over us.

4644. Did you not also say that in consequence of that, you had ceased to carry goods of the same kind?—Certainly not; we take all the goods we can get.

4645. (*Mr. Horsfall.*) You said so, I think, upon one particular line?—I think not. We never refuse any goods.

4646. But practically the goods all go by the canal?—No, along the line of the navigation, they practically go by the canal.

4647. (*Capt. Galton.*) With regard to those goods that you mentioned as going from Cork to Dublin, is their ultimate place of destination the interior of Ireland?—No, they go to Dublin for consumption in Dublin; in consequence of the great facility for getting foreign corn into Cork it is now sent on the cheapest terms, at the lowest freights, between Cork and Dublin. A great business is done by the millers in Cork for the supply of Dublin with flour.

4648. If you could get a large supply of the same article on to your railway, would it not be worth your while to carry it?—We could not get it, and large quantities could not come; it is impossible that they could come; they would not be required. Dublin itself is a large importing port for foreign grain, and there are large steam mills there. The cause of the great decline which has taken place in the milling interest in Ireland has been the importation of foreign grain. Formerly Dublin, and a great part of Lancashire, and South Wales, were supplied entirely from the interior of Ireland; but now, since the repeal of the Corn Laws, when foreign grain comes into Ireland, the tendency is to erect steam mills in the sea ports.

4649. As I understood you, you stated that the grain comes into Cork and is there distributed; and that it is sent by coasting vessels round to Dublin?—Yes, that is frequently done.

4650. The freight being 6*s.* a ton?—Yes.

4651. You stated, I think, that a very large quantity of grain is sent in that way to Dublin?—Yes; it is entirely a question of the relative prices between Dublin and Cork. Cork is a port of call for foreign ships, and also Falmouth; they are the two great ports of call for ships laden with foreign grain, and sometimes there is an excess of grain in Cork, and sometimes an excess of grain in Dublin, and so the trade alternates according to the price; but there is no internal trade in grain between Cork and Dublin.

4652. Would it not be worth the while of the Great Southern and Western Company to get the trade if they could?—Not at 6*s.* a ton.

4653. (*Mr. Gower.*) What would it cost per ton to carry the grain from Cork to Dublin?—It would cost a very small sum if we had a large and continuous quantity to take. Every train mile costs about from 2*s.* 7*d.* to 2*s.* 8*d.*

4654. Then why should it not answer your purpose to carry the grain for less than 6*s.* a ton?—Because we could not get the quantity.

4655. If there is a considerable traffic in grain by sea, why should you not carry it by your railway?—There are many reasons, which I can explain if you wish. In the first place, when a foreign vessel arrives in Queenstown for orders, if a portion of the cargo is to be transhipped to go from Queenstown to Dublin, a small vessel will go alongside the ship and take it out, and then it will go straight to Dublin without any expense, except that of putting it on board. If it was taken by railway, it must be transhipped into lighters, taken up to the City of Cork, and then put into trucks on the railway, and so be taken to Dublin.

4656. (*Capt. Galton.*) Could it not be put into the trucks at Queenstown?—No; there are no means for doing that at the present time. The railway goes down close to the water; but there is the merest narrow slip of ground there, and the Admiralty would not give up an inch of that ground to enable us to extend the railway.

4657. Have attempts been made to build quays there?—There have been applications made for that purpose, and when the Great Southern and Western Company become the owners of that line, some effort will be made to connect the railway with the deep water there.

4658. If it were connected with the deep water would it then be worth while to tranship the goods at once to the railway and carry them to Dublin at a low rate?—I think that the traffic internally would be so limited that it would not be worth attention. In the case of a vessel going into Cork, it does not cost one farthing, or to take her to Dublin, the captain must go to any port in the British empire where he can lie afloat, according to his charter party.

4659. Then a great part of this trade is carried by the ships themselves after calling at Cork, and then proceeding to Dublin?—Yes. I received a telegraphic message the day before I left home from a gentleman in Cork, asking me if I could get a certain price for American wheat in Dublin. I telegraphed back to say that I could. He then sent immediately, took up a vessel, and sent the wheat from Cork to Dublin.

4660. Had he to tranship it?—No; he had it already in a warehouse.

4661. Then why could it not have been taken from his warehouse and put on to the railway?—We would not have taken it for him for the freight he would have had to pay.

4662. If you had been willing to do so, would it not have been worth your while, if the quantity to be carried was large?—If it was a trade that would pay us, we could not carry the quantity. It might be worth our while, but this must be borne in mind, supposing this gentleman sent us 1,000 barrels of wheat, it would take more trucks than we could command; where should we get the trucks from to convey it? Even as it is now, with our trade from Cork into the interior of the country, the entire of the trucks have to come back empty, and we should have to send special engines all over the line in order to get a sufficient number of trucks, so that it would

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be better to carry it in small quantities rather than in large quantities. If there was a very large and continuous trade of that kind, arrangements possibly might be made to deal with it.

4663. Does not your objection rather go to this, that you would not attempt to develop any class of traffic whatever?—I do not think I should like to risk a large sum of money in attempting to develop traffic that might never come to us.

4664. I think you rather show that the goods are at Cork, and they are required to be taken to Dublin?—No; the case I have referred to was a very exceptional case.

4665. (*Mr. Glyn.*) I understand you to say that if there was a considerable amount of traffic you would undertake it, but as it is so uncertain, it is not worth your while to make a rate for it?—Yes.

4666. (*Mr. Horsfall.*) Would it be worth your while to carry any large quantity at 6*s.* a ton?—I think it would pay with a large and continuous quantity; but the rate to Cork now is very low; for instance, if you take 60 miles upon our railway we charge 8*s.* a ton, and we only charge 12*s.* 6*d.* a ton for 160 miles.

4667. (*Capt. Galton.*) You charge 8*s.* a ton for 60 miles?—Yes, for second-class goods.

4668. And 12*s.* 6*d.* a ton for 160 miles to Cork?—Yes.

4669. (*Chairman.*) Does that include terminals?—Yes; we never charge terminals.

4670. (*Mr. Gower.*) Is that to enable you to compete with the water communication?—Exactly. We have had steam opposition for a long time between Cork and Dublin, and we reduced the rate to 12*s.* 6*d.* in order to meet that opposition. We carried third-class passengers on the days when the steamer sailed at very low rates. I think as low as 5*s.*

4671. (*Capt. Galton.*) In what year was that?—I cannot say exactly, but it was after opening the line to Cork.

4672. (*Chairman.*) Have you ever considered whether it would be practicable for the Legislature to pass any measure that would be of great public advantage to Ireland by stimulating, in connexion with railways, the industry of the country?—Not without admitting a principle which the Legislature has never yet admitted.

4673. Will you explain your meaning?—I mean advancing money without getting any benefit from it.

4674. Do you think that nothing can be done unless the Government is prepared to risk a large sum of money?—I think nothing whatever can be done. The public certainly in Ireland, so far as I am able to judge, seem at the present moment to be quite cock-a-hoop in the expectation that something will be done to plunder the railway companies by the Government, and without the smallest compunction would take away the property of the railway companies, if they could.

4675. (*Mr. Glyn.*) You have had many years' experience now as chairman of the Great Southern and Western Railway, and I suppose that you would not be prepared to recommend to your proprietors any large reduction in the fares, because you think it would operate detrimentally for a certain time upon their dividends?—Certainly; that is my opinion.

4676. You consider that, as chairman of that company, your first duty is to look to their interests?—Certainly; our dividends are very small. The great object of the directors of the Great Southern and Western Company originally was to benefit the country, and we thought that we were incurring a great risk when we put our names down as subscribers to the line.

4677. Supposing that a considerable reduction was made, have you considered whether, in the course of four, or five, or six years, you would make good to your proprietors the deficiency in their dividends which would naturally follow?—I cannot imagine any number of years in which that could be done; certainly not in my lifetime.

4678. You think that low fares would not enable you to restore the dividends to their former amount?—I have no doubt upon that point whatever.

4679. (*Capt. Galton.*) Have you never tried the effect of low fares?—No; they have never had a fair trial; but I am quite satisfied that if this Commission should be pleased to hint at such a thing, and name any particular places where it should be tried, we would give it a fair trial.

4680. Are there any parts of your line which you think would be favourable for making the experiment?—I think the difficulty is this, that persons would begin to book themselves for short distances at a low fare, and then book themselves on again so as to save money.

4681. Is it not constantly the case on English railways, that between certain places a very low fare is charged, and it is made impossible for persons to book themselves by the same train so as to be able to go on from one place to another, by refusing to issue tickets after that train has arrived at a station?—The same rule prevails in Ireland. There is a cheap rate between Kilkenny and London, cheaper than from Carlow to London; that is in consequence of the opposition existing between the Great Western of England and the London and North-western. It does not affect our line, but I know that people in Carlow send to Kilkenny, or they write to Kilkenny for a ticket when they want to go to London.

4682. Does any practical loss or inconvenience result from that? Do not many more persons go because they can travel at a lower rate?—I can only speak from my own experience, and I know that I never travel unless I have business to attend to, and I have a free pass, and can go wherever I like. The railway fares bear a very small proportion to your expenses. Between any two large towns, for instance between London and Brighton, you will have a very great traffic by reducing the fares; but what is there in Ireland, between town and town, to induce any man to go from one town to another, unless it is business that he has to transact? There is nothing to be seen.

4683. (*Sir Rowland Hill.*) Are there any new lines in progress in the south of Ireland?—Yes.

4684. And more lines being projected?—Yes.

4685. How can you account for that? What are the inducements to construct new lines of railway, when the old ones, which probably enjoy the great bulk of the traffic, are so unprofitable?—I entertain a very strong feeling on that subject, but I should not like to give expression to it, lest I might give an unfavourable opinion as to the motives which induce parties to promote these lines, and which I would rather not do. We do not oppose them.

4686. (*Mr. Horsfall.*) Is there not a great passenger traffic to Killarney in the summer time?—Sometimes there is; but it is not what one would expect, considering that there is a large hotel there belonging to the railway company, and which was built in connexion with the Killarney line by the Great Southern and Western Company. It is under most admirable management, and I do not believe there is an hotel in the kingdom where there is greater comfort to be had, or at more moderate rates, and yet it does not pay the expenses necessary to keep it in order.

4687. (*Capt. Galton.*) Is it not very full for one or two months in the season, or tolerably full, and then empty for the remainder of the season?—I have been informed that within the last few weeks, although the weather has been fine, there were only seven persons staying in the hotel.

4688. (*Mr. Glyn.*) It is a very short season, is it not?—Yes. I may state that there are no means that could possibly be taken, consistently with what we conceive to be the interests of our proprietors, that we do not adopt for the safety and advantage of the public on the Great Southern and Western line; that is my conscientious conviction.

4689. (*Capt. Galton.*) What is the fare from Cork to Killarney for third-class passengers?—Before I answer that question, I wish to say that I have read some evidence which was given here on the subject of parcels of butter sent between Cork and Dublin. I have inquired as to the quantity of butter carried in that way, and I understand that it is 1½ cwt. in a day, and then look at the rates that we charge for it. You can have 14 lbs. weight carried for 1*s.* 6*d.*, including collection and delivery within two miles from the Post Office. Then if you send 28 lbs., you get that carried for 2*s.*, and so on, according as the quantity increases in weight. We carry that by the passenger trains in order that fresh butter may be obtained in Dublin. The butter in Cork is made without salt. Then with regard to the rates charged for excursion trains, on the Cork and Limerick direct, we run Sunday excursion trains and a third class passenger can get to Limerick for 3*s.* from Cork.

4690. What is the distance?—57 miles. I am speaking now of Sunday excursion trains.

4691. Then from Cork to Killarney?—I think it is a single fare for a return ticket, a halfpenny a mile.

4692. From Dublin to Killarney is the fare the same?—The fares vary. We issue family tickets from Dublin to Killarney. The first-class return ticket is 2*l.* 10*s.*, and the second-class return ticket 2*l.*

4693. What is the distance?—180 miles. Then there are family tickets issued, which come very cheap indeed; for instance if five passengers go, the charge is 7*l.* 10*s.*

4694. Do you carry many passengers through to Killarney from the London and North-western system?—There are a good many occasionally in the season, but they are not large at any time, only what you would call very small in number here.

4695. (*Chairman.*) The Commission are to understand, I think, that you take rather a desponding view of the prospects of Irish railways?—I do take a very desponding view.

4696. You think that no new sources of traffic are likely to be developed?—I should be sorry to think we shall always be as bad as we have been the last two or three years, but I see no likelihood of any great extension. We have had experience of the Killarney line, which has been under our management for several years; and I have come to this conclusion, that a branch line worked by a main line at a moderate rate, to receive 10*l.* a mile a week, would pay a dividend of 5 per cent., where the line had been constructed cheaply. That line was made for about 6,000*l.* a mile, and we do not find on the Great Southern and Western railway, where we put up goods stations to work the line as it ought to be done, that we can do it in the cheapest manner, giving proper accommodation, under 7,000*l.* a mile. I have been asked a question with regard to amalgamations. If an amalgamation took place with lines not paying any dividend, and that further loss ensued from reducing the fares, what is to be done as to the preference shares and bonds? At the present time some of them are paid, and some are not. There are many lines that do not pay the preference shares anything, although there are some where they do pay. If an experiment was tried, and it was unsuccessful, the result would be that those parties who get some dividend now would get none then.

4697. (*Mr. Glyn.*) Are there not some companies who do not pay to the Commissioners the amount necessary for the sinking fund?—Yes.

4698. (*Chairman.*) Are there any other points to which you wish the attention of the Commission to to be directed?—Judge Longfield made a mistake in saying that there was no line between Wexford and Waterford. There is a line for which parliamentary sanction has been obtained, but which is not yet constructed. The Wicklow and Wexford line is a coast line. The whole of the southern district of country named by Judge Longfield can be taken up without interfering with the other districts of Ireland.

4699. The south-eastern part of Ireland?—Yes.

4700. Would there not be competition between Wexford and Dublin if a line were made between Waterford and Wexford?—I doubt that, for this reason, that the line goes to the wrong side of the river at Waterford. The traffic could not get across there. There is a wide estuary of the river at Waterford, where the line is proposed to be brought to. I do not think it would answer at all for goods traffic.

4701. Is it not intended that the line from Wexford to Waterford should communicate with the already existing line at Waterford?—That is not possible. As far as I understand the nature of that line at present I do not think it is possible to unite.

4702. (*Capt. Galton.*) I gather from your evidence that you do think it desirable that the railways in the south of Ireland should be connected together?—Beyond all question.

4703. You think that could be better done without government interference?—I do not think it could.

4704. (*Sir R. Hill.*) Do you think any material saving in working expenses would be effected by amalgamation?—I have no practical experience of that myself, therefore it would be very difficult for me to give more than an opinion upon that. Working expenses always increase in proportion to an increase of traffic.

4705. Supposing the traffic to remain the same, would the amalgamated lines be worked more cheaply than they now are?—I doubt that very much.

4706. Then what would be the advantage of an amalgamation?—Through booking to the public.

4707. Greater convenience to the public?—Yes.

4708. (*Mr. Glyn.*) You would get rid of a certain number of boards of directors and secretaries, and so there would be a saving in the fixed expenses?—I think you would have to pay officers quite as much as the public boards are paid. Upon those small lines they are paid very little indeed.

4709. (*Sir R. Hill.*) Would not a great reduction in the number of officers effect some diminution in the expenses?—The only officers who could be reduced in number I think would be the secretaries.

4710. Would you reduce the number of directors?—The directors, as I said before, are paid very little indeed.

4711. Would you not have concentrated management for your locomotive superintendence?—You would no doubt, but if you have a concentrated management you must appoint a man of very great ability indeed, and you must pay him in proportion.

4712. Where are your places of repair for engines and carriages?—Within two miles of our terminus in Dublin.

4713. Then you have a place of repair for engines in Dublin?—Yes; and we have a small one in Cork. We make and repair the whole of our engines and carriages.

4714. (*Chairman.*) Do you repair the engines and carriages of any other companies besides your own?—Never; we always refuse to do so.

4715. (*Sir R. Hill.*) But if the lines were united, would it not be possible to manage an increase of traffic without an increase in the rolling stock?—Within certain limits the passenger traffic might, but I think not the goods.

4716. Do you see no mode of escaping from the present difficulties?—If you will tell me what the difficulties are I will answer the question.

4717. The state of bankruptcy in which many of the lines are, as I understand?—I think they are irretrievably ruined as far as regards the public advantage. We must bear in mind that all these lines are only of comparatively recent construction. In the course of 10 or 15 years, and some of them in half that time, the rails and sleepers will be all gone, they are so badly constructed. I do not see how they are to keep them in repair. Of course that is only my own individual opinion.

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4718. (*Mr. Glyn.*) Then you think, in fact, that with regard to many lines the original capital is positively sunk and lost?—There is not a single line in the south of Ireland, which runs into that of the southern company, with the exception of the Cork and Limerick direct, which has not at the present moment the whole of its original capital gone. The Waterford and Limerick Company have paid only a nominal dividend, namely, half per cent. per annum.

4719. That capital is irretrievably gone according to your view?—Unless the traffic of the country increases.

4720. Your theory is that it is not possible to increase it?—I do not see that there is any prospect of it in any reasonable time.

4721. (*Chairman.*) Is there any other point that you wish to call attention to?—There is one other point. Mr. Glyn asked this question, at No. 2930, "If you deal largely in the coal trade must you not "carry the railway down to the water-side?" The answer is, "I think that to have a large coal trade "there should be such a connexion in Dublin, for 2*s.* "a ton is a great impediment." Judge Longfield was wrong in that. In the first place, the railway connecting the Great Southern and Western, with the shipping, must get toll upon coals, and the least I have ever heard of is 6*d.* per ton.

4722. (*Sir R. Hill.*) What would be the saving then?—At the very outside the saving would be 1*s.* per ton. I may mention the fact with reference to this saving, assuming that coals were carried at half the present rate, the total rate would only be over the whole railway 1*s.* 10*d.* per ton. The rise in the price of coals alone last year was 3*s.* per ton at the pit's mouth. We are paying 3*s.* a ton more for coal now than we were two years ago. Therefore, the whole of that saving is more than annihilated at once by the rise in the price of coal.

4723. You are referring to coals brought by sea?—Yes. The rise is in England, not in the transhipment.

4724. (*Mr. Gower.*) Do all your directors agree with you in the opinion that no lowering of rates could be made without ultimate loss?—I cannot answer that question further than this, that I am sure the majority of them do.

4725. Has there been no opinion expressed upon the subject?—None.

4726. Has there been any expression of opinion among the shareholders?—Our shareholders are always unanimous; we never have any trouble with them at all.

4727. Are the majority of the shareholders Irish?—Originally the majority were English, but now the preponderance is greatly on the side of Ireland, and it increases steadily every year. The stock is coming over every year from England to Ireland.

4728. Are your railway meetings in Dublin?—In Dublin always.

4729. (*Capt. Galton.*) Have you much fish traffic at present?—A very considerable fish traffic.

4730. At what price do you carry it to Dublin?—We give very great facilities for the fish traffic; we carry it in our goods vans, attached to the passenger trains.

4731. (*Chairman.*) Is that an increasing traffic?—I do not think there is much increase in it. It is carried up in boxes packed in ice.

4732. (*Capt. Galton.*) Does it go to Dublin chiefly or to England?—Principally to England.

4733. You give through rates to England per cwt.?—Yes.

Mr. J. W. Murland.

Mr. J. W. Murland examined.

4734. (*Chairman.*) Do you concur in the views which Mr. Haughton has expressed with regard to the Great Southern and Western Railway?—As to matters of fact of course I do, but as to matters of opinion I do not altogether concur with him.

4735. Will you be good enough to state the principal points in which you differ from him in opinion?—I do not quite take his gloomy view of the prospect of traffic increasing in Ireland. At the same time I am quite sure that it is not capable of anything like indefinite development. It is not at all capable of the development which the traffic is in this country.

4736. Where do you think would most likely be the principal source of improvement?—I think that the traffic in cattle and in third-class passengers will be increased somewhat by a reduction of rates, but, at the same time, I quite concur with Mr. Haughton in this, that the railway companies would, at all events, in the first instance, lose by the reduction. Of course it is our business to examine all kinds of traffic from time to time, and if we can see our way to making a reduction which will bring us more traffic and bring us more money, it is our duty to do it, and we do it very carefully. There may be some cases, but we are not at present aware of any case in which we could make a reduction without a loss.

4737. (*Sir R. Hill.*) You mean a temporary loss?—Yes.

4738. (*Mr. Glyn.*) You would not be prepared to advise such a course?—I would not.

4739. (*Chairman.*) Do you think there is no capability of a large coal traffic being developed in Ireland?—I think the coal traffic will naturally increase by slow degrees, but I cannot imagine that there is a case for any very rapid increase of the coal traffic. I do not think it is likely to increase rapidly for domestic purposes. I have no doubt that it will increase gradually as manufactures increase, and as the bogs are cut out persons will be more disposed to use coal instead of turf. I have not the slightest doubt that the traffic will gradually increase. I do not expect that there will be any large or rapid increase of it. I do not believe in the idea that large manufactures will be established in the interior of Ireland; there may be one or two, but I do not think that such things are likely to occur to any extent.

4740. (*Mr. Horsfall.*) You do not think there will be any increased consumption if there is a reduction of 50 per cent. in the rates?—I have no doubt that a reduction of rates will increase the consumption, but, at the same time, if you will take the trouble of calculating what difference in price that will make at a mill, say, 100 miles from Dublin, you will find that a reduction from three farthings to one halfpenny per ton will only make a difference of 2*s.* per ton in an article which costs perhaps about 1*l.* per ton. I do not conceive that that would very rapidly or materially increase the consumption.

4741. (*Chairman.*) Do you think there is room for a considerable increase in the cattle traffic?—I think there is room for some increase, but I would not say a considerable increase.

4742. Do you think that the reduction of rates will have any material effect on the cattle traffic, or do you look for a gradually increasing traffic even at the present rates?—I think there will be a gradual increase without a reduction. I think with a reduction there will be perhaps a somewhat greater increase. At the same time I wish to explain that the cattle traffic is carried on under conditions that render it expensive to work; and in my opinion we could not make the reduction which has been suggested without losing all profit by that traffic. I believe that if we carried our cattle at 3*d.* per truck per mile under the conditions upon which we are obliged to carry it, that we should not make a farthing profit by it.

4743. (*Capt. Galton.*) What are those conditions?—The conditions are these: With respect to fat cattle they come to the Dublin market once a week; we work the trains up to the market, sending three or four trains over different portions of our system; those trains have to travel about 100 miles each; they come into Dublin probably with an average load

of about 30 waggons, but sometimes they may have 40 or 50 waggons, and sometimes they have only 10 or 20. The consequence is that we must be prepared with our rolling stock, that is, with our waggons and engines, for a maximum load. We must have our trucks at the different stations provided for a maximum load, and we must have locomotive power provided also for a maximum load, because, in the case of cattle, if we happen to be late for the market, or if we make a slight mistake in any way, there is an action immediately brought against us, there being no class of people so litigious as these cattle dealers and drovers. Then, again, the cattle train starts, say from the Limerick junction, which is 107 miles from Dublin, with six waggons, and will collect its load at different stations, and will not have its full load until it approaches within 20 or 30 miles of Dublin. The result is, that if you charge the full expense of this train running 100 miles, and if you charge also double, because it has to work all those trucks back empty (it is an entirely one-sided trade), you will find that it is traffic worked under very disadvantageous conditions. These trains do not carry their average load of 30 waggons for probably more than about two-thirds of the whole distance. I have entered into a calculation of it, assuming the cost of the train would be 2*s.* 6*d.* per train mile, and assuming the same for empty trains going back, and also the conditions I have mentioned at 3*d.* per truck per mile, it would not leave one farthing profit.

4744. (*Sir R. Hill.*) I think you spoke of three or four trains a day, did you not?—Three or four trains a week.

4745. Did those three or four trains run in the same day, or at different days of the week?—The same day; one would start from Kilkenny and come up to Dublin; and another would start from Limerick Junction and come up to Dublin. Another would start from Nenagh and come up to Dublin, and a fourth would start from Clara.

4746. I understood you to say that these trains picked up their traffic as they approached Dublin?—Quite so.

4747. Is it necessary then to start with a full train from the extreme point; I mean to say a train composed of a full number of carriages?—No; you have to start your engine, but not your waggons. The waggons have to be collected at the different stations provided for them.

4748. Then you do not reckon the mileage of the waggons for the whole distance?—Not the whole distance.

4749. Only the engines?—Yes. Then again there is another class of traffic, which is the store cattle traffic from fairs. It is worked under conditions almost as disadvantageous. We never can anticipate with any degree of accuracy what the extent of that traffic may be. I asked our manager to give me an illustration of it, and he said that there were 150 waggons of cattle sent from the large fair of Kilkenny in 1853. That was the quantity usually provided for. The following year he had only 80 waggons. He had to work all the waggons there to be prepared for the larger quantity. He had to work them away empty. That occurred very frequently. It is considered a reproach not to have rolling stock to meet any demand that may be made upon us. The consequence is that we always endeavour to be prepared for the maximum traffic, which of course very much exceeds the average traffic.

4750. (*Chairman.*) Is the cattle traffic attended with circumstances which make it impossible for you to depend upon carrying the amount of traffic which is usually carried; is it more fluctuating in its amount than any other description of traffic?—It, in that respect, a good deal resembles the passenger traffic. It is worked under entirely different conditions to what the mineral traffic would be.

4751. Is there much fluctuation in the number of passengers from week to week or from day to day?—Considerable.

4752. (*Mr. Horsfall.*) Must you necessarily run these cattle trains all on the same day?—The markets take place in Dublin on certain days. The fat cattle generally come to Dublin market; even though a portion of them may be afterwards shipped.

4753. Can you not bring up the cattle for export on another day, so that the same extent of waggons would not be required?—We must bring them up on the day that they are presented to us, and it so happens that fat cattle generally come up once a week.

4754. (*Mr. Glyn.*) I suppose every now and then you have some compensation to pay?—Very often.

4755. So that there is no profit by the transaction? If only a slight mistake takes place they take advantages of it.

4756. (*Sir R. Hill.*) It is the varying amount of the traffic that seems to create the difficulty?—The varying amount of the traffic and the fact that we have not full loads for the whole distance.

4757. Are the circumstances of Ireland peculiar in that respect?—I do not know that they are, but the average distance for which we carry cattle in Ireland is about 50 miles. The cattle trade from Scotland to London would be carried in a train for a considerable distance, and hence they can afford to carry them at a considerably less rate. In the same way the cattle we send over from Ireland to London would come in trains going from Holyhead to some places like Huntingdon, so that they would have a long mileage, and of course they can afford to carry them profitably at a lower rate per truck. We book through store cattle on the Dublin and Drogheda with the North-western from Kells to Huntingdon. I believe the whole rate per mile on that long carriage, which is about 360 miles, is something like 1½*d.* per truck per mile.

4758. For the length run?—Yes.

4759. Your trucks hold a larger number of cattle than the trucks upon the small gauge?—Our trucks hold from seven to eight fat beasts, and 12 or 13 store cattle.

4760. (*Chairman.*) Is there any other source of traffic that you have considered as at all likely might be developed in Ireland?—It is exceedingly difficult to predict beforehand what would be the effect of lowering the rates. I think that lowering the rates would be very likely to give rise to some traffic which one cannot foresee or anticipate. I am not prepared to point out any special kind of traffic. I think the grain traffic would probably be increased by lowering the rates.

4761. Do you think the cultivation of flax and the manufacture of linen might be encouraged by the railway companies arranging to carry it at lower fares?—I do not think that the cultivation of flax is likely to be materially affected by it. Flax can scarcely be carried by railway in the straw, the bulk is so great in proportion to its value that it is never attempted even in the north of Ireland to carry flax in the straw. Upon the other hand, when the flax is dressed it becomes so valuable in proportion to its weight that a small reduction in the price per ton per mile is infinitesimal as regards the value of the flax.

4762. I believe you are chairman of a railway company in the north of Ireland?—I have been for nearly 17 years the chairman of the Dublin and Drogheda Railway Company.

4763. Are you connected with any railway in the north of Ireland besides the Dublin and Drogheda?—I was for some years a director of the Irish North-western. The Dublin and Drogheda had invested some money in that line to enable them to complete it, and in consequence of that I was for many years a director of that line.

4764. Where does that extend to?—That extends from Dundalk to Londonderry.

4765. Have you kept up your acquaintance with the lines in that part of the country?—I am tolerably acquainted with them, but not so well as I am with the Dublin and Drogheda and the Great Southern and Western.

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4766. Does your experience as a director of the Dublin and Drogheda line differ in any respect from your experience as a director of the Great Southern and Western ?—In some respects. We have a much denser population on a portion of the Dublin and Drogheda line than there is on the Great Southern and Western, and we have more third-class traffic in proportion. We have found it to be our interest to give third-class return tickets on that line almost ever since I have been a director of the line.

4767. Is the third-class traffic chiefly between Dublin and Drogheda, or from intermediate stations ?—The third-class traffic is chiefly for short distances to the markets. We find that the proportion of return tickets to single tickets, for short distances of about 10 miles or under, is as three to one ; that is to say, there are three journeys performed on return tickets to one journey performed on single tickets. So that the bulk of our short traffic has the advantage of travelling for three farthings per mile. The remainder of the third-class traffic is divided in a different proportion, that is to say, that we have about as many travelling by return tickets as by single tickets, showing that the return tickets are much more availed of for short distances.

4768. Have you some important towns between Dublin and Drogheda ?—No, Drogheda is the town for one district, and Dublin for the other. Our line extends to Oldcastle, in the county of Meath, and passes through one of the richest grazing districts in Ireland.

4769. (*Mr. Glyn.*) What is the mileage of the line?—75 miles.

4770. You book through with the northern lines, do you not ?—We do.

4771. At the same scale of fares ?—At the same scale of fares. The Belfast Junction Company gives return tickets to third-class passengers, but the Ulster Company does not.

4772. (*Chairman.*) Your line forms part of a communication between Dublin and Belfast ?—Yes.

4773. Are there any complaints in Belfast that the communications are at a great disadvantage from being in the hands of three different companies ?—Yes.

4774. Do you think those complaints are well founded ?—I do not think there is much reason to complain.

4775. Is there any discord between the three companies ?—None whatever.

4776. Are delays occasioned by their being in the hands of different boards ?—I will describe precisely the state of the accommodation at present. We have four trains a day passing through from Dublin to Belfast. There has been one added lately. Four trains pass in each direction. Two of those trains make the journey in four hours in each direction ; that is going at a speed, including stoppages, of 28¼ miles, and excluding stoppages, 38 miles an hour.

4777. Is there a large amount of traffic between the two towns ?—There is a considerable traffic.

4778. (*Mr. Glyn.*) Do the same carriages and the same rolling stock run through ?—The same carriages go through.

4779. Do the same waggons go through ?—The same waggons do, but the same engines do not.

4780. (*Mr. Horsfall.*) What class of passengers are there chiefly ?—We always find that for long traffic they are chiefly first and second class ; the third-class always bears a small proportion in the long traffic.

4781. What are the fares ?—The first-class fare is 1*l.* ; the second-class fare is 15*s.* ; the third-class fare is 9*s.* 4*d.*

4782. (*Sir R. Hill.*) What is the distance ?—113 miles.

4783. (*Chairman.*) Is the district between Drogheda and Oldcastle a richer district than any part of the line traversed by the Great Southern and Western ?—I think there are portions of the district traversed by the Great Southern and Western in the county of Kildare, and in the county of Limerick, which are equally rich ; but it is a great deal richer than the average of the country which is passed through by the Great Southern and Western.

4784. Is there a more important cattle traffic on the Dublin and Drogheda line than upon the Great Southern and Western ?—We do not carry nearly so much in proportion to our receipts. I think the cattle traffic on the Great Southern and Western is about one-fifteenth of the receipts, and that of the Dublin and Dogheda Railway about one twenty-fifth.

4785. I understood you to state that one advantage of your line was that it passed through such a rich district between Drogheda and Oldcastle ?—Yes ; but it is not by any means the most productive to us in the way of traffic. The traffic on the main line, which is a double line between Dublin and Drogheda, is very much larger per mile than the traffic of the other district. The other passes through a very rich grazing district, but by no means very productive of traffic to the railway.

4786. (*Mr. Horsfall.*) What dividend does the Dublin and Drogheda line pay ?—It at present pays four per cent. We did pay five per cent., but a competing line was obtained between Dublin and Navan which took one per cent. from our dividend.

4787. (*Chairman.*) Is there still an active competition between the two lines ?—We did actively compete for a short time, and we then agreed to charge the same rates. We are now charging precisely the same rates as we did when the line opened in 1862.

4788. (*Capt. Galton.*) You have never been able to replace the traffic ?—No ; there is very little intermediate traffic upon the Dublin and Meath line. Most of the traffic they have got they have abstracted from us. They have paid no dividend to any class of their shareholders.

4789. (*Chairman.*) Is there any increase of traffic now upon your line ?—Our traffic increased up to 1861, but from 1861 it decreased considerably. It decreased in 1862 and 1863. It now seems to be slightly recovering, but very slightly indeed.

4790. Do you attribute that to the two bad harvests in those years ?—Yes, the railway traffic in the whole of Ireland decreased from 1860 or 1861.

4791. Was the whole of Ireland affected by the bad harvests ?—Yes, a great deal of the north was just as much affected as the south.

4792. (*Mr. Glyn.*) Did you find the diminution in your traffic principally in passengers or goods, or both ?—The first effect of the bad harvests was to diminish our passenger traffic and slightly increase our goods traffic by reason of the demand for foreign corn and food in the country ; but since that time the goods traffic has fallen off, and the passenger traffic has recovered a little.

4793. (*Chairman.*) Was the result of a bad harvest to stimulate to a certain extent the cattle traffic for a short time ?—I think so.

4794. Farmers were obliged to sell everything they could possibly dispose of ?—Precisely.

4795. Are there any manufactories in any town on your line ?—Drogheda is to a certain extent a manufacturing place, and at Balbriggan there is some manufacture of linen and stockings.

4796. Is there a considerably larger traffic in the district so far as it is a manufacturing one, beyond what usually takes place in a purely agricultural district ?—Certainly.

4797. Do you think that the manufactories such as they are at Balbriggan, add considerably to the traffic?—They add something to the traffic, certainly.

4798. Have you any coal traffic between Dublin and Drogheda ?—Between Dublin and Drogheda we have not, but between Drogheda and Kells, and Oldcastle we have. We have done what we could to stimulate it. The railway company were obliged to carry it on themselves, because they could not get it properly done.

4799. Has the consumption of coal increased materially since the railway was completed ?—It has to a

considerable extent; but there are bogs not far from those towns, and the consumption is not likely to increase to any great extent.

4800. Has it in your opinion reached very nearly the consumption which you could expect ultimately to take place?—I do not say so. I expect that the coal traffic will for a great many years to come be a gradually increasing traffic in Ireland.

4801. Do you find that coals are consumed beyond the upper and well to do classes in Ireland?—Except in towns, I think not much.

4802. They are consumed by the shopkeepers in the towns?—Certainly.

4803. And by the tenant farmers?—Not by small farmers.

4804. Do they not in general use coal, then, in their houses?—In the country near the east coast I think they do; but it will depend entirely on the distance which their houses happen to be from the bog on the one side, and the railway station on the other.

4805. Where they are near the railway station do you find that they prefer coals?—I think they are beginning to do so.

4806. Is Drogheda a port where coals can be brought to?—Yes; Drogheda has a very good fleet of steamers, and a considerable fleet of small sailing vessels trading to it. There are five or six steamers which go from Drogheda to Liverpool weekly.

4807. Does your railway communicate with the water at Drogheda?—No, but it comes very near the water there and also at Dublin; we are within a few hundred yards of the water at Dublin.

4808. (*Mr. Hamilton.*) What is your mileage charge on coal?—Our mileage charge is something like three farthings per ton, charging sixpence for the terminals; but in specifying the rate to the public we do not distinguish terminals. Our rate, Drogheda to Navan, is 2*s.* per ton for 17 miles.

4809. Including the terminal that would be about three halfpence per mile?—Yes. Most companies have a minimum charge of 2*s.* or 2*s.* 6*d.*

4810. Do you know what coals are sold at in Drogheda itself?—We get coals at present at about 12*s.* 6*d.* per ton. It is an inferior kind of coal, and for the same kind of coal in Dublin the price is about the same. For our railway purposes we find it our interest to use the best coal; and we are now making large contracts for Welsh coal, for which we pay 16*s.* 4*d.* per ton at the quay.

4811. In Drogheda?—In Dublin or Drogheda.

4812. (*Sir R. Hill.*) Is that anthracite coal?—No.

4813. Coal from South Wales?—Yes; shipped at Cardiff.

4814. (*Chairman.*) Have you a larger traffic on the lines more immediately in the neighbourhood of Belfast?—Yes.

4815. There is a district round Belfast which may be called decidedly a manufacturing district?—Quite so.

4816. Is the traffic in that part of the country very much larger than the agricultural districts?—Very much larger.

4817. Amongst all classes of the community?—Amongst all classes. There used to be and there is still a great deal of industry connected with the weaving of linen, which led to the subdivision of farms, and a great deal of activity amongst the population.

4818. That class of the population move about?—That class of the population move about a great deal.

4819. There is a great deal of goods traffic arising from that circumstance?—A great deal; and upon the Ulster railway, as far as Portadown, there is a very good traffic indeed.

4820. Are those railways generally in a more prosperous condition than the railways in the south of Ireland?—Not much more so than the two I have been speaking of, the Great Southern and Western, and the Dublin and Drogheda; they are not more so at all.

4821. Are most of the lines which tend towards Belfast and the manufacturing districts dividend-paying lines?—The Ulster railway pays 4½ per cent., the Northern Counties, I think, 4 per cent., and the County Down line, which is a small line running through the County Down, does not pay any dividend to its ordinary shareholders.

4822. Were most of them contractors' lines, or were they made by shareholders?—They were made by shareholders; they were made with ready money. I think the line that goes into the County Down gets out of a manufacturing district, to a certain extent, and goes into an agricultural district; it has no through traffic upon it; its traffic is limited.

4823. Was the country favourable for the construction of a railway?—Ireland is generally favourable for the construction of railways.

4824. I am alluding to the neighbourhood of Belfast?—I can scarcely say so favourable as in the neighbourhood of Dublin.

4825. But they are not very expensive lines?—No.

4826. (*Sir R. Hill.*) You say the traffic is larger in the north than in the south?—The traffic within a certain radius of Belfast is large, but that is not at all the case elsewhere. The Irish North-western line, of which I was, as I stated, for some years a director, pays no dividend, either to the original shareholders or the preference shareholders.

4827. (*Mr. Horsfall.*) Does it pay its expenses?—Yes, and also the interest on its bonds.

4828. (*Chairman.*) Is that the line from Londonderry to Dundalk?—Yes, with one or two branches.

4829. (*Mr. Hamilton.*) Is the traffic at all increasing upon it?—The traffic fell off considerably in 1862 and 1863. It is, perhaps, slightly mending now, but very little.

4830. Do you see any prospect of amendment?—I do not think the amendment is likely to be very great, or very rapid; I think it will probably mend a little as the country improves. I am a little more sanguine than the gentleman who preceded me. I hope the country will improve.

4831. Londonderry is a very improving town, is it not?—Yes, it is a very good town.

4832. Its trade is chiefly by sea?—The line of railway as between Londonderry and Omagh pays pretty well, but when it goes beyond Omagh, towards Enniskillen, there is very little traffic; then again from Enniskillen to Dundalk it passes through a district which is comparatively poor, and therefore a country which affords little railway traffic.

4833. (*Mr. Glyn.*) Has that line of railway been costly?—No, it is not a contractor's line.

4834. (*Sir R. Hill.*) Has it been made with economy?—Yes, it has been made with reasonable economy. There is a portion of the Londonderry and Enniskillen line which may be called a contractor's line.

4835. Do the traffic and the trade of that district increase?—The trade of Belfast has increased wonderfully, but I do not know that the traffic on the railway has increased in proportion.

4836. Has it increased absolutely?—Yes.

4837. Is it generally the case in the northern districts that, where the trade is agricultural, the traffic increases?—As I have mentioned, in the year 1862 there was a falling off on all the railways in the north.

4838. But still it is increasing?—Probably it has been increasing a little of late.

4839. There was a fall in 1862, but dating from 1862, or after the fall, I think you say that the traffic has increased?—The increase since is very slight, but yet I think it has increased.

4840. There has been some increase?—Yes.

4841. Concurrently with that increase of traffic, has there not been a very rapid emigration?—There has been.

4842. The population, therefore, I presume, has decreased?—The population of Ireland has very much decreased.

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4823. Then virtually there is a large increase of traffic, is there not; that is to say, if we compare the present traffic with the present population, there must be a much larger traffic than there was a few years back?—If you compare the traffic with the population, perhaps, as a matter of proportion, that would be so.

4844. Compared with the population, the traffic has increased with some degree of rapidity, has it not?—I do not think the population has much to do with the matter. So far as the emigration is concerned, I may just mention that their going out of the country of itself affords some traffic. I think that probably some of those persons afford more traffic when they are leaving the country than when they are remaining in it.

4845. Then you think the traffic of the railways has not suffered much by emigration?—I do not think it has. I do not think Ireland suffers much by emigration. Of course that is only my opinion.

4846. They are still constructing new lines in the north?—They are constructing new lines in several instances.

4847. Although the lines already constructed are unprofitable?—Although the lines already constructed are unprofitable to a great extent, they are still endeavouring to make new lines, but I must say they are almost all in great trouble at present; the new lines are in difficulties generally.

4848. Can you account for the extension of unprofitable lines?—I do not know whether I should not follow the prudent example set me by Mr. Haughton, and say nothing about them.

4849. You think it is to be accounted for, but you would rather not state the reasons?—I think it is a matter of speculation. I think some of the people who took the bonds and securities under the impression that they could be sold, find now that they cannot sell them, and consequently they have come to a dead lock.

4850. But still other lines are being projected?—Several have been projected.

4851. (*Mr. Glyn.*) You say the trade of Belfast has been increasing very considerably?—Yes.

4852. But there has been no corresponding increase in the traffic upon the railways from Belfast?—I think there has been some increase, but I do not think it is at all in proportion to the increase of the trade of Belfast. The trade of Belfast is very much a manufacturing trade. They import coals and other things by sea, and the manufactured goods for the most part go away by sea.

4853. Do not the manufactures come into Belfast very much from the surrounding districts?—The linen trade has undergone a very great change within the last few years. I know something of it, because I am a native of the north of Ireland. They are now beginning to weave linen to a great extent by steam-power looms. Formerly linen was woven entirely by hand, and then the manufactures were diffused over five or six counties in Ulster. The hand-loom weavers are now vigorously competed with by these steam-power looms, and I fear that the first time there is a little dulness in the trade the hand-loom weavers will be squeezed out altogether.

4854. (*Capt. Galton.*) The power-loom mills are all in or near Belfast?—Yes.

4855. Has the use of steam given great extension to the trade itself?—Yes; the quantity of linen manufactured now is very much greater than it was a few years ago.

4856. Do you carry large quantities of flax?—Yes.

4857. Is that grown in Ireland?—It is grown very much in the province of Ulster. There has been a very rapid increase in the growth of flax. The average growth was about 90,000 acres, but it came up last year to 300,000 acres. The flax hitherto has been almost entirely grown in the province of Ulster. I rather think that the high prices stimulated it a little too much last year, and that we shall probably have a falling off.

4858. Are there other parts of Ireland equally well calculated for the growth of flax?—As far as the soil and climate are concerned I dare say there are.

4859. Is there any particular reason why it is grown in Ulster? Is it because it is near Belfast?—I think it is an industry which requires considerable skill and practice, and the inhabitants of Ulster are familiar with it, whereas the inhabitants of other parts of Ireland are not.

4860. It requires knowledge?—It requires considerable knowledge and skill.

4861. (*Chairman.*) In other parts of Ireland they find great difficulty, do they not, in disposing of the flax after they have grown it, because they do not know how to prepare it for the market?—That is so. They can never do any good with it unless they have scutch mills. I believe the landed proprietors in the south of Ireland have been providing these scutch mills lately. It has not made much progress in the south.

4862. Is there much traffic that flows between the north and the south?—But very little indeed.

4863. (*Mr. Glyn.*) Can you make a through rate from Cork to Belfast?—Yes; but we have to cart it through Dublin.

4864. But you would make a through rate?—Yes, if we were asked for it. We should certainly do so.

4865. (*Capt. Galton.*) But that requires to be asked for?—Yes. The impression on my mind is, that we have made through rates upon several occasions, but I am quite certain that we should make through rates if we were asked to do so.

4866. To any town in the south of Ireland, such as Limerick or Waterford?—I have no doubt that the Great Southern and Western railway would make a through rate to any town between Dublin and Belfast if it were demanded.

4867. (*Mr. Hamilton.*) Would the granting of that through rate depend upon a special application?—All our rates depend upon that.

4868. I understand that you publish certain rates, which the public are at liberty to avail themselves of?—Quite so.

4869. Are the through rates published rates?—No.

4870. (*Mr. Glyn.*) In England it is not always the case that through rates are published, because you have very often to go to the manager and inquire what the through rate is from a certain place to a certain place?—Quite so.

4871. Is it the case in Ireland as in England that you have to make inquiry previously to having a through rate granted?—Certainly; if we would make a through rate the goods would have to be carted from one terminus to another terminus, which we have arrangements for doing. The goods are booked through. I am quite certain that those through rates have been made.

4872. There is no difficulty in any relations between the different companies, which would make it impossible to do it?—None whatever.

4873. You all book through together?—Yes; all our managers meet most harmoniously in the clearing house, Dublin, and discuss the matter together.

4874. (*Capt. Galton.*) Is there any inconvenience in the railways in the northern part of Ireland being independent of each other?—I have no doubt myself that the lines will be worked with more comfort to the public, and greater profit to the railway companies if three or four of the lines in the north of Ireland were amalgamated.

4875. Do you think that it would be an advantageous thing that they should be amalgamated?—I do.

4876. Is there any difficulty in their amalgamating of their own accord?—So far as the Irish North-western Company is concerned, from its financial position there is very considerable difficulty in their

amalgamation, but so far as the three lines are concerned, namely, the Drogheda company, the Belfast Junction, and the Ulster, I have tried to bring about an amalgamation between them, but I find that our northern friends did not care for it. They seemed to think that their connexion was not so much with Dublin as it was inland, and they declined.

4877. In fact there was no unanimous wish among the companies to amalgamate ?—There was no unanimous wish amongst those three companies to amalgamate. I may state that in this year there was a move made by the Belfast Junction Company to amalgamate with the Dublin and Drogheda, but we could not agree upon terms. That was to amalgamate the company which goes between Portadown and Drogheda with the company between Drogheda and Dublin. On the part of the Dublin and Drogheda Company we were willing to amalgamate, but we did not see that any important advantage would be derived from amalgamating with that one line by itself.

4878. That would not have taken you into Belfast? —No.

4879. You had access to Enniskillen and Londonderry without it ?—Quite so.

4880. If an amalgamation were to be really useful it ought to embrace the Coleraine as well as the Belfast line ?—The Coleraine line is separated from the Ulster by Belfast, and is part of the northern counties system, and is to a certain extent independent. I do not know that it would be a necessary part of an amalgamated company, but I think the other four lines ought to be amalgamated, if we consult the convenience of the companies and the public.

4881. Is the line from Belfast to Downpatrick an independent line ?—That is the County Down line.

4882. And the Ulster line goes from Belfast to Armagh ?—The Ulster goes from Belfast to Portadown; and then one branch extends to Omagh, and the other branch extends to Clones, where it meets the Irish North-western.

4883. Through Monaghan to Clones ?—Yes.

4884. In fact there are eight companies between Armagh, Londonderry, and Belfast ?—I dare say you are right.

4885. (*Chairman.*) The Newry and Armagh is an independent line ?—Yes.

4886. Is it not a line without any communication with the others ?—I believe there are no arrangements for through booking.

4887. Are you on friendly terms with the Newry and Armagh ?—The Dublin and Drogheda is, but I do not know whether the Ulster Company is or not.

4888. (*Capt. Galton.*) The Dublin and Drogheda does not touch it ?—No.

4889. (*Mr. Hamilton.*) Has there been any expression on the part of the public in favour of any amalgamation of these lines ?—I dare say individuals in speaking or writing have said so, but we have had no public meeting. A solicitor brought in a bill without asking the consent of either company last year to amalgamate forcibly the Dublin and Drogheda and the Belfast Junction Companies, and he called a meeting at which I believe very few persons attended. The matter was brought before our shareholders at the half-yearly meeting, and I think out of 600,000*l.* stock, which was represented at that meeting, there was only 3,000*l.* which was in favour of his proposition, so that it was almost unanimously rejected.

4890. That may have been rather more from the manner in which it was brought forward than upon the merits of the question ?—Quite so. There is no objection to amalgamate if they can agree upon fair terms as between those two companies.

4891. As to that line which you stated just now does not pay any dividend upon any portion of its capital, is the working of that line well and sufficient ?—I should be very sorry to say that it was not, but at the same time I have no hesitation in giving this general opinion, that any line that is paying little or no dividend will not be worked as well as a line that is paying a dividend. I think the natural tendency is to postpone every expenditure that can be postponed.

4892. Do you think the wants of the public are as well supplied ?—Certainly not.

4893. (*Mr. Gower.*) Do you consider that any proposal of an ultimate advantage would reconcile the shareholders of your company to a temporary loss of dividend ?—I think not, unless they could be quite sure that it was going to be very temporary, and it was a very small one, but they would require to be well assured of that.

4894. If you were convinced that the loss would only be small and the ultimate advantage pretty certain, you would recommend it ?—If the loss were sure to be counterbalanced by an ultimate gain, of course I should not hesitate to recommend it.

4895. (*Mr. Glyn.*) You would be obliged to show them some future gain ?—I think so ; I would not bring it forward unless I was satisfied myself that there would be some gain.

4896. (*Mr. Gower.*) With regard to return tickets, have you any reason to believe that there has been any fraud in connexion with them on your line ?—I think there might be occasionally cases of fraud, but so seldom as not to be any objection to the granting of return tickets.

4897. You think that the occasional advantage which might be taken of it in the ticket being made use of by a different person than the person to whom it was issued, does not amount to an objection ?—I do not care who uses it.

4898. (*Chairman.*) Is it your opinion that a reduction of the fares and charges would in a few years be attended by a great increase of traffic such as would ultimately leave the companies without loss ?—I think if an extensive universal reduction, such as has been talked of, were made, that the companies would probably never be able to recoup themselves, and besides there would be a very large increase of working expenses in many departments which would be very heavy indeed ; but I think that a judicious reduction might be made by which they might probably recover themselves in the course of a few years.

4899. (*Mr. Glyn.*) A judicious reduction on what class of traffic ?—I should say on the third-class traffic, and perhaps also on other classes as well, perhaps on all classes of passenger traffic, but particularly on the third class. I have a strong feeling that the third class has not had the same advantage from railways that the first and second classes have had. The third-class passengers travel now at about the same cost per mile, namely, a penny per mile, as they did in cars before the introduction of railways.

4900. (*Mr. Horsfall.*) Do you entertain the same opinion with regard to a reduction of charges for goods ?—I have no doubt if it were carefully and judiciously done, that is, not done at haphazard, but done by persons who have considered the trade of the country carefully, and who would only make reductions in those cases where the trade was capable of development, some reduction might be made, and after a time the loss would be made up by an increase of traffic.

4901. (*Sir R. Hill.*) To what extent do you think the third-class fares might be judiciously reduced? —There is no doubt that different parts of the country are differently circumstanced with regard to this third-class traffic ; there are some parts of the country where the population is sparse, and no reduction would probably produce any great increase of traffic, but in other parts the reduction would produce an increase. I think it ought ultimately to get down as low as one halfpenny per mile, but I would, in the first instance, reduce it to three farthings per mile.

4902. You would reduce the fares gradually ?—I would reduce them gradually, and wait to see what

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the effect would be upon each particular class of traffic.

4903. (*Capt. Galton.*) Do you think that by unsettling the fare, and reducing it to three farthings, you would get the same benefit as if you reduced it all at once to one halfpenny ?—I think so ; I think that the traffic must be to a certain extent created. Persons must be taught to travel. I do not think it will be found necessary to make that sudden jump in fares, because I am quite sure that it would be a good while before the line could be recouped.

4904. Then you think no disadvantage would accrue from reducing the fare by degrees ?—I think not.

4905. (*Sir R. Hill.*) Has there been any increase in the rates for third-class passengers ?—I have not known of any increase ; there has been sometimes a decrease.

4906. (*Chairman.*) It appears by returns which have been prepared that, with reference to the total receipts of the Dublin and Drogheda Company, the third-class passengers' receipts bear a large proportion ?—I believe that is the case.

4907. That is a circumstance rather in favour of a reduction of rates on third-class passengers running on your line ?—I think that is so. That is my own impression ; but at the same time we must not forget that we may be taking some passengers out of the second class.

4908. You are aware of the fact that the proportion is large ?—I am quite aware of that fact.

4909. (*Capt. Galton.*) You say that there might be a loss from a reduction of fares in some parts of the country where the population is sparse, but would not the increase of traffic in other parts of the country where there are more people tend to the desirability of amalgamating railways, so that the increase of traffic in the populous parts might be set against the loss in the receipts arising from the sparse population ?—I think it would. I think if the railways could be amalgamated and worked in that way, that an experiment of that kind might be tried, and probably tried successfully, but which we could not expect to get tried on individual lines.

4910. Where there are large numbers of individual lines it is very difficult to try an experiment in that way, because the loss would be too large in a poor district through which one particular railway passes to recoup it ?—Certainly.

4911. (*Sir R. Hill.*) Do you think it would be safe to make a large reduction in the fares of the third-class passengers, without, at the same time, making a proportionate reduction in the first and second class fares ?—I think it might probably be necessary to make some reduction in the first and second class fares when the reduction is made in the third class fares ; but I would expect more to be recouped from the third class than I would from the first and second.

4912. Should you not think it judicious to maintain something like the present proportions ?—I think so.

4913. (*Capt. Galton.*) Do you think that by reducing the third-class fares, and not reducing the first and second class fares, that you would induce fewer people to travel first and second class ; if the third-class fare was very much decreased do you not think that the first and second class would at all events have a still greater disinclination to travel with the third class than they have at present, however low the fares might be ?—There is something in that suggestion, undoubtedly. I have not the slightest doubt that if the fares of the first, second, and third classes generally were reduced to a considerable extent, that the effect would be that many persons who now go third class would go second, to avoid the company which they would get into by going third class.

4914. (*Chairman.*) Do you think that the whole of the Irish railways might be managed by a single company, and that the business would not be more than could be carried on by a single company ?—I think not. I think in England they manage much larger companies. I do not see why it could not be done.

4915. Do you think that considerable improvements might be introduced if it were in the hands of a single company ?—I have no doubt that improvements would be introduced.

4916. Improvements that would lead to an increased development of traffic ?—To a certain limited extent I think so. I think that those small poor lines never can be worked in such a way as to give perfectly fair play to the traffic.

4917. (*Mr. Glyn.*) With much economy of management ?—A certain amount of economy. I do not think there will be as much economy as people think. The per-centage which the fees of directors and similar charges bear to the whole expenses of the railways is so very small, that but little saving in that respect would be effected ; I think the great advantage would be in the efficiency of working.

4918. (*Capt. Galton.*) It would enable them to pay adequate salaries to their locomotive superintendents and general managers ?—Yes.

4919. (*Sir R. Hill.*) And thus command a higher order of talent ?—No doubt those lines, which are in a low financial state, cannot be as well managed as they should be ; that is impossible.

4920. (*Chairman.*) Are any mines of any description worked in the north of Ireland, in that district with which you are connected as a railway director ?—I think not. I think there are some collieries which were worked near Dungannon, but I rather think they were accommodated by a canal. The principal mines in Ireland are copper and sulphur mines, situated near the coast. There is a small mine in the neighbourhood of Shalee, which is a very trifling affair, and there is iron ore at Arigna, but I am greatly afraid that that cannot be made available.

4921. Is that a rare description of ore ?—I am not at all acquainted with mining, but I have heard it stated that it is only worth 5*s.* a ton when put on board, and that would not pay the expenses of raising it, and conveying it 120 miles.

4922. Have any manufactories been built lately in the neighbourhood of Belfast, at Lurgan, Banbridge, and that neighbourhood ? — In Belfast a great number.

4923. Not in Belfast itself, but the towns in the vicinity ? — In that part of the country there are several manufactories, but the tendency latterly has been to erect manufactories in Belfast.

4924. Have no new ones been lately constructed in the vicinity of Belfast, that is to say, within 10, 12, or 20 miles of Belfast ?—There are some large mills not far from Belfast.

4925. Lately built ?—I do not think so.

4926. Has there been no increase in the number of mills ?—Several establishments may have been extending themselves, but I do not think there have been any new establishments created outside Belfast. I cannot speak positively, but that is my impression.

4927. (*Mr. Gower.*) Do you know any manufactories anywhere that have been established in consequence of the construction of railways in Ireland ?—I cannot recal any. The Ulster Railway has been a very long time in operation, and was one of the early railways in Ireland ; there have been manufactories established at Lurgan and Portadown since that railway was made ; but whether in consequence of that railway being made I do not know. For instance, Portadown, before the Ulster Railway was made, was a village containing 1,000 inhabitants, but the population has now increased to 10,000, I have no doubt that increase has arisen from the facilities afforded by the railway.

4928. Is that in connexion with the linen trade ?—It is very much connected with the linen trade.

4929. (*Sir R. Hill.*) Are you of opinion that many of the railways that have been recently constructed have been made at an unnecessary cost ?—If you mean by the cost, the sum which is put down to capital account at the time it is closed,

I should say certainly; but if you mean that the money has actually been spent on the road I should say that they have been made at too little cost. The money has been raised under extraordinary disadvantages and thereby the commission, interest, and so on, that has been paid for it is added from time to time to the capital account until it mounts up to a very large sum indeed. I will give an illustration: the Cork and Youghal line has been recently purchased by the Great Southern and Western Company, who have agreed to give 310,000*l.* of their stock for that line. The line, according to the accounts of the company, seems to have cost upwards of 600,000*l.*, between 600,000*l.* and 700,000*l.*, but I believe it could be constructed for 300,000*l.*

4930. Do you mean 300,000*l.* in cash; because 300,000*l.* stock of the Great Southern and Western Company would not sell in the market for 300,000*l.*? I am merely speaking of what it could be constructed for.

4931. Do you think they have also been badly made?—I think so, in some cases.

4932. In what respects are they defective?—If a contractor has contracted to supply sleepers, the sleepers which he puts down do not last very long.

4933. They not being good timber?—Being very sappy timber.

4934. (*Mr. Glyn.*) Does that apply to the Portadown Railway?—Do you mean the railway from Portadown to Omagh?

4935. Yes?—The Ulster Company have taken that railway now. It has been only three or four years in use, and I understand that they have found it necessary to put down some new sleepers.

4936. That was a contractor's line?—Yes.

4937. (*Chairman.*) The Dublin and Drogheda line have no arrangements with the Armagh and Newry line?—No; we have no through booking with them except through the medium of other companies. It will be observed that the traffic to Armagh before that line was made, went by Portadown, from Newry. It is therefore to a certain extent, a competing line with the Belfast Junction.

4938. You do not give tickets through from Dublin to Armagh by the Newry and Armagh line?—No.

4939. You would be unable to do it unless the arrangements were approved of by the lines between Dublin and Armagh?—We could not do it ourselves, and my impression is that we do not do it for that reason.

4940. (*Mr. Hamilton.*) Is the average condition of the lines in Ireland equal to the average condition of the lines in this country?—We have no line in Ireland in the condition of the London and Northwestern, which is the line that I travelled on in coming up to London.

4941. I mean in point of repair and construction?—A few of the lines are very good. The rolling stock is as good as can be made; the lines are kept in excellent order, and are well constructed, but the rails are not fish-jointed. There is that disadvantage.

4942. Are the rails on the Irish lines not fish-jointed?—They are not fish-jointed generally. Some of the new lines have fish-jointed rails, but the old lines have not, and they have not yet had occasion to renew their rails. We have a different mode of laying the rails in Ireland to that which is adopted in this country.

4943. (*Chairman.*) Is there any other information which you could supply the Commission with, which you think might be of importance to their inquiry?—On the Dublin and Drogheda line we have been in the habit of giving return tickets on Sundays at single fares. We were induced to do that by the circumstance that there are upon our line one or two localities with very healthy suitable places for taking exercise at. We have issued return tickets at single fares all over our line.

4944. For all classes?—For all classes of passengers.

4945. (*Capt. Galton.*) Does that add much to the traffic?—In fine weather, in summer it does, but in winter not at all.

4946. Do you continue that all through the winter?—Yes, but we do not run the same trains in winter that we do in summer.

4947. (*Capt. Galton.*) Are there any facilities on your lines for the sort of traffic that takes place on Sundays upon the metropolitan railways, that is to say, the issue of return tickets at single fares from Sunday to Monday?—Our return tickets, as a general rule, for first and second class passengers, are available for a distance of 50 miles only for the same day; for the distance of 50 miles up to 100 miles for two days; over 100 miles for three days; and in addition to that tickets issued on a Friday are available till the following Monday.

4948. For long distances?—Yes, on the Great Southern and Western, and also on the Northern lines.

4949. And those issued on Sunday would be available for Monday?—Yes.

4950. (*Chairman.*) Is the pleasure traffic which you are talking of more especially confined to Sunday?—We find, particularly with the third class, unless they have a holiday, that they will not avail themselves much of any inducement that we could offer them. We have several times tried excursion trains on days which were not holidays, and we found them to be failures. On the other hand, when we ran them upon two or three of the great holidays of the year they were crowded.

4951. Has the result of this holiday traffic been satisfactory to the companies financially?—Yes, we get the trains quite full.

4952. Have you been able to accommodate that traffic with your regular rolling stock?—Yes; I would beg to observe that if an experiment could be tried without being tried at the expense of the shareholders, in the way of reducing the fares and charges in Ireland, I should be exceedingly glad to see it, and I am quite sure that the companies would give every facility to try it, provided they were saved from loss.

4953. Do you agree with Mr. Haughton, that the experiment could not be tried unless the Government were prepared to risk a considerable annual loss?—I am not come here prepared to make any well considered suggestion upon the subject. But it has occurred to my mind that if the Government were disposed to entertain the question of purchasing up the railways altogether, that the shareholders would undoubtedly be willing to take on Government security a smaller amount of dividend, than they have been getting, and in this way the Government would have some margin which they could apply to the reduction of fares. If that were done judiciously and carefully, I think that the loss probably need not be very large, and I think if it were done wisely that that loss would very likely be recouped in the course of a few years.

4954. (*Mr. Hamilton.*) Although the lines are not in first-rate repair, I presume they are in sufficiently good repair to bear a very much larger traffic?—Certainly.

4955. They are in practical repair?—I should not at all wish to give the impression that the principal lines of the country are not in very good repair. The question was asked as to whether they were in as good repair as the leading lines of England. I said that they had not such heavy rails, and that they are not fish-jointed, but I would say that they are in excellent repair.

4956. With reference to the question of the Government purchasing the lines, the state of repair is a very important question?—No doubt, and a considerable difference would be found between the lines. Of course some of them are much better than others.

4957. (*Chairman.*) You do not imagine that where lines pay no dividend the ordinary shareholders would be willing to make the Government a present of their capital?—I do not suppose they would, but I should

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think many of them would be content to sell it on very moderate terms.

4958. With regard to lines paying no dividend, are the ordinary shares when sold in the market worth anything ?—There are some speculative people who will buy them at low prices.

4959. If it is wished to dispose of them have they generally found purchasers?—I should say that is so with some of them, but with regard to others I do not think purchasers can be found for them.

4960. (*Sir R. Hill.*) Are there lines the traffic of which would not cover the working expenses ?—There is a line, the traffic of which does not cover its working expenses, from Bagenalstown to Wexford, a distance of 21 miles. It is a well-constructed line, but it is now lying idle.

4961. (*Mr. Glyn.*) Is 5 per cent. the usual rate of interest on Irish debentures ?—The average rate of interest which the Dublin and Drogheda pays is as nearly as possible 4¼ per cent., and the average rate of the Great Southern and Western is 4¼ per cent.

4962. Is the average throughout the country 5 per cent. ?—There are several of those lines in difficulties which I suppose find it very hard to get their debentures renewed at all, and probably can only do so by giving personal security. Any line which is in good credit gets its debentures out at 4½ per cent.

4963. Has the Dublin and Drogheda any preference capital ?—Yes, it has about 100,000*l.* of preference capital at 4 per cent., and 150,000*l.* of preference capital at 5 per cent., which will be redeemable in the course of two or three years, so that in that case the Government if it purchased, would get the benefit of a reduction.

His Grace the Duke of Devonshire here retired, and Mr. LEVESON GOWER took the Chair.

Mr. Benjamin Fearnley called in and examined.

Mr. B. Fearnley.

4964. (*Chairman.*) You are, I believe, the secretary of the Newry and Armagh Railway Company?—Yes.

4965. Have you any statement to make with reference to the traffic on your railway ?—Our traffic is very seriously interfered with by the competitive measures of the companies with which we are connected. The Ulster Company which joins us on the north has possession of a line from Belfast to Monaghan and Clones; and then the Dublin and Belfast Junction Company, which is one of the lines between Dublin and Belfast, joins us at the southern end; and between those two companies a system has been pursued for the purpose of diverting the traffic from our line. The existing lines between Newry and Armagh may be described as a triangle, of which our line forms the hypotenuse, there being communication *viâ* Portadown by the other two sides. Of course we have the opportunity of carrying the traffic at much lower rates than the other companies, and if we were not interfered with we should, I may say, command the entire of it. We have applied to them for through rates over our system to the various stations with which we do business, but that has been refused, with the exception of to and from the town of Newry. They agreed upon through rates with us in reference to Newry, but upon the new section of our line, which is between Goragh Wood and Armagh, which was opened in August last, they have refused us.

4966. (*Mr. Glyn.*) They will take any traffic from you which you give them, which goes from Newry to Armagh, but they will not give you any traffic at Armagh to take to Newry?—No, except that which they cannot avoid. They will send it round by the old route, that is by Portadown. Our business communications and the trade of the port of Newry lie very much in the Monaghan and Clones districts, to which we have no independent access. The Ulster Company wish to draw the trade to Belfast, and they do that by giving low rates to merchants in that locality, and refusing the Newry and Armagh Company.

4967. What is the class of traffic that comes from Monaghan and Clones?—That is chiefly inwards traffic from Newry. There is not much export trade from that district to Newry. The trade consists chiefly of importations from Newry.

4968. Of what sort?—Coals, grain, timber, and iron.

4969. Is there much coal traffic?—It varies.

4970. Will not they give you through rates for that coal traffic to Monaghan and Clones?—They refuse through rates, and, of course, the coal traffic is included. There is a great deal of traffic in grain and bread stuffs in that district, and there are some extensive mills. There is also a traffic in slates, timber, and agricultural produce.

4971. Do they want to force you to amalgamate with them?—They do not want us to amalgamate, but they want us to agree to a proposition which they made, that the two routes, namely, the direct route between Newry and Armagh, which belongs to our company, and the route through Portadown, which belongs to the two companies I have spoken of, should be placed on terms of equality as regards fares and rates.

4972. That the charge should be equal for the long distance and the short distance?—Yes.

4973. And that you should divide the traffic?—Yes, practically.

4974. (*Mr. Glyn.*) How many miles do they carry their railway in competition with you?—29 miles, and the direct route is 21 miles, so that there is nearly a difference of one third in our favour. So far as passenger traffic is concerned, we should get it, but with regard to goods traffic, the distance does not tell materially in our favour.

4975. You do get passenger traffic?—So far as Armagh is concerned, but not as far as Monaghan and that district is concerned.

4976. Do you think, if you were amalgamated with the Ulster Company, that that district would be better provided for?—I am not sure of that, because it is not merely a question of railways, but it is a question of ports; Belfast has got the start very much, and the merchants and people in business consider that it would be to the interest of that district to bring the traffic to Belfast over the Ulster railway.

4977. Is your company a local company?—Yes.

4978. Was it formed by Newry merchants?—No, chiefly by English capital, I should say.

4979. Is your line in connexion with the Warrenpoint and Rostrevor line?—No, it is a separate company.

4980. (*Chairman.*) What do you propose as a remedy with reference to this matter?—Cardwell's Act does not give a remedy to meet this case, inasmuch as it does not make it compulsory upon either of those companies to give through tickets, or to allow us to book through backward and forward on their system. All that Cardwell's Act provides for is, that the traffic shall be sent onward without delay, but it does not give any company that requires it, the means of demanding that a rate shall be fixed in proportion to the distance.

4981. (*Mr. Glyn.*) They must make a rate for you under that Act?—Yes.

4982. But they can charge the maximum rate?—Yes; in fact, the merchant who desires to make Newry his place of business is prevented on account of not having through rates.

4983. The fact is, they give a rate for traffic which goes from Newry through Portadown, Armagh, and Monaghan, which would come to less than the two rates that you would charge between Newry and

Armagh, and they would charge between Armagh and Monaghan ?—Yes.

4984. So that practically they shut you out from all that traffic ?—Yes; some of the merchants in the grain trade carry on a very extensive business, and would send a large quantity of traffic over our line if there was a through rate, and there are also minerals in large quantities to be carried.

4985. Where does that grain go to ?—To the Monaghan district chiefly.

4986. What for ?—To be ground and used up there.

4987. Is that ground in Ireland ?—It is ground in Newry and Monaghan ; sometimes they get it in a raw state to work into meal, but they make a difference in the rates on their system as between Newry and Monaghan, which enables the Belfast merchant to do business in that district at a shilling a ton less than the Newry merchant can, although the distance is much greater from Belfast to the points I have spoken of than from Newry.

4988. (*Chairman.*) I suppose when you made a railway of your own, you expected to be able to make arrangements with the other companies ?—Certainly. Another point which has been a great disadvantage to us is, that we have been obliged to use the Ulster Company's station at Armagh, when we expected to have an independent station, and the result is that, the lines being unquestionably competitive, they have learnt all our rates and special arrangements, and it has been impossible for us to compete or hold our ground.

4989. (*Mr. Glyn.*) Why did you not form your own station there ?—We applied for Parliamentary powers to do so, but we were strongly opposed by the Ulster Company, and they forced us into their station. We even went so far as to have an arbitration upon it, but we were defeated in our attempt to get an independent station.

4990. When did you open your line ?—We opened the section from Gorah Wood on the 25th of August last. Since then we have been completely without through traffic, nothing but the local traffic of the district, which hardly pays working expenses. The southern portion of the line from Newry to Goragh Wood has been opened since 1854.

4991. (*Capt. Galton.*) What precise change would you suggest to meet this case ?—That any company should be compelled, at the request of another company with which it had a junction, to agree to the through tickets and invoices issued by that company.

4992. At fixed rates ?—No.

4993. How would you settle the rates ?—I would leave the parties to arbitration. There should be some means of protecting the company which sends the traffic from having to pay the maximum rates.

4994. Would not the Court of Common Pleas give you that protection ?—We have obtained some very good legal opinions upon that point, and they do not consider that remedy sufficiently satisfactory. We cannot compel them to book through.

4995. Might you not leave it to the Court of Common Pleas to decide what the rate shall be ?—The machinery provided by Mr. Cardwell's Act is arbitration, and that I think sufficient.

4996. (*Mr. Glyn.*) Why have you not availed yourself of that ?—We are about to do so now.

4997. Then, in point of fact, you have not tried it yet ?—We are going to see what we can do.

4998. You have not tried the efficiency of the remedy provided by Mr. Cardwell's Act ?—Not yet, but we are advised that we can oblige them to quote through rates ; but what those rates will be, or whether they will bear a mileage proportion to what they charge on their own system is a point that we are not so sure about. The chief inconsistency in their conduct to us lies in their granting us through rates over part of their system, and refusing through rates to us over another part.

4999. You do not know what your grievance is, or what is your remedy until you obtain the decision of the Court ?—We know what our grievance is, but we do not know so well what our remedy will be. The population of the district lying between Goragh Wood and Newry is denser than any other part of the known world, except China.

5000. (*Capt. Galton.*) What fares do you charge for third-class traffic ?—1*s.* 3*d.* is our charge for third-class passengers between Newry and Armagh, a distance of 21 miles.

5001. Does that produce a large traffic ?—No, it does not.

5002. (*Chairman.*) I presume you get all the direct traffic from Armagh to Newry ?—Passenger traffic we do.

5003. Do you not get all the goods traffic ?—We do not, because they can carry round *viâ* Portadown and give more facilities than we can. Although the distance by their line is longer, that does not make any difference with regard to goods, as they carry as cheaply as we do.

5004. They charge the same for their long distance that you do for your short distance ?—Yes.

5005. (*Mr. Glyn.*) When do you expect your trial will take place ?—We hope that we shall have it on this term.

5006. (*Capt. Galton.*) Then you would wish them to charge a higher rate than you charge ?—In proportion to the distance we would. We think that where they have a longer route they should not be able to force us down. We do not want any special protection for ourselves, but we believe we could carry a great deal more traffic if we were allowed access to the districts, from which we are now shut out.

5007. Do you not think that it would be a benefit to the public if these railways were amalgamated together and the traffic carried on in amity instead of their being at war with each other ?—I do not think amalgamation would be exactly the cure for all the evils of the present system.

5008. If they were all amalgamated together, would it not be the joint interest of the companies to get as much traffic upon each railway as they possibly could ?—Yes.

5009. And to develop all the ports ?—Not all equally. A powerful port, such as Belfast, would very likely have a greater interest in bringing the traffic over a long route than a small port like Newry, and it would just lead to a recurrence of the same evils that we suffer from at present. If the Commission will allow me, I will read a letter which will illustrate it. This is from a merchant who would send goods over our line if there was a through rate :—

" Craigmore, Newry,
" 30th November 1864.

" Newry and Armagh Railway Company.

" GENTLEMEN,

" WE have been written to by some of the Belfast merchants, saying that the Ulster Railway Company would not take our goods unless we permitted them to be forwarded to main line station. Please say how this is.

" Your obedient servants,
" ATKINSON & CRAWLEY."

Then there follows a memorandum from J. Linton Vallely :—

" DEAR SIR, " Newry, December 2nd, 1864.

" I DIRECTED my manager at Belfast to address my goods viâ Gorah; he did so, and was told that they could not be booked further than Portadown."

That is the extreme limit of the Ulster line towards the Newry and Armagh railway, then he goes on,—

" But if he changed the direction to 'Main line' they would go on, which he did. I should be glad to know if goods delivered at the station in Belfast before a certain hour should be delivered the following day in Newry."

Then I have this from another merchant :—

" Domully Weaving Factory,
" DEAR SIR, " 3rd December 1864.

" REFERRING to our conversation, you asked me to state my reasons for discontinuing sending goods by your line; simply this, that I am compelled to do so in consequence of the Ulster Company refusing to forward

Mr. B. Fearnley.

2nd June 1865.

my goods by your line as heretofore (though I had a special agreement for a through rate, namely 13*s.* 4*d.* per ton), and to show you how the Ulster Company manage I now enclose you a letter from my Belfast correspondent, dated the 24th ultimo. The goods there referred to not having come up on the 25th I went to Belfast on this day and called at the railway office, and a young man in the traffic department showed me Ferguson & Co.'s forwarding note, and told me that goods had been sent on by the 1 p.m. on the 24th to Portadown, but that this Company would not forward them beyond their own line, not having a through rate with the Armagh Company. I stated that I had a through rate, and had no notice of any change of arrangement between the companies. His reply was, that the goods had been forwarded, and that was all he could do in the matter. I then asked to see the secretary, and was shown his office. I was told he was engaged. I asked to see the assistant secretary, and saw him. I told him the object of my visit, that this was the third occasion within the month that my goods were delayed (once sent to main line and once delayed at Portadown). He expressed his regret that I was inconvenienced, and again repeated that they had no through rate. My answer was, I had, and not having notice of any change between them and the other Company I would hold his Company responsible for the loss incurred by reason of the delay. He intimated to me that if my goods went by the other line there would be no delay. The goods referred to were not delivered until the 26th (Saturday) by your Company, incurring a loss of four days. For these reasons I must send my goods *viâ* " main line."

" Yours, &c.
" ALEX. MCNEALE."

I need not detain the Commission by reading any more of this correspondence; but, with their permission, I will hand it in.

The witness handed in the same, which is as follows:

" Memorandum.

" From Cantrell & Co., " 3rd December, 1864.
" 25, Bank Street,
" Belfast. " To Mr. James Woods,
" Newry.

" DEAR SIR,

" YOUR favour of the 3rd instant to hand. In regard to hamper forwarded you 1st instant, our reasons for forwarding it by main line were simply these: The officials at the Ulster station refused to take charge of the hamper unless so addressed, and we were not aware of any other alternative. We hope you will not disoblige us by having the hamper returned, and if you can suggest to us any means whereby in future we may avoid the course taken we shall not fail to act upon them.

" Dear Sir,
" Yours truly,
" CANTRELL & Co."

" Newtownhamilton, Dec. 1st, 1864.

" To the Managers of the Railway Company,
Edward Street, Newry.

" SIR,

" I ENCLOSE the directions which were on a box for me, also the receipt for the payment; coming by main line has caused me a delay of three or four days in receiving them.

" Yours truly,
" THOMAS LINTON."*

" DEAR SIR, " Newry, January 18th, 1865.

LATTERLY the goods which I order in Belfast are sent up to Main Line station instead of Edward Street station where I wish them all to come to. The Main Line station is very inconvenient for me, and I would be glad you would inform me if there are any means of putting a stop to them being sent in future to that station. I had several lots of bacon latterly from Belfast, which I ordered to be sent to Edward Street station *viâ* Goragh, but they were sent to Main Line. I sent cards to the merchant to put on my goods, one of which I enclose, came to me and box of bacon delivered from Main Line, 22 Dec. last, and two boxes bacon which I believe were addressed same way, went to Main Line, but were all taken off when delivered to me.

" Yours truly,
" To B. L. Fearnley, Esq. " JOSEPH MARTIN."

" Memorandum.

" 1 Month 30, 1865.
" From Thomas Green & Co., To B. L. Fearnley,
" Grocers and Tea Dealers, Manager of the
" Margaret Square, Newry. Newry & Armagh Railway.

" Having been in the habit of getting goods from Belfast *viâ* 'The Newry and Armagh Railway,' and being desirous of always doing so, we have in accordance with your directions had them addressed *viâ* Gorah, but have reason to know that even when so addressed they have come by the Main Line station, and in one instance, pointed out to the clerk of the Junction Company, a cask of sugar which came by their line and yet directed plainly *viâ* Gorah.

" We are, respectfully,
" THOMAS GREEN & Co."

" Wholesale Stationery Department,
" 12, Water Street, Newry,
" DEAR SIR, " 31st January 1865.

" I WISH to know can you inform me can I have protection against the Dublin & Belfast Junction Railway Company insisting (in the face of the address in plain and legible writing 'Gorah Wood') to bring my goods on their carts from the Main Line, exposing them so long in open carts to the rain, and thus damaging my property? Your attention to this will oblige.

" Yours truly,
" Benj. L. Fearnley, Esq. " JOHN WRIGHT."

" H. M. H. Morris, Esq.
" DEAR SIR, " March 21st, 1865.

" ABOUT the 2nd instant you sent Mr. Murphy of this town a quantity of soap which he states was delivered to him *viâ* Main Line station (Dublin & Belfast Junction Company) but that you explained the reason verbally to him. As however, he wishes to put an end to his goods coming by that station and has spoken to our agent on the matter, may I ask you to give me the particulars of the exact date? Mr. Murphy states you instructed the soap to be forwarded by our line and that the Ulster Company refused; that you took it away, but that having no other remedy you had to return it, and allow the soap to be forwarded *viâ* Main Line station. An early reply will oblige,

" Yours respectfully,
" BENJ. L. FEARNLEY."

" Belfast, 23rd March 1865.

" Benjn. L. Fearnley, Esq.
" DEAR SIR,

" I AM in receipt of yours of the 21st inst., and in reply beg to say that the forwarding agent to the Ulster Railway Company here refuses to forward any goods to Newry, except *viâ* Newry Main Line station.

" I am, yours resptly.,
" H. M. H. MORRIS."

(*The Witness.*) We have complied with every request that was made to us for the exchange of through booking facilities upon every portion of our line, and we had several applications of that sort. For instance, at the opening of the Dublin Exhibition there was a proposal made for the issue of through tickets to Dublin at a cheap rate from Newry. That we agreed to. We followed that up by a request that they would extend the same facilities to the new section of our line; but that they have refused to do, so that parties from Armagh and the intermediate district were obliged to come to Goragh Wood and renew their ticket to Dublin, and in some cases they were left behind through missing the train.

Mr. J. Delahunty.

Mr. JAMES DELAHUNTY called in and examined.

5010. (*Chairman.*) You are the managing director of the Waterford and Kilkenny Railway and the Kilkenny Junction Railway?—Yes.

5011. Have you any statement to make with reference to the railway traffic of the south of Ireland?—The statement that I wish to make is this, that as

* "The box referred to had the following address posted on it:
" By rail to Newry *viâ* Gorah,
" Mr. THOS. LINTON,
" Newtonhamilton,"
and as appears by the Junction Company receipt for the carriage had arrived at the Newry Main Line station on 17th Dec. 1864. It was not actually delivered to the owner until the 21st (involving the delay complained of), the advice or freight note having been sent by post to Mr. Linton, at Newtownhamilton.

far as Waterford is concerned, being the place I am connected with, there is a great difficulty in approaching the interior of Ireland from the want of railway communication, and there is even great difficulty in approaching Dublin, from the indisposition of the Great Southern and Western Railway Company to work in harmony with the Waterford and Kilkenny, so as to give trains that will conduce to the public convenience. I also wish to state that the public of the south of Ireland are, in my opinion, very much injured by the determination of the Great Southern and Western in connexion with the London and Northwestern to subsidize the local lines and steam packet companies to allow the traffic to be brought to England *viâ* Dublin. They pay 30 per cent. for that, and such diversion of traffic, in my opinion, not only is injurious to the southern cross channel communications, but very injurious to the public in the several localities.

5012. I understood you to say that there was an indisposition to give accommodation from the junction at Kilkenny up to Dublin; to what do you ascribe that indisposition to forward traffic?—They do not wish the traffic of the middle of the country should find its way to England by Waterford, they would rather it should go by Dublin, and they will not run trains so as to suit the convenience of the Waterford public either going up or down. For instance, if you want to go from Waterford to Dublin and back in one day, you cannot do so. They run their train from Kilkenny at so early an hour in the morning that it would be useless for the Waterford and Kilkenny Company to send trains to meet it, because no one would go. They run a train at 6.15 from Kilkenny to Dublin; the Waterford and Kilkenny Company would have to send a train at four o'clock, or a quarter past four o'clock, in order to catch that. In the same way the evening train coming down arrives at Kilkenny at such a late hour that no one would come by a train to Waterford if such was running.

5013. What remedy do you propose for that?—I think there should be some power which would compel railway companies to work harmoniously, so that the public interests might not be injured. Whether that power should be given to the Board of Trade, or some other party selected by Parliament, it will be for them to say; but there must be some power outside the railways. I know the Waterford and Kilkenny Company have always been disposed to run in such a way as will serve the Waterford public, but they have always been refused similar action by the other side.

5014. You say you have given more accommodation than you have received?—If the Great Southern and Western ran trains at convenient hours we should run trains in connexion with them. If they ran the trains at such hours as to suit the Waterford public, more passengers would go. In fact, they inconvenience the district altogether. Third-class passengers going from Waterford to Dublin lose a great deal of time either going up or coming down. They have to stop a night in Kilkenny, although the whole distance is but 112 miles.

5015. (*Capt. Galton.*) Do you say that passengers from Waterford to Dublin cannot go by way of Kilkenny and return the same day?—Not the third-class passengers, nor, in fact, any class passengers. Third-class passengers cannot go through the same day.

5016. Then they must take two days to get from Dublin?—To come to Dublin. If they go third class they must stop a night at Kilkenny.

5017. (*Mr. Hamilton.*) That is the only direct line from Dublin to Waterford?—It is, in fact, the direct line.

5018. Your complaint is, that the Great Southern and Western do not give any proper facilities at the junction at Kilkenny?—Yes; they will not run trains at an hour that will suit the public; they run the morning train from Kilkenny at 6.15, arriving in Dublin at 9.30.

5019. (*Mr. Glyn.*) That is the through train of the Great Southern and Western?—It is the through train from Kilkenny; that is their Kilkenny line through train.

5020. It is their through train on the main line?—It is not a through train from Waterford.

5021. What train do you wish to join on the Great Southern and Western?—We want a train that will allow parties to leave Waterford at 6 o'clock in the morning and arrive at Dublin in proper time for business, and then enable the parties to leave at 4 or 5 o'clock p.m., so as to arrive in Waterford at 10 o'clock at night.

5022. Do you wish them to put on particular trains to accommodate you?—I wish to alter the hour of the trains which they do run.

5023. The trains, you say, that do run now are their trains to other parts of their system?—No; they are trains which no other part of their system is connected with; they run from Kilkenny to Dublin, and *vice versâ* without reference to any other train.

5024. (*Capt. Galton.*) Does the train which runs from Dublin to Kilkenny run as far as Kildare Junction with the train going to Cork?—No.

5025. (*Mr. Glyn.*) Then they start from Dublin a particular train for their service, which does not suit the public?—It does not, although we would make ours suit theirs if they started at an hour the public could travel at. If we ran trains now in connexion with theirs, parties would have to start from Waterford between 4 and 5 o'clock in the morning, and could not get back till 11 at night.

5026. (*Mr. Hamilton.*) Does that line belong to the same company as the line from Limerick to Waterford?—No.

5027. Is Mr. Malcolmson a director of your line?—He is; but it does not belong to the Limerick company. The Waterford and Limerick Company work the Waterford and Kilkenny, but it is only under working arrangements; they have no interest in it more than that. The Great Southern and Western have always set their faces against any sort of effort being made to the northern and midland districts of Ireland with Waterford. In 1846 a bill was obtained to make a line from Kilkenny to Maryborough, and I understand that the Great Southern and Western people at that time bought up the shares in order that the line might fall through. With much difficulty, in 1860, a similar bill was brought in, which the Great Southern and Western opposed most violently, but it was obtained in spite of their opposition. A portion of that line is now made; it has served the traffic of the district to this extent, that for eight weeks, ending 19th May 1865, the traffic of the line from Kilkenny to Waterford has increased over and above the traffic of last year 33 per cent.

5028. The traffic between what points?—Between Kilkenny and Waterford.

5029. (*Chairman.*) Is that railway in course of construction between Kilkenny and Maryborough?—There is part of it made.

5030. How far is it constructed?—To Abbeyleix.

5031. (*Mr. Hamilton.*) I understood you to say that the Great Southern and Western opposed the communication between Waterford and what you call the Midland district?—Yes.

5032. What object could they have in opposing that?—The object they had was this: there is not the slightest doubt that the whole of the towns in the midland districts of Ireland, such as Maryborough, Mountmellick, Phillipstown, Tullamore, Mullingar, and Parsonstown would be served if they were put into direct communication, viâ Waterford, with the south of England and South Wales. The agriculturists in those districts would find a ready market for their produce in the mining, iron, and coal districts, and, *vice versâ*, they would require coal and iron and other articles from the English and Welsh districts. Direct communication is at the present moment stopped altogether. It is so managed that the traffic must come round by Dublin, which is both tedious and expensive, and the consequence is, that the localities

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are all anxious for a direct communication; but the Great Southern and Western has at all times opposed that in Parliament, and when a bill at one time was obtained, they bought up the shares and allowed the bill to drop through.

5033. (*Mr. Glyn.*) Is not Mr. Malcolmson a great steam-packet owner in Waterford?—He is.

5034. He did not say anything about this in his evidence?—I do not know what he has said in his evidence, but this I know, that the London and North-western Railway Company and the Great Southern and Western Railway Company have lately entered into an arrangement with him, by which the railway and steamboat interests are served to the prejudice of the locality. There has been an arrangement entered into, which was before the citizens of Waterford, and which was condemned by all parties, the effect of which is, that the traffic of the district will be brought to England by Dublin, *viâ* Liverpool and Holyhead, and that Mr. Malcolmson for the steamers and the Limerick Railway Company will get 30 per cent. of the traffic thus brought to Dublin to allow it to go by Dublin.

5035. (*Mr. Hamilton.*) When you say that "they" get, who do you mean gets the 30 per cent.?—The Limerick Railway to Waterford and the Waterford Steam Packet Company.

5036. Who makes the arrangement?—The North-western and the Great Southern and Western. I have the heads of arrangement which I can hand in if the Commission wish (*the witness handed in the same, vide Appendix* AL). One of the heads, which struck me very much as most injurious to the southern routes, is this:—

"Waterford and Limerick Railway Company, Cork and Limerick Direct Railway Company" (being another railway company that is subsidized) "undertake that all traffic consigned to them by other routes than *viâ* Liverpool and Holyhead between places in England and the places in Ireland, to which this agreement refers, shall not be booked through, and shall be charged the local rates."

No through traffic from the districts to which the agreement applies can, under that arrangement at all, come by the Great Western or English Midland systems to England; it must all go by the London and North-western. In that way the traffic of the country is interfered with, and interfered with so as to inflict an immense loss on the localities, and when the North-western and the Great Southern and Western are paying 30 per cent. on all goods for the purpose of making them go in a particular way, they are sure to repay themselves by putting on increased rates.

5037. (*Mr. Glyn.*) In what shape is that 30 per cent. paid. Is it by a reduction of rates or what?—It is 30 per cent. of the monies received for traffic which is allowed to go by Dublin.

5038. Is it in the shape of rates, or tolls, or what?—It is in the shape of money or direct payment; it is in the shape of a direct subsidy. Suppose 100 tons of goods are to be sent from Limerick or Tipperary to Birmingham for which 100*l.* is paid for the transmission, although the Waterford and Limerick Company will not carry 1 lb. of it, and although the Waterford Steam Ship Company will not carry 1 lb. of it, they will get 30*l.* out of it in order to allow it to go by Dublin, so that the company who actually carry it will only get 70*l.*

5039. (*Capt. Galton.*) The company who carry it giving to the other companies a bonus of 30 per cent.?—Yes, although they do nothing to earn it.

5040. (*Mr. Hamilton.*) You say that the Limerick and Waterford Railway Company and Mr. Malcolmson's steamers get 30 per cent. of the traffic?—Yes, the Great Southern and Western and the London and North-western Railway Company give the 30 per cent. to the Waterford and Limerick Railway Company and the Steam Ship Company for anything that comes from certain districts.

5041. Then I understand your statement to be this, that the Great Southern and Western Railway Company, being interested in the traffic of Dublin, has made some arrangement with the North-western Company to secure all the traffic of that part of Ireland going by way of Holyhead?—Yes.

5042. And in order to secure this they have made some arrangement with the Limerick and Waterford Company and with Mr. Malcolmson's steamers, so as to provide that no part of that traffic shall be diverted by way of Waterford into South Wales?—They have made this arrangement, that upon all goods brought through Dublin to the North-western system in England at Liverpool or Holyhead, and consigned to Birmingham, and places north of Birmingham, that 30 per cent. off the receipts will be paid to the Waterford companies to allow it to go that way.

5043. That has the effect of diverting the traffic from Waterford to Dublin into South Wales?—It has the effect of diverting the traffic of the district to England from Waterford to Dublin, and thence *viâ* Liverpool and Holyhead, and in fact injuring the communication between the southern parts of Ireland and England.

5044. How does it affect the southern parts of Ireland?—Because the traffic that originally belonged to Waterford, and would come to Waterford, is diverted the other way.

5045. It goes north by Dublin?—Yes. In Dublin they have communications two and three times a day with Liverpool and Holyhead, but between Waterford and Liverpool the steam ships only sail twice a week, therefore people who have produce to send will naturally, when they pay equal rates, send all their goods by Dublin, and none will come by way of Waterford. Therefore the diversion of traffic will injure communications between Waterford and England, as the number of steamers will be lessened when they must depend upon the local traffic alone.

5046. This arises from a sort of understanding between the London and North-western Railway Company, the Great Southern and Western of Ireland, the Limerick and Waterford, and Mr. Malcolmson, the owner of the Steam Company?—And also the Cork Steam Shipping Company.

5047. What remedy do you propose for that?—As I said before, there should be some tribunal, such as the Board of Trade, to prevent railways using what I may call a very illegitimate mode of dealing with a public matter, and to forbid them doing such things as would prevent the traffic from flowing in the channel through which it would naturally flow, and not to allow any large company to subsidize a small one to the prejudice of the public interests.

5048. Is Mr. Malcolmson a resident of Waterford?—He is.

5049. Has he large property in Waterford?—He has not large property in Waterford, but he has a large interest in Waterford in the shape of the railways and the steamers.

5050. Consequently he has no interest in injuring the town of Waterford?—Certainly not. I take it that the London and North-western must have entered into arrangements with him not alone in connexion with the Waterford interests, but in connexion with their other interests besides, because Mr. Malcolmson is not only a proprietor in the Waterford Steam Ship Company, but is also a proprietor of steamers in almost every port in Ireland. I do not know how far the arrangement with the North-western affects his other interests.

5051. There is nothing illegal in this arrangement?—No, I am not aware that there is anything illegal; but although it may not be illegal, it is highly detrimental.

5052. (*Capt. Galton.*) You think, although not illegal, it is exceedingly injurious to the public interests that such an arrangement should be made?—Yes, and the public have decided so. Here is a resolution which was adopted with reference to it: "That "this committee, with all respect for the opinions of

"the directors, considers these arrangements to be "well calculated to divert the traffic of the districts "to England *viâ* Dublin, and vitally injure the trade "and commerce of Waterford and the southern com- "munications." That resolution was adopted at a meeting of a committee appointed by the merchant traders and citizens of Waterford, the mayor of Waterford being in the chair.

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Adjourned till Friday next at 12 o'clock.

Friday, 9th June 1865.

PRESENT:

The Hon. E. F. Leveson Gower, M.P.
The Right Hon. Robert Lowe, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
George Carr Glyn, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
J. R. M'Clean, Esq., Pres. Inst. C.E.
Wm. Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. William Cawkwell examined.

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5053. (*Chairman.*) You are General Manager of the London and North-western Railway?—Yes.

5054. In your capacity of General Manager of that railway have you had occasion to make yourself acquainted with the Irish railways, or with any portion of them?—I have made myself acquainted with the Irish railways generally, but more especially with those in connexion with Dublin, and going through Dublin; we have also connexions through Fleetwood and Belfast with the northern railways of Ireland.

5055. Has there been any extensive system of through booking between the North-western Company and the Irish railway companies?—We have had for a considerable time through fares for passengers between the principal stations on the North-western lines and the principal stations on the Great Southern and Western line; we did try for many years to get through booking for goods also, but we could not succeed in getting that until about two years ago, and then only to a limited extent.

5056. At the present time is there a general system of through booking for goods?—Only to a limited extent.

5057. Have difficulties been experienced by the London and North-western company in bringing a system of through booking into operation?—Yes; I may say that we have had very considerable difficulty even with the Great Southern and Western Company, which is a line especially connected with the London and North-western system *viâ* Holyhead and Dublin; for instance, we have now got a system of through booking for goods between stations north of Birmingham, and including Birmingham, and the Great Southern and Western system down to the Limerick Junction. From Limerick Junction to Cork we have also through rates for goods to the same district; but there are 15 per cent. higher charges than by the steamers from the same district, the railway route being much shorter and in every way a much better route to the North-western system than the sea route is to Liverpool, and thence by railway. But the steam-packet interest was so great that the Great Southern and Western company could only consent or rather could only succeed in making arrangements with us, by charging a differential rate of 15 per cent. in favour of the sea route from Cork, which commands a very large traffic. The differential rate against the railway route from the city of Cork is 20 per cent.; but the booking to the North-western system from a great portion of the best traffic district of the south-west of Ireland was limited to stations north of Birmingham, they would not make the through rates south of that place at all.

5058. Are the Great Southern and Western Railway Company of Ireland connected with any large shipping companies?—I believe that some of their directors are; and there are a number of lines in the district—cross lines—down to Waterford, and other ports, that appear to have some control over the Great Southern and Western board, either by competition, or by some other means, so that we could only get an arrangement made, such as I have stated, by making a joint purse, in which the steam packets were interested as well as the railway companies; and in fact, we were compelled, in order to get an arrangement made, to sacrifice a portion of our railway distance, which we had to make over to the steam packets. Our mileage, in fact, does not really commence until we reach Holywell on the Holyhead railway; the distance between Holyhead and Holywell being given to the sea route.

5059. (*Mr. Glyn.*) How many miles is that?—About 70 miles; it is the difference in the distance between Dublin and Liverpool, and Dublin and Holyhead.

5060. Practically, is there very little through booking from Cork *viâ* Dublin on to your system?—There is scarcely any, in consequence of the differential rate of 20 per cent., which throws the traffic on to the water; and it was intended, as I believe, to do so.

5061. (*Mr. Horsfall.*) Have you any through booking from Greenore?—No; that is not a port at the present time.

5062. But you are making it into a port, are you not?—An Act of Parliament has been obtained for making a railway from Dundalk to Greenore, and for the construction of a port at Greenore; that is, they are to be joint works between the Irish North-western company and the Newry and Armagh company. I believe the Newry and Armagh company are constructing their line, and that they intend to construct works at Greenore; but nothing has been done in constructing a line between Dundalk and Greenore.

5063. Is not the London and North-western company proposing to expend a considerable sum of money at that place?—They have made traffic arrangements, and have given what amounts to a guarantee upon the expenditure that will be required to make the line between Dundalk and Greenore, so that out of the traffic passing between the Irish lines and the English lines, there will be an amount deducted to pay the working expenses, and also the interest on the money expended for the construction of that line.

5064. To a great extent the London and North-western company are responsible?—It is a joint proceeding between the Irish North-western Company and the English North-western Company with regard to the traffic passing over that piece of the railway.

5065. (*Chairman.*) Do I rightly understand you that there are rates charged over the Great Southern and Western line, between Dublin and Limerick junction, different from what are charged between Limerick junction and Cork, and that there are advantages in favour of the shipping companies as between Limerick junction and Dublin, but not as between Cork and Limerick junction?—Between Dublin and Limerick junction the rates are the same, either by the railway route, or by the sea route, but

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beyond Limerick junction there is a differential rate in favour of the sea route.

5066. Do you get a considerably larger amount of goods traffic on that part of the line between Limerick junction and Dublin than on the other portion of the Great Southern and Western Railway?—We get a larger proportion of traffic, but the traffic is not so heavy on that part of the railway as it is beyond; and in fact, the larger traffic arises in the neighbourhood of Limerick; between there and Waterford, and down to Cork in that district, there is a larger amount of traffic than upon that portion of the line where we have equal rates.

5067. You do not get the Limerick traffic?—No; not to London and other places south of Birmingham; at the other stations we have no rates at all. Upon the other system of railways, in connection with the Great Southern and Western line, they in point of fact, give us no rates at all, except fares for passengers to a few places on their railway.

5068. (*Mr. Glyn.*) Do you mean, not for goods?—Yes; not for goods.

5069. (*Chairman.*) Is it your opinion that there are materials for traffic in goods in Ireland which have not yet been developed, but which might be developed if a better system of through rates was introduced?—I am decidedly of opinion that the railway traffic of Ireland has never yet been half developed.

5070. In your opinion, what are the obstacles in the way of the development of both goods traffic and passenger traffic in Ireland?—I believe that the principal obstacle is the steam-packet interest; that is a very strong interest on the railway boards, and in connection with the railways; for instance, the system of railways that I spoke of from Limerick down to Waterford, and those lines of railway running down towards Cork, leaving out the Great Southern and Western line itself, are entirely in the hands of persons having a large steam-packet interest, and the traffic is therefore conveyed to Waterford and other ports, and thence carried by sea either to Liverpool, or to the coast of South Wales, and to Bristol and other places.

5071. Do those steam-packet companies do more than fairly compete with the railway companies?—In the instances that I have already given, there is a differential rate, that is owing to the Great Southern and Western company being so mixed up with the steam packet interest that they enforce this differential rate, which therefore entirely prevents the development of the traffic upon the railways.

5072. (*Mr. Horsfall.*) Have not those steam-packet companies developed the trade of Ireland a good deal?—I dare say they have, but I think they have not developed it so effectually as it could have been developed by resorting to the more expeditious mode of transit, that is, railway communication.

5073. Are not the steam boats principally owned by gentlemen in Ireland?—I believe they are, and I believe that that is the great difficulty that we have to contend with in many cases, that the Irish boards are so completely mixed up with the steam-packet interests, we do not get the advantages that railway companies ought to have: for instance, the Irish companies almost universally require to have their local rates in all the arrangements that we make with them, and they are not inclined to meet the requirements of the traffic by making through rates and sacrificing some portion of the local rates. In all divisions of traffic they require to have their local rates out first, and therefore the other companies have to sacrifice a portion of their receipts on the English side, which they ought to have on their own account.

5074. Are not their rates much lower than your rates?—I think not.

5075. (*Mr. Glyn.*) In point of fact, when you use the words "through booking rates" for goods, you do not use them in the same sense that we do in this country, because there is not a general rate from one point to another, but there is a rate charged by the English railway companies and by some of the Irish railway companies; and, again, there is a higher rate charged by some of the other Irish railway companies?—Yes, I have used those words in this sense; if we make a charge through, say, between Birmingham and a station on the Great Southern and Western line, in the division of that rate, the Irish company would require to have their local rate out first, and then the remainder would be credited to the route between Birmingham and Dublin.

5076. The division of the money which is received into a common purse is not per mile, but it is a division made by the companies in which the larger portion is claimed by the Irish company?—Yes, and that very much cramps the through arrangements; the tax upon the English company is too great.

5077. (*Mr. Horsfall.*) Does your answer apply equally to goods as to passengers, or are your rates not higher on cattle in England than in Ireland?—I think not; I think in most cases they are lower. In cases of through rates of that kind we always endeavour to meet them by making such rates as will develop the traffic of the Irish railways, while, on the other hand, they adhere to their local rates in all cases, which of course prevents the traffic being brought.

5078. (*Chairman.*) Is it your opinion that some of the Irish railways are managed with a view to the profit of the steam packet companies rather than the profit of the railway companies?—Yes, I think so; there is also another difficulty which we have experienced, and that is, as to the question of the sea risk. Several of the Irish companies object to make through rates in consequence of the risk which they think is incurred by the railway companies in booking through. I believe, as the law stands now, a steam packet company is only liable for a comparatively small sum in case a vessel should be lost; whereas, if a railway company books a passenger through, they might be held liable, as a railway company under Lord Campbell's Act; and therefore some of the Irish railway companies refuse to incur that risk, and to join in through rates. That I believe is a very serious obstacle to the development of the through traffic between England and Ireland.

5079. (*Mr. Glyn.*) In point of fact then it comes to this, that for the sake of enabling some of the railway companies in the south of Ireland to charge their local rates, the London and North-western Company pays a penalty by not having any receipt whatever over a certain portion of its line between Holyhead and Holywell?—Yes. And in addition to that, they have in most cases been obliged to take upon themselves the sea risk.

5080. Does that apply to goods as well as to passengers?—It does. I believe the case has never been tried, but the apprehension is, that in the case of the loss of a vessel the railway companies would be just as liable as if the accident had happened on their railway; whereas, if it was the steam-packet company only plying between Dublin and Holyhead, or between Belfast and Fleetwood, they would be only liable to the extent of 30*l.* per passenger, and beyond that not at all; and therefore the Irish railway companies have objected to joining in through rates.

5081. You stated, I think, in the early part of your evidence, that booking through goods was only done to a limited extent; did you use the word "limited" as applicable to a system, or to the whole extent of the traffic in Ireland?—It referred to a system; that is, that the companies, which I mentioned, in the south of Ireland would not make through rates with us to places south of Birmingham; the arrangement was limited to Birmingham and places north of Birmingham, and then only from a limited number of stations.

5082. (*Chairman.*) What reason is given by the Irish railway companies for limiting the through booking to the district north of Birmingham?—I really cannot tell; we get no direct reason for it, except that they object.

5083. If it be advantageous to them to book through to places north of Birmingham, why should it not be equally advantageous to book through to places south of Birmingham?—In the instance that I have referred to, it was the steam-packet interest that prevented it. To some extent we have through rates with the Great Southern and Western Company to London for goods, but it is not to a large extent, because on other parts of the line through rates to London, or south of Birmingham were entirely refused. We had been trying for so long a time to get a through arrangement made, that we were at last quite glad to accept the thing upon any terms, being in hopes that as things went on, the Irish railway companies would at last extend it.

5084. (*Capt. Galton.*) Do you think it is with a view to increasing the trade by means of the southern ports that they refuse to give you a through rate?—I believe it is, because they have steamers running from most of those ports to London.

5085. Do they give a through rate at the present time to the Great Western Company through Waterford?—I do not know. I think they have through fares for passengers to some extent, but I do not know that they have for goods.

5086. You stated I think that you thought the fact of there being a steam-packet interest on the Irish Railway Boards prevented the development of traffic on the railways, but why should that interest be adverse to the development of that traffic?—If a board is composed of persons who are partly interested in steam packets, they will endeavour to get the rates fixed, so as to take the traffic down to the port in which they are interested, and not to come through by railway to Dublin.

5087. They prefer giving differential rates, which shall carry the traffic towards the port in which they are interested, instead of encouraging traffic generally over the line?—If you take those lines of railway from Limerick and Tipperary to the coast, the rates down to Waterford would be so arranged as to take the traffic down to that port, and to be shipped and taken from thence by steamers, instead of being taken to Dublin, and sent on from thence.

5088. (*Mr. Horsfall.*) Hás not the London and North-western Company expended a considerable sum of money in various ports in this country and in Ireland in order to facilitate railway communication?—We have spent a certain sum of money in Dublin in securing a position on the Liffey, where we can ship traffic, and carry it by our own steamers to Holyhead; but we have expended no other money in Dublin.

5089. Has not the London and North-western Company expended a considerable sum of money in Greenore?—No, we have expended none.

5090. Did you not promote a Bill in 1864, which was called a "Traffic Arrangement Bill," for making a harbour and railway at Greenore?—I think I have explained already that it was proposed to make a railway down to Greenore, and we made traffic arrangements with the Irish North-western Company that upon division of the receipts on the traffic passing between that railway and ours, a deduction should be made to defray the working expenses, and to provide a certain amount of interest on the capital expended upon it.

5091. Under the Act that was obtained the London and North-western Company was to construct a railway and a harbour at Greenore?—No; the Act that we obtained was for the purpose of sanctioning traffic arrangements between the Irish North-western Company and the London and North-western Company.

5092. Was it not, in point of fact, to facilitate the construction of a railway from Greenore to Dundalk?—To a certain extent,—I explained that before,—so far as the payment of working expenses went, and interest for the capital expended upon it.

5093. Was that Bill supported, or was it opposed by the inhabitants of Dundalk?—I do not think it was opposed by them.

5094. Were no representations made by the Commissioners of Dundalk against the Bill?—I do not remember that there were; I think that the Bill was passed almost without opposition of any moment, except that which proceeded from some of the English railway companies, who wanted to have the benefit of the line without paying their money, and they did obtain certain facilities by clauses; but I do not think there was any opposition, except theirs, of any moment.

5095. Was there no opposition on the part of the steam-packet companies?—I think the steam-packet companies did appear. There is a steam-packet association which opposes all the railway Bills, and they appear on all occasions where their interests are concerned.

5096. Do you know Mr. Stephen Brown?—No; I do not.

5097. Do you remember to have seen a letter which he addressed to the chairman of the London and North-western company with respect to the Dundalk and Greenore railway?—No. I have no recollection at all of it.

5098. Will you just look at that letter (*handing the same to witness*), and say whether you have seen it?—I have no recollection of this letter at all. I never saw it before.

The following letter was handed in.

"Traffic Arrangements Bill.

"Dundalk and Greenore Railway.

"To the Chairman of the London and North-western Railway Company.

"Sir,

"Being for many years connected with the trade of this port, its harbour, trusts, and steamboat interests, and besides having induced a family with which I am closely connected to invest all their means in your securities, and for part of which I am trustee, I think I am privileged to offer a few remarks on reported evidence before committee for Traffic Arrangements Bill, and to give my opinion on the soundness of the Dundalk and Greenore railway scheme, for which it is said the London and North-western railway are to provide funds or security. When this project was first mooted, a good deal of alarm was felt in Dundalk, and I confess I treated this matter very lightly. I said, 'This is another embryo produced by an inventive engineer, 'and enterprising attorney, one of a numerous progeny that 'is daily turning the minds of men from the honest and 'sober pursuits of business into the vortex of speculation. 'It will die a natural death, as the common sense of the 'London and North-western railway shareholders will pre-'serve them from advancing money to make a railway in 'Ireland, with no other advantage but deep water.' I now think I was wrong. After reading the evidence reported before the Committee, it is plain that at any price or sacrifice to your shareholders, or to other existing interests, traffic must be brought to your line, cost what it may. If the objects of your directors were to promote a railway to Greenore without wanting to inquire into its merits, and to damage the character of this port, and the Dundalk steam-packet company, you selected witnesses to suit those purposes, I impugn the correctness of their evidence. As an importer of foreign grain, having frequently vessels coming to me, drawing from 13 to 16 feet water, and getting them up to the quays in safety, I am at issue with Mr. Barton as to the capability of this port. I further assert, that with 25 years' experience, I never knew an instance when a steamer could not cross the bar for want of water at time of tide, &c., and the cases are not frequent of detention in the river. The want of expansive ideas attributed to the directors by Mr. Byrne, is a disposition on their part to preserve the property intrusted to their charge from being sacrificed to railway interests, without adequate advantage to the traffic. They have always been willing and are now ready to enter into arrangements with both the London and Irish North-western railway on fair mileage rates, and such arrangements have been made, and are actually existing. They have five first-class steamers suited to the trade of Newry and Dundalk; and for upwards of 25 years they have developed and carried the traffic natural to this port with most perfect safety to life and property. I am sorry to have to say that it did not become Mr. Byrne to lift his hand against the port, for which he is solicitor, and a prosperous Irish undertaking, but more so to the general public than to the shareholders, who are not even getting fully 5 per cent. on uninsured property.

Mr. W. Cawkwell.

9th June 1865.

And now, with all due respect to Lord Erne, I will give my version of the story of the daily sailings. In the month of September 1862, a steamer arrived here carrying a number of your directors, including yourself, to confer with the railway and steam-packet directors. The steamer's appearance was looked on as a threat, and seeing that it was the act of a powerful company to overawe a weak one, it was not deemed chivalrous. The conference ended in an arrangement for daily sailings from Dundalk to Liverpool; but after nearly 12 months' trial, the same directors that commenced them, and not the new ones, as stated in evidence, finding their boats sailing two days in the week without cargoes, and their capital wasted, had to return to the four sailings a week.

The present board have no objection to resume daily sailings providing they can get the cargoes to carry or a subsidy to compensate them for loss; but Donnelly's statistical returns show the vast diminution of stock in the country, and the Dundalk steam-packet company cannot carry what does not exist. The carriage of coals and maize inland having diminished, and the small shipments of oats and oatmeal from the interior have also contributed to counteract the traffic of the Irish North-western Railway and the want of daily sailings.

And, now, presuming that a railway will be made to Greenore, and a packet station to Holyhead, what are the advantages to be derived from an expenditure of at least 100,000*l.*? The district is perfectly barren for many miles around, and it possesses no advantage but that of deep water.

The trade of Dundalk will not bear to be divided, and you may do it some injury, and your company no good. The experiment is not worth the cost, and I venture to predict that it will not pay 2 per cent., in either direct or contingent advantage to your line. The Irish North-western railway may carry the goods, but shippers can control their destination; and your company may find after they have expended or guaranteed the money, that the bulk of the shipments will be sent to Liverpool, where they can remain on the steam-packet quay till required, instead of being carried on a long line of railway and thrown on the platform, where any business man knows they are so badly attended to, and railway travelling is not suited to live stock.

We are a poor country, but there is still some capital left in it for legitimate investment, and I think I may safely say, that not one shilling of Irish money, even by the nominal promoters, will be risked in this undertaking of the Dundalk and Greenore railway.

Therefore, I now appeal to your directors to pause before they rush on a project of such large expenditure and doubtful return, and so fraught with peril to your shareholders, and to other existing and tributary interests.

To your Company who have all the power that wealth and influence can command, it is said that the outlay is but as a drop of water to the ocean, but if you are strong, so should you be merciful, and I have lived long enough to know that companies or individuals never have been worse off by observing the golden rule of 'live and let live.'

The Port and Steam-packet company of Dundalk, with some trifling drawbacks, which unhappily are made the most of for other purposes, besides the promotion of traffic, are fully capable of developing all the resources of a natural trade, and that company is most desirous of cultivating the most friendly relations and terms with yours.

If you reject our overtures, give us fair play; to honest English opinion I appeal with some confidence. Promote the objects that you deem best for your company, but let it be done on disinterested evidence that will do us no injustice. We entered no appearance against your bill before committee, from a desire to keep on good terms with you, but statements have been made in evidence which cannot remain uncontradicted. Novelty may divert the traffic from this port for a time, but I have little doubt that it will return to where it has been so well served for many years.

I am not vain enough to suppose that my feeble pen will have any effect on the designs of your mighty company, but I found it hard to remain silent on a project that I consider will affect the interests I represent, and prove a wasteful and injurious expenditure of capital.

I am Sir, your obedient servant,

S. Brown, Captain."

Dundalk, May 20, 1864.

5099. (*Capt. Galton.*) You have stated that you have through rates with the Great Southern and Western railway company. Have you not also through rates with the Midland Great Western?—We have through rates with them.

5100. Throughout the whole system?—From all the principal stations.

5101. Have you through rates with the Dublin and Drogheda company?—We have through rates with the Dublin and Drogheda company. There is a line made from the Midland Great Western railway, which I think is called the Dublin and Meath railway. The company owning that line made through rates with us, and then the Dublin and Drogheda company also made through rates with us; but we could not get any through rates with them until the Dublin and Meath company had made through rates with us.

5102. Have you any through rates with any other railway in the north of Ireland, for instance, with the Dublin and Belfast Junction company?—We have through rates with the Ulster company by way of Fleetwood, and those through rates are made with us on condition that we take the sea risk upon ourselves.

5103. Do the steamers which run belong to the London and North-western company?—No, they belong to the company running between Belfast and Fleetwood, but the railway companies have an interest in them.

5104. Have you through rates with any other railway companies; with the Londonderry and Coleraine company or the Dublin and Belfast Junction company?—No, I think we have no through rates with them, or if any, it is to a very limited extent.

5105. Or with the company whose line runs between Dundalk and Enniskillen?—That is called the Irish North Western, and there is the Belfast and Northern Counties.

5106. Have you through rates with those lines?—We have, that is, we have through rates with them to some extent, I think I can explain to the Commission shortly what our arrangements are with the different Irish companies. We have through booking of passengers to the principal stations with the Great Southern and Western company, and we have through booking of goods to some extent with that line.

5107. (*Mr. M'Clean.*) Do you mean for all classes of traffic?—With the Great Southern and Western company we have through booking arrangements to Limerick Junction for both passengers and goods.

5108. For all classes of goods and passengers?—Yes; but beyond that point there is 15 per cent. differential rate charged to Cork, and from Cork it is 20 per cent. in favour ef the sea route.

5109. Minerals are not included?—We have not been asked for rates for minerals. Then by the Waterford and Limerick company's line we have a few rates for passengers, not many, and goods rates from Limerick and Tipperary only; but those are limited to Birmingham, and places north of Birmingham. For a few weeks we had goods rates with them to London, but they withdrew them, and we have never been able to get them to renew them since.

5110. (*Capt. Galton.*) What was their reason for withdrawing them?—That I do not know. I believe that line pays no dividend; it would appear to be worked entirely in the interest of the steam-packet proprietors. The Waterford and Limerick company work the Limerick and Ennis, and the Limerick and Foynes railways, and, I think, the Waterford and Kilkenny line. We have no through rates with any of those.

5111. And they are worked you say entirely in the interests of the steam packet companies?—Yes, and those railways run through a very productive district indeed.

5112. With respect to cattle?—Yes, and for poultry, provisions, butter, and eggs, and bacon, and all that kind of traffic. Then there is the Cork and Limerick direct railway, with which we have no through rates. I believe Mr. Pike is the chairman of that company, and he is a steam-packet owner at Cork. With the Cork, Blackrock, and Passage railway we have no through rates, nor have we any such arrangement

with the Cork and Youghal company. We have through passenger fares with the Dublin, Wicklow, and Wexford Railway company, but we have to pay them 50 per cent. higher fares than they charge for their local traffic between Dublin and Kingstown out of the through fare.

5113. (*Capt. Galton.*) Speaking of passengers going from London to Dublin, do you mean that the fares you have to pay them between Kingstown and Dublin are higher than they actually charge the passengers travelling on that line?—Yes, in addition to which we pay rent for a station in Dublin, and keep our own clerks there.

5114. (*Mr. M'Clean.*) You have not equal mileage rates with them?—No, their traffic is a local traffic, with the exception of our through traffic. I may add, however, that some of these passengers are brought down by a special train, but there are many passengers to come by it, and we pay the additional sum which I have mentioned out of the through fare. We have through rates for goods also with the Dublin, Wicklow, and Wexford Company.

5115. (*Capt. Galton.*) Is the extra per-centage charged in consequence of their having to run a special train?—No, it is not on that account; they would not book through except on those terms; but they do run those special trains down, and they take out passengers by them.

5116. (*Mr. M'Clean.*) You have not equal mileage rates with them?—No, they receive their full local rates on goods. We had no sooner made an arrangement with them, than some of the parties interested in the steam packets interfered The secretary gave us notice of their intention to withdraw from them; we remonstrated, and eventually they agreed to continue them, and they are continued now. I am referring to the Wicklow and Wexford company.

5117. (*Mr. Horsfall.*) Do you meet with any opposition on the part of the steam-packet companies between Dublin and Liverpool?—They are embraced in the joint purse arrangement at present, and by that arrangement we give them the Dublin and Liverpool traffic—in fact, they divide the traffic between Dublin and Holyhead as against Liverpool and Dublin, and it is to them that we pay the additional mileage up to Holywell, making our Holyhead sea route the same distance as the Liverpool sea route.

5118. (*Chairman.*) Is the London and North-western company authorized to hold and run steam boats between England and Ireland?—They are between Holyhead and Dublin and Kingstown.

5119. Are those the only steamers that they run?—Yes. We run our own boats to Dublin. The City of Dublin company carry the mails by their mail steamers between Holyhead and Kingstown. We run our own boats between Holyhead and Dublin, carrying goods and passengers, and also cattle.

5120. (*Mr. M'Clean.*) Can the London and North-western company put on boats to Greenore?—No, not their own boats, but they have power to make arrangements with the steam-packet companies under the Act of last year.

5121. (*Mr. Horsfall.*) Do you carry cattle from Dublin to Manchester by way of Holyhead?—We do.

5122. Is not the most natural channel to send them through Liverpool?—To Manchester?

5123. Yes?—No, I think not.

5124. Do you not get considerably more railway traffic going by Holyhead than going by Liverpool?—Yes, for the reason that there is *viâ* Liverpool the longer sea voyage for the cattle, and when you get them to Liverpool you have to drive them through the town of Liverpool from the docks to Edgehill. Whereas at Holyhead they are taken from the steamers to the rail, and in a very few months the wharf will be almost close down to the place where the cattle land, within a very short distance of it. From Holyhead the cattle are taken to Manchester by railway, and I do not see any reason why they should not go that way. We make rates to Manchester by Liverpool, from Dublin with the steam-packet companies, and the rates are the same by both routes, therefore the North-western company do not attempt improperly to divert any traffic from Liverpool that can go that way, on the contrary they afford the greatest facilities for it.

5125. When you speak of the same rates by both routes, do you mean through mileage rates?—I mean the same through rate.

5126. There is a considerable difference in the distance, is there not?—In the one case the distance is greater by railway, and in the other shorter; that is, by way of Liverpool; by Holyhead the railway distance is the longer, and the distance by sea the shorter.

5127. Do you carry cattle from Holyhead to Manchester, which is the longer distance by railway, at the same rate that you would charge for carrying them from Liverpool to Manchester?—We carry them through from Dublin to Manchester at the same rates, whichever route is taken, and to charge any differential rate would mean shutting up the one route; that is, if we charged a higher rate by Holyhead the public would not have the advantage of the shorter sea passage.

5128. If I understand you correctly, you charge the same rate from Holyhead to Manchester by the railway as you do from Liverpool to Manchester?—No; we do not.

5129. (*Mr. Glyn.*) You charge a through rate from Dublin in both cases?—Yes; the local rate from Holyhead to Manchester is very different from the local rate from Liverpool to Manchester.

5130. If I put cattle on the railway at Holyhead, I should have to pay a higher gross rate per mile than I should have to pay between Liverpool and Manchester?—Yes.

5131. (*Mr. Horsfall.*) What rate do you charge on cattle from Holyhead to Manchester?—I cannot tell you at the moment.

5132. What do you charge for cattle from Liverpool to Manchester?—I cannot give you that from memory. I know that we carry the traffic both ways. We carry the traffic by our own boats from Dublin to Holyhead, and so to Manchester, and we carry the traffic in connexion with the City of Dublin steamers, and the screw steamers by way of Liverpool. I may add that we carry the traffic between Liverpool and Manchester to the entire satifaction of the steam-packet companies.

5133. Is it also to the satisfaction of the public?—I believe so entirely. The cattle dealers select their own route, and the cattle sometimes go by the one and sometimes by the other.

5134. (*Capt. Galton.*) The same charge is made from Dublin to Manchester by whichever route they go?—Yes.

5135. By way of Holyhead the steamers and the railway belong to you?—Yes.

5136. By the other route you pay something to the steam-packet companies, and charge the difference on the railway?—Yes; but the throughout rate is the same by both routes. I may further state that we have through rates with the Midland Great Western company of Ireland to all their principal stations.

5137. (*Mr. M'Clean.*) Do you mean for all classes of traffic?—Yes, except for cattle. There was an understanding come to with them, I think, once when they were in Parliament, that they should make through rates with us, and they have carried that out; there was some opposition at that time on the part of some of the steam-packet companies; or, at all events, the steam-packet interest, when we had got the rates settled, wanted to alter the times of the trains; that is to say, the trains happened to run pretty well in connexion with our boats, and they wanted to alter the times of the trains to get them to run in connexion with their boats, but they did not succeed in their attempt, and things have gone on very comfortably with them; they have carried out the arrangement faithfully.

Mr. W. Cawkwell.
9th June 1865.

5138. Do they make local charges, or do they charge equal mileage rates ?—They have their local charges out of the through rates.

5139. (*Capt. Galton.*) Does that embrace the Castlebar and Sligo line ?—No, it does not, but we have through rates and fares with Lord Lucan's line also. With the Dublin and Meath company we have through arrangements ; with the Dublin and Drogheda company we have through rates ; also with the Dublin and Belfast Junction, the Irish North-western, the Ulster, and the Belfast and Northern Counties. We have through rates with them, but we there take the sea risk.

5140. (*Mr. Glyn.*) In the last case you have mentioned they do not charge their local rate ; it is a through rate, is it not ?—I think in that case it is mileage, but they are generally local rates.

5141. That is the rule generally ?—Yes ; with some of the Irish railway companies, and, indeed, with most of them; we have also been obliged to settle accounts through the Irish clearing house, which is a very inconvenient thing for us, but just for the purpose of conciliating them, we have agreed to do so.

5142. (*Chairman.*) Is your traffic in goods from Ireland increasing ?—It does not increase much.

5143. Of what articles does the traffic from Ireland principally consist ?—The principal traffic consists of pigs, cattle, poultry, provisions, eggs, butter, and bacon, also Dublin porter and whiskey, and in some cases general merchandize, but not very much.

5144. You have stated that, in your opinion, the resources of Ireland have been very imperfectly developed ; do you mean that the articles of which the traffic at present consists might be largely increased, or that new sources of traffic might be opened up if they were properly looked after ?—Take the cattle traffic, for example. At the present time that is carried on entirely by local rates ; each company charges its own local rates, and there is no reason why that traffic should not be carried on in the same way as it is from Scotland, from which country we have a very large traffic both in cattle and in dead meat. With proper arrangements I have no doubt that from Ireland there might be a very large traffic created in dead meat. I believe that this would increase the value of the cattle, because they would be killed upon the spot, and they would not become so deteriorated as they do by being driven along the roads such long journeys ; it would also provide considerable employment for the people in Ireland in various ways, in tanning and different other branches of trade, of which there is at present nothing.

5145. (*Capt. Galton.*) Is not the transshipment which is necessary in bringing that traffic to England a great bar to it as compared with the traffic in cattle and dead meat from Scotland ?—No, I think not ; for instance, the Midland Great Western company have now got their line down to the north Wall at Dublin, from which our steamers start, and they can take the goods out of the waggons, and put them into the steamers which lie alongside the wharf. Again at Holyhead the goods or the cattle would be taken out of the steamers and put on to the railway, and carried on to London. I see no obstacle to it at all. There are other things which are carried in the same way by our English arrangements, for instance, we can now, and we do, send vegetables from Cornwall into Scotland in the early part of the year, and that is entirely owing to the through arrangements which exist amongst the Railway companies.

5146. (*Mr. Horsfall.*) In your opinion would any material reduction of the fares and charges for passengers and goods in Ireland have the effect of increasing the traffic ?—I think it would in many cases, and more especially in the case of goods. I do not know as to passengers, but with regard to goods traffic, there is no doubt that a reduction in the charges in many cases would very much increase the traffic.

5147. Without entailing any loss to the railway companies ?—They would not get so large a per-centage of profit as they do now, but it would largely increase traffic.

5148. (*Mr. M'Clean.*) Have you any suggestion to make to the Commission as to any improvement that might be effected in the present state of the Irish railways by amalgamation, leasing, or otherwise ?—I think there is no doubt that benefit would result from amalgamations in Ireland, if they could be carried out. At one time I took a good deal of trouble in trying to get some arrangement made with respect to a group of railways which lie about Dundalk and that district, the Irish North-western, and the Ulster company's line, and the lines running from Belfast down to Dublin. The railway from Belfast to Dublin is now in the hands of three companies, and whenever that is the case there are always great obstables in the way of carrying on a through traffic, or in making arrangements, because each company's interest is separate, the chief difficulty that arose in that case was owing to the different values of the properties. I belive there was a disposition on the part of the companies themselves to carry some arrangement out.

5149. (*Capt. Galton.*) Did not the local interests of the different towns operate against it ?—I do not think so. I believe the great difficulty was that the Irish North-western railway had no real value, they were paying no dividends, but the other companies were. I think there is no doubt that if that could have been carried out, it would have been a very good thing ; the interests of the railways are so mixed up, for instance, the Ulster company uses the Irish North-western line to get to Londonderry ; the Irish North-western system also going round by Dundalk, between Londonderry and Belfast. The Ulster company were at that time carting traffic in some cases, for 15 and 20 miles, and in other cases for 30 miles in opposition to the Irish North-western, the whole of the profit must have gone in cartage alone. There is a great deal of that kind of competition going on, which is no benefit to the public, and if anything could be done so as bring these conflicting interests together and have a more united action, I think great benefit would result.

5152. Can you suggest any means of carrying that out ?—I am not prepared to suggest the means ; but one difficulty is to put a value upon some of these lines, which are now paying no dividend. I do not know how that could be done, unless something was done in the way of assisting them by borrowed money: I mean with regard to their loans.

5151. How would that affect the question ?—That would of itself give them some little dividend ; it would give them some value, and enable them to be taken into other systems. At the present time the Irish railway boards do not appear to act together at all ; the Irish railway boards never do, you cannot get them to do so.

5152. (*Mr. Glyn.*) Are the Irish railway boards governed by local jealousies ?—I believe they are. The Irish North-western board is composed almost entirely of Dublin interests at the present time, and not of local interests, and the other boards in the same way. I do not know why it is ; but it is not in Ireland as it is in England, for here the railway companies can always work together, and make their through arrangements ; in Ireland they cannot do that.

5153. (*Mr. Gower.*) I understood you to say that the present system of through rating is beneficial to the steam-packet companies ?—I would rather say the absence of through arrangements.

5154. The limited extent to which they are carried out ?—Yes.

5155. Have you considered whether the loss that would accrue to the steam-packet companies in consequence of a more extended system of through booking, would be balanced by a gain to the railway companies?—If the traffic was fairly dealt with be-

tween both the steam-packet interest and the railway interest, I do not think that either of them would be damaged. I could not recommend any system that should have the effect of depriving the steamboat companies of any advantage they were justly entitled to, for wherever we meet the steam-packet companies we always treat them in the same way as we do railway companies, and we make through rates with them. I think that that is the proper system upon which to deal with them, but not that they should have the traffic exclusively in their hands any more than that the railway companies should have the traffic exclusively in their hands.

5156. What I understood you to say was that the interests of the railway companies are sacrificed to the interests of the steam-packet companies?—I think in many cases they are.

5157. Is there any dissatisfaction felt because the interests are not identical, or have the shareholders in the railway company, who have no interest in the steam-packet company, expressed no dissatisfaction with a system which sacrifices their interests for the benefit of those who are interested in the steam packets?—I have no doubt they have, but I have not come in contact with them much. No doubt their interests must be affected if the traffic is diverted from the railway.

5158. Are you of opinion that if the steamers belonged to an English railway company, a different system would be adopted ?—I have no doubt of it. In that case the railway company would throw the railway open to railway traffic as well as to steam-boat traffic.

5159. Are there any Irish railway companies that run any steamers to England ?—I think not.

5160. (*Chairman.*) Are these arrangements between the railway companies and the steam-packet companies peculiar to Ireland ; and are there no cases of the same kind in England, where traffic is encouraged in some particular direction by offering advantages to persons so to send it ?—I am not aware of any case in England where traffic is treated as it is in Ireland.

5161. There is nothing illegal in the arrangements which are made between the railway companies and the steam-packet companies ? —I think not. The railway companies have a right to make their own rates, and to develop the traffic in their own way. I mean legally.

5162. You would not suggest that Parliament should interfere in compelling railway companies to give equal rates for goods, whether they were carried by railway or by steamboat ?—It would be very difficult, I think, to deal with that. I do not see how Parliament could interfere in that way, except they gave a guarantee to the railway companies of some reasonable dividend ; then they would have a right, no doubt, to make their own terms for the conveyance of the traffic by any route.

5163. If the whole system of Irish railways was amalgamated under one Company, do you not think it would be too large to be properly managed ?—I do not think it could be properly managed ; but I do not think it would be necessary to amalgamate all the Irish railways into one system. They might be amalgamated into three or four systems, which I think would work very well ; for instance, all the Railways between Dublin and Cork up to the Midland Great Western forms one system in itself. Then the Midland Great Western and other lines up as far as Sligo and Cavan forms another, and then the group of lines lying beyond would form either one or two others ; that is to say, the railways lying South of Belfast, leaving out the Belfast and Northern Counties with the line from Coleraine to Londonderry, to form a separate system ; or they might be joined with the others into one. Then these three or four systems could be worked quite independent of each other, or in connection so far as desired.

5164. (*Mr. M'Clean.*) You would suggest that the whole of the railways in Ireland should be reduced into three or four distinct systems ?—Yes.

5165. (*Sir R. Hill.*) Do you know how the total mileage of the Irish railways compares with the total mileage of the London and North-western system ? —The London and North-western system consists of about 1,200 miles, and the Irish system I believe is about 1,500 miles.

5166. How would the traffic on the two systems compare ?—That I do not know.

5167. The gross receipts upon the traffic carried over the Irish system of railways appear to be about 1,500,000*l.* ?—On the London and North-western system the receipts are about 5,000,000*l.*, per annum.

5168. Taking into account the mileage and the traffic do you think that the management of the Irish system of railways would be more difficult than the management of the London and North-western system ?—The Irish system of railways is not continuous like that of the London and North-western system. The Irish system is composed of a number of short branches ; while on the North-western system, to begin with, from London to Carlisle, and from London to Holyhead there is a distance each way of 300 miles, and you would not find any length of line in Ireland at all like that.

5169. Taking into account the comparatively small excess of mileage in Ireland, and the great excess of traffic upon the London and North-western system, do you not think that the management of the Irish system of railways could be as readily concentrated under one authority or board of directors as the management of the London and North-western system ?—It would not be so easy to manage as the London and North-western, for the reason I have already given you, that the Irish railways are composed of a number of small systems, or much more so than the London and North-western is.

5170. (*Mr. Glyn.*) If there was a connecting link in Dublin between all the railways that come into Dublin, would not that materially facilitate the general management ?—Very much so, and that is very much wanted. An Act has already been obtained for connecting them together, but I believe the parties concerned have not yet raised the capital necessary for carrying it out.

5171. The scheme languishes for want of capital ? —Yes, it is a very expensive undertaking and viewed as a separate system, probably it may not be very profitable. I think it should have been undertaken by the railway companies themselves, who are centred in Dublin, and it would have paid as portions of a large system ; whereas it may not pay as a separate system in itself. We have had some negotiations with the parties, and we have expressed our willingness to make arrangements with them, and to pay them out of the through rate, upon the traffic between England and Ireland, a liberal sum in the shape of toll, more than a mere mileage rate.

5172. You are of opinion, even as regards the interest of the London and North-western Company, small as that interest is, compared with the interest of the Irish railway companies in Dublin, that it will answer their purpose to contribute something in order to have that link supplied ?—Yes.

5173. (*Sir R. Hill.*) Supposing that to be done, do you think that the management of the Irish railways, as a whole, would then be more difficult than the management of the London and North-western system ?—I do not say that it could not be done as one system ; it could be done no doubt.

5174. Supposing the management were concentrated under one authority, and the railways were managed with the same energy and intelligence which characterize the management of other large systems of railways in England, what, in your opinion would be the result as regards the interests of the shareholders ? —I have no doubt that the shareholders would be very much benefited.

5175. What would be the result as regards the interests of the public ?—They would no doubt be also benefited.

5176. Would they be much better served ?—Yes.

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5177. By disregarding all attempts at interference by parties locally interested ?—Yes.

5178. Without any further expenditure of capital, except what might be necessary for the construction of the connecting link in Dublin, you think that if the directors and shareholders would consent to a union of the different lines of railway under one managing authority, and their affairs were managed with the same energy and intelligence as is exercised in England, there would be a great gain to the shareholders, and great benefit to the public ?—I am sure there would ; but you must make a very material alteration in the boards of the Irish companies which had to take the management.

5179. I am supposing the management to be concentrated in one board ?—In that way then, I say it would be a great improvement, a great advantage to the railway system and to the public also.

5180. (*Mr. M'Clean.*) If the Government were to purchase the Irish railways, do you think that English railway companies would be found inclined to lease them and to work them ?—I have not a doubt of it ; if the Government thought proper to take the Irish railways in hand in any way, either by purchasing them, or by making such arrangements as would give them a control over them, they would find English railway companies ready and willing to assist them in working those lines on the same principle that the English railways are worked. I have no doubt at all that arrangements could be made for that purpose.

5181. (*Capt. Galton.*) It has been suggested that the Government should purchase the Irish lines and lease them out to one limited liability company to be worked. Does it appear to you to be feasible that such a company could work the whole of those lines satisfactorily as one system ?—I doubt whether it would be to the interests of the public that the Irish lines of railway should be put into the hands of one limited liability company. I should not think it advisable.

5182. For the purposes of working ?—Would they have a control over the traffic ?

5183. Yes ?—That would be putting into the hands of a company the traffic of Ireland, to sell it to anybody who would offer the highest price, irrespective of public accommodation.

5184. Why would it be less their interest to develop the traffic of Ireland than it is the interest of the London and North-western Company to develop it ?—It might be their interest to develop it, but it would also be their interest to carry it by any route that gave them the largest amount of money.

5185. (*Mr. M'Clean.*) To any particular port for instance ?—Yes.

5186. (*Sir R. Hill.*) I suppose if such a union as is contemplated took place, it would be to the interest of the owners of Irish railways to reduce their charges ?—I believe that they would reduce their charges on the through traffic, and that they would develop a trade which they have never had there yet.

5187. Might it not be to their interst to reduce the charges on the traffic generally ?—I have no doubt that they would in many cases make reduced charges, that is to say, the population of Ireland cannot afford to pay high fares in many cases, and if that state of things was met by making arrangements for market purposes, and for attending fairs, I have no doubt that the traffic might be very largely increased.

5188. Without doing any injury, but on the contrary, securing a gain to the companies ?—Yes.

5189. (*Mr. Glyn.*) With regard to the working of a limited liability company, they would, in the first place, lease the line from the Government ?—Yes.

5190. At a certain fixed rental ?—Yes.

5191. Of course their object would be by lowering the rates to encourage traffic upon the lines in any way that they could get it ?—Yes.

5192. I did not quite understand what you meant when you said that they would work so as to divert the traffic down to a particular port. Why should they do that ?—If one port gave them a longer mileage than another, their interest would be to take it that way ; but I think that if an arrangement of that kind is made, and the lines are to be worked by a limited liability company, the Government should keep such a control over the lines and over the traffic that they could prevent that being done, so that the lines should be kept open to everybody, and the traffic carried by the shortest route.

5193. (*Mr. Horsfall.*) Is not the system to which you have objected the system which is pursued by the London and North-western company in diverting traffic to a line or in a direction that would give them the greatest amount of income ?—No, decidedly not.

5194. (*Chairman.*) In your opinion would it be difficult for a single company to treat all parts of Ireland with equal impartiality ?—I do not think it would work well if you placed in the hands of a joint stock company the entire control of all the traffic of Ireland. I think it would be found to work very prejudicially.

5195. (*Capt. Galton.*) You would prefer to entrust the management to two or three companies ?—Yes.

5196. Assuming that all the southern railways were amalgamated into one company, the Great Southern and Western and the other subsidiary lines, would not their interest be to carry all the traffic to Dublin so as to have the longest mileage ?—No, I do not think so. I do not think it is the interest of any company to divert traffic to any particular place. I think it is wrong of them to close any route, and that they should all be kept open.

5197. Is it their interest to keep open every route ?—Yes.

5198. Why do you think a joint stock company would be disposed to divert the traffic to one particular port ?—As I understand it, you propose to give all Ireland into their hands, and in that case you would have no competition, they would have the entire control. Whereas, if these railways were amalgamated into groups there would always be competition.

5199. What competition would there be if, for example, in the south of Ireland the Great Southern and Western Railway, the Waterford and Limerick, and other lines, were amalgamated into one ?—There would not be so great an interest to divert the traffic from any part of the Great Southern and Western lines to any other ports as there would be if they were at Belfast. If you take the centre of the Great Southern and Western Railway and any of the ports on the coast, you will find that the distance between those ports and Dublin is not so very great.

5200. Take Cork, or Tipperary ?—Yes, from Tipperary there is no great difference between sending traffic from Tipperary to Cork or from Tipperary to Dublin, in point of distance ; but if the same company had a line to Belfast, there would be great temptation to send it so as to get a much longer mileage.

5201. From the south of Ireland do you mean ?—Yes, and which they could do for a great portion of England ; the same as to Dublin.

5202. That would be injurious to the interests of the London and North-western Company, would it not ?—No, I do not think so ; we happen to be in the position of being both north and south of Ireland ; and I am speaking of the general interests, not of the North-western company's interests alone.

5203. (*Mr. Glyn.*) You like a little gentle competition ?—We never object to it.

5204. (*Mr. Horsfall.*) You do not object to agreeing with other railway companies as to what rates shall be charged ?—No, so long as they are fair and suitable to the traffic.

5205. (*Capt. Galton.*) Do you happen to know how the traffic from the south of Ireland to Scotland is carried on ; does it go through Liverpool, or by way of Holyhead, or is it taken entirely by sea ?—I

think it is nearly or entirely taken by sea; we see very little of it on the railways. There are very good steamers running between Scotland and Ireland.

5206. Then there would always remain the steamboat competition?—Yes, always; you could not stop that. I think it is very possible that some arrangement might be made by which the Government should have power to take up the matter if they could satisfy the smaller railway companies that they should be amalgamated into some larger system. I think there might be a system of amalgamation into two or three groups, which could be worked either by limited liability companies, or in connexion with the English lines, and such arrangements made that perhaps no loss would result from it; but probably a gain in the end. I am sure that the traffic would be better treated and better developed than it is now.

5207. Do you mean that the Irish lines should be leased to the English railway companies?—I do not say that exactly; but what I say is this, that if the Government would take up the matter, and make arrangements with the English railway companies, or with limited liability companies, to work them, benefit would result. I do not think it would be advisable to hand the Irish railways over to one company.

5208. (*Mr. M'Clean.*) Do you know that in all the agricultural countries of the Continent of Europe the Governments have assisted both in the execution and in the development of the railway systems, and have borne the loss until the traffic was fully developed: and I believe very beneficial results have followed from that system?—Yes.

5209. Do you see any objection to the Government proposing a reduction in the rates on the Irish railways, and bearing the loss, if any, until the increase of the traffic became sufficient to balance it?—No. I do not see any objection to that, because I do not think that there would eventually be any loss. I believe that the traffic would work itself round, and that there would in the end be no loss.

5210. You think the result would be the same as in the case of the other railway systems of Europe, all of which eventually pay, although at first there is a loss on account of the reductions made in the rates charged?—Yes.

5211. (*Chairman.*) Do you think that the mere transference or amalgamation of the smaller railways in Ireland with two or three larger ones, would be attended with any very great advantage, or do the large railway companies in Ireland manage their affairs in such a way as leads you to repose confidence in their management of a much larger system if the smaller railways were transferred to them?—I have not found from experience that the Irish system of management is at all satisfactory.

5212. You think then that the mere conversion of the Irish railway systems into two or three systems, leaving the management in the hands of the principal railway companies would not be attended with any important benefit?—Not unless there was some alteration made in the boards, or some control was obtained by the Government, or some means were adopted, such as by the appointment of directors, which would give a control over the system.

5213. You think that the introduction of some new element is requisite in the composition of Irish boards?—Decidedly so.

5214. You incline to the opinion that in some way or other Government control and influence should be exercised upon the Irish boards?—Yes; but I do not see how that could be done, unless the Government gave assistance. Then, I think, they would expect to have some control. I do not see what other control could be introduced.

5215. (*Capt. Galton.*) Do you think Government control would be of any advantage in working the traffic?—If the Government made judicious appointments, I think it would. I am sure that anything that would alter the present system would be a benefit.

5216. (*Mr. Dalglish.*) You would not advise the Government to have anything to do with the matter unless they had a certain power in or over the boards?—No.

5217. In your own experience, have you found it very difficult to make arrangements?—Yes, in Ireland.

5218. Both with large railway companies and with small ones?—Yes; for example, when boards of directors have consented to through rates they have always adhered to the narrow-minded system of exacting their local charges and their cartages, and everything of that kind, and their adherence to those things has trammeled every arrangement very much.

5219. Have you not been able to effect traffic arrangements with Irish railway boards so easily as with English and Scotch railway boards?—No; in England, when we make a through rate, that includes cartage at both ends; you tell the public what it costs for the conveyance of their goods from the warehouse until they are delivered; wherever they may go to, they go through; but in Ireland they always want to have either the cartage separate, or to have some separate charge of their own, beyond the through rate, over which you have no control, and in addition to their local charges upon their own railway. They have strictly adhered to the maintenance of those small things, which are a great obstruction; and so much has this been felt in England that it has long since induced railway companies there to abandon these things altogether and to take a liberal view of the matter, allowing the one charge to include everything.

5220. (*Capt. Galton.*) The Irish railway companies do not take a commercial view of the matter?—No.

5221. Would matters be improved do you think, by putting Government directors on the Irish boards?—Yes, if the Government appointed good commercial men, they would; but it would depend upon the appointments.

5222. (*Mr. Horsfall.*) In the shipment of goods, say, from Dundalk to Manchester, by way of Liverpool, does the company pay the terminal charge in Liverpool, or do the shippers pay that?—For the through rate from Dundalk to Manchester, the company perform all the services throughout.

5223. They would not allow the shippers to pay the terminal charges in Liverpool?—There are none to pay.

5224. Is there not something to pay for the transhipment from the vessel to the station?—That is done by the steam-packet company and the railway company together.

5225. You would not allow the shipper of the goods to do that?—The steam-packet company can make their own arrangements with respect to that. It takes the goods from Dundalk, and it would deliver them at our stations in Liverpool; the system there is I think invariably to engage town carters to cart the goods across the town.

5226. By whom are these carters engaged?—In that case they would be engaged by the steam-packet company, and on the reverse journey they would be engaged by the railway company, and we should deliver the goods to the steamer.

5227. You would not allow any shipper of goods to see to the transfer of the goods from the steamer to the railway?—The shipper has nothing to do with it; the goods are sent by the consignor to the consignee.

5228. Supposing a party has a ship laden with grain in Dundalk, and he wishes to forward that cargo to Manchester by way of Liverpool, and he prefers to see to the transference of the cargo from the steamer to the railway himself, would you make any difference in your charge from Dundalk to Manchester as compared with what the charge would be if by your agents, the goods were taken from the ship to the railway?—I cannot see the object of doing what you suggest, unless it be to incur a charge in Liverpool; we should make no charge for it, we make no change now.

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5229. (*Mr. Glyn.*) It would be a shipment of goods in the first place from Dundalk to Liverpool, to be dealt with in Liverpool by the party himself, and he would make his own arrangements for forwarding the goods on to Manchester, unless they were booked through ?—Yes, but now it is a through transaction, no intermediate person is required.

5230. (*Mr. Horsfall.*) If a shipper choses to say, I will send my grain to A.B. in Liverpool, and A.B. will send it forward to Manchester by railway, would the charge for the shipment from Dundalk to Liverpool, and then from Liverpool to Manchester be the same, the shipper having paid his own charges in Liverpool, as if the grain had been shipped under under your care at Dundalk, and so forwarded ?—It would be the same because we should pay the same to the steam-packet company, that company would make no allowance for it, they have their own staff to do it, if anybody else intervenes in Liverpool and does it, there is no expense saved ; it is merely employing a broker in Liverpool to pay a sum of money when he is not required.

5231. (*Mr. Glyn.*) If the consignment was from Dundalk to Manchester it would be impossible for any intermediate person in Liverpool to break into that arrangement ?—As carriers we could not allow it.

5232. (*Mr. Dalglish.*) Are we to understand that your through rate from Dundalk to Manchester is a lower rate than a party would have to pay, if he sent his goods by steamer from Dundalk to Liverpool, and then paid an agent there to cart the goods to your station, having then to pay the railway charge from Liverpool to Manchester ?—I cannot tell whether it would be so or not, but we should do this ; we should make the same through rate with the Dundalk and Liverpool steam-packet company for carriage to Manchester by Liverpool (allowing them their sea freight between Dundalk and Liverpool), that we should take it ourselves for, *viâ* Holyhead.

5233. Is that sea freight that you allow to the steam-packet company the same as would be charged from Dundalk to Liverpool ?—In some cases it would be, in some it would not ; that would depend upon the rates of freight, but generally speaking is would be. I may state that we have through rates with the Dundalk and Liverpool steam-packet company to England, and we have agreed upon a division ; a certain portion as sea freight, and a certain portion as railway freight.

5234. By that agreement is your sea freight the same as it would be if a man came with 100 quarters of oats to the steamboat to be taken over to your station ?—Generally speaking, it would ; but not in all cases, because the steam-packet freights vary very much ; they are local freights.

5235. Is your impression that a man consigning goods from Dundalk to Manchester can do it cheaper by paying your all through rate, than he could if he went with the consignment himself, and attended himself to forwarding it through Liverpool ?—I dare say he would save some local charges that would be incurred, if it was a double transaction ; that is to say, if the goods were consigned first from Dundalk to Liverpool to some agent there, and then he employed a broker to send the man again to Manchester ; there would be his own expenses in Liverpool in addition.

5236. It would cost more in that way than if the party paid your all through rate ?—Yes ; his local charges are not included in the through rate.

5237. (*Chairman.*) Have you any arrangements with any Irish railway companies with regard to the coal traffic in Ireland ?—At the present time there is no through arrangement with respect to coal ; we are about to establish a trade, if we can, by joining some of the Lancashire coal owners in making low rates to Liverpool, for the purpose of shipping coal from there to Ireland. The intention is, to establish a line of screw steamers to take the coals from Liverpool to Ireland, and I believe that with proper arrangements there may be a very large coal trade established between Liverpool and Ireland, which we cannot get at all with the present arrangements.

5238. (*Mr. Glyn.*) Has this been started upon the application of the coal owners in Lancashire ?—Yes. They have no shipping trade from Liverpool ; the coal trade is principally done from the northern ports, and these coal owners want to have the means of shipping coal at Liverpool. We are now getting powers to make a line, the Bill has already passed the House of Commons, from Wigan to St. Helens, to join the St. Helens railway, which will give an access to Widnes and to Garston, which are considerable places for shipping purposes. The Wigan coal proprietors propose (in addition to the foreign trade) to put on steamers to Ireland ; I think they are building some now, to run between Garston and Dublin and other parts, for the conveyance of coal.

5239. (*Mr. Glyn.*) In Dublin, I believe, at the present time there is no communication between the railways and the wharves ?—Not at present, but if the Dublin connecting railway is made that will come down to the quays. A Bill has also passed the House of Commons this year to make tramways along the quays in Dublin, and those tramways will communicate with the Midland Great Western railway, and I think also with the Dublin and Drogheda railway.

5240. Have you any idea what the price of coals will be, delivered in Dublin, if this new arrangement be carried out ?—No, but very much less, I think, than it is at present.

5241. (*Chairman.*) Do you think it is possible that coal might be delivered in the interior of Ireland at a much lower rate than at present, still leaving a profit to all concerned in the carriage of it ?—I think so. The Lancashire coal proprietors calculate upon getting a very large trade indeed to Ireland and if they can carry the coal to Dublin, and put it direct from the steamers into the waggons on the quays, and send it away by railway, they will be able to do it, I think. Again, when that line is made down to Greenore for the Irish North-western line, if they can do the same as in Dublin, they will get a very large traffic indeed in coals to the north-west of Ireland from the Lancashire coal fields.

5242. (*Mr. Glyn.*) It has been stated that the present price of coal delivered on the quays in Dublin is 14*s.* 6*d.* per ton. I presume it will be considerably less than that when the arrangements you have mentioned are carried out ?—Yes ; first of all the railway charge will be reduced to the port in the Mersey, and then something will be necessary to be done in Dublin to prevent the great cost of cartage in Dublin, and that can only be done by the tramways being brought down on to the quays.

5243. (*Mr. Horsfall.*) What is the freight upon coal from Liverpool to Dublin ?—I do not know.

5244. It has been stated by one witness that good household coal can be delivered in the Mersey at 8*s.* 6*d.* per ton ?—I have no doubt it can be.

5245. Then the statement that the price of coals in Dublin is 14*s.* 6*d.* a ton must be preposterous ?—That is adding 6*s.* for sea freight, and I have no doubt that it would be taken cheaper than that if they had good screw steamers that would carry large cargoes. The coal from Wigan could be loaded at Garston direct into the steamers, and if they could take it out of the steamers again in Dublin and put it direct into the railway waggons there is no doubt that a very large trade could be done. At the present time there is no coal trade with Ireland by railway.

5246. (*Capt. Galton.*) You stated that if the government could make arrangements for amalgamating or for purchasing certain of the Irish railways and forming them into two or three separate systems, you thought it possible that English companies might be found to work them ?—Yes.

5247. Do you think it would be fair that in such a case they should work them upon a per-centage of the gross receipts ?—Yes. I think you could not base it upon anything else.

5248. Would you say about 50 per cent. ?—50 per cent. is the general thing.

5249. You think that would give the working company a sufficiently strong interest in developing the traffic ?—No doubt ; their interest would always be in developing the traffic consistently with that of their own lines ; it would give them a sufficient interest in developing the local traffic.

5250. (*Chairman.*) Are there any other matters connected with the Irish railways upon which you could furnish the Commission with any information ?—There is one very important matter which I mentioned some time ago ; the question of the sea risk ; which I think is a great obstacle to the development of the through traffic with railway companies, where they are concerned in through bookings. It appears to be a very unfair thing, that if a steam packet belongs to a steam-packet company, they should only be liable in case of accident to a small loss, while if the steam packet belongs to a railway company, they should be responsible for a very heavy loss.

5251. (*Mr. Glyn.*) The question I believe has never been tried ?—No ; but it is a matter of such uncertainty that many of the Irish companies object to making through arrangements ; the fear of it is sufficient to deter them from running the risk.

5252. Would it not be possible to guard them in some degree on the ticket itself ?—I very much doubt if you could. I do not see why railway companies owning packets themselves should not be treated in the same was as steam-packet companies. I think it would be only a fair thing.

5253. (*Capt. Galton.*) Is it the fact that they are treated in a different manner. Has any accident happened on board one of their steamers for which they have had to pay heavy compensation ?—No. The question has never been tried ; but the Irish railway companies are so convinced of the state of things that it prevents them from making through arrangements, and we have to take upon ourselves all the risk.

5254. Supposing a man booked himself from Chester to Ireland, and he sustained an injury by the blowing up of the steam-boat, or by the wreck of it, if there was any compensation to be paid, it would be paid by the London and North-western Company ?—Yes. The steam-boat company would be only liable for 30*l.*, and the railway company would be the parties to be sued, because they had booked him, and the claim might result in a verdict that the accident had happened on the railway, and a large amount might have to be paid.

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5255. (*Mr. Dalglish.*) That enters into the arrangement made between the steam-packet company and your company ?—Yes; but it is a great obstacle to any arrangements being made.

5256. (*Mr. Glyn.*) The steam-packet companies will not take the risk upon themselves ?—No; it is a question whether they would be liable.

5257. As a sub-arrangement with the railway company they will not take any risk upon themselves ?—No, they will not take upon themselves any additional risk.

5258. (*Sir R. Hill.*) They would be taking no greater risk upon themselves than if they carried a passenger independently of the railway company, would they?—Yes. As it is, if a passenger is going from Cork to Chester, he books locally from Cork to Dublin, and then proceeds from Dublin to Holyhead by the steamer for the purpose of booking himself again from Holyhead by railway to Chester. If an accident occurred between Dublin and Holyhead, the steam-packet company would only be liable, under the Merchant Shipping Act, for a sum limited to 30*l.*, but if the passenger was booked by the railway company at Cork through to Chester, and an accident occurred in the same way on the steamer between Dublin and Holyhead, the claim would, in the first instance, be upon the railway company at Cork, where a verdict might be obtained for a large amount under Lord Campbell's Act, and the railway company who had paid that amount, could probably only recover from the steam-packet company the sum which they would be liable for under the Merchant Shipping Act. This state of things very much checks through booking.

5259. (*Mr. Glyn.*) Upon that view of the law the Irish railway companies are acting?—Yes, and we have in many cases been obliged to take all the responsibility upon ourselves to get any through arrangements made at all.

5260. (*Mr. Dalglish.*) If you gave two tickets, one for the steamer, and another for the railway, would not that obviate the necessity of through booking?—The legal gentlemen say it is very doubtful whether it would.

The witness withdrew.

Mr. James Allport called in and examined.

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5261. (*Chairman.*) You are general manager of the Midland Railway Company ?—I am.

5262. Have you had occasion to make any arrangements with any of the Irish lines with respect to through booking ?—We have with one company, the Ulster Company, but to a very limited extent. We have found that agreements with other companies have interfered very materially with the through booking of the Irish railways.

5263. Do you mean arrangements between Irish companies and other English companies ?—Yes.

5264. Have your through booking arrangements with the Ulster company extended to goods as well as to passengers ?—To goods only. We have not booked through unless in the case of tourists, those we have booked through, but not ordinary passengers, and only tourists to a very limited extent.

5265. Do your arrangements with the Ulster Company embrace traffic of any considerable importance ?—The through booking for goods extends to the Ulster Railway, and to a considerable extent to Londonderry.

5266. It might be convenient if you stated what the Ulster Company's district comprehends ?—We have booked through from Belfast to Londonderry, Newry, and one or two other places ; but our arrangements have been chiefly confined to traffic coming from the Ulster Company's own line proper.

5267. Have the Ulster Company similar arrangements with other English companies ?—Yes, they have.

5268. Have you attempted to make arrangements with any other large Irish companies, such as the Great Southern and Western and the Great Midland of Ireland ?—We have. I have frequently requested them to make through booking arrangements, but we have hitherto failed. They have given us the general reply, that their arrangements were already made by agreements with other companies, and when those agreements expired they would consider the question of making arrangements with the Midland.

5269. Have those arrangements of the Ulster Company been of long standing ?—We have no agreement whatever ; it is merely a temporary arrangement from day to day. I believe the Ulster Company has an agreement, which I have never seen, by which a considerable portion of the traffic is diverted by the Dublin route ; we have never pressed it upon them, waiting till they themselves were in a position to arrange with us.

5270. Do you think it is possible that if more complete arrangements could be carried out between the English companies and the Irish companies any large amount of, or any traffic at all could be developed which does not at present exist ?—I have no doubt of it ; I think the Irish railways ought to be thrown open to every English company who can book through, if it is a reasonable route. I may state that

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from Belfast to some of the very largest and most important manufacturing districts of England the Midland route is the nearest and best. We have met with great difficulty, and we have persevered with the communication between Morecambe and Belfast for many years at a very great loss; but we have now turned the corner, and the boats are paying better than they did.

5271. Do you think that any additional traffic could be created in Ireland, or merely that it would be better for your company that the existing traffic should be turned in that direction?—My impression is, that the greater facilities you give the more traffic you create. That is my experience upon the English railways, with which I have been most intimately connected; in other words, the free-trade principle, which has been adopted upon the Midland Railway is, I am certain, the best for the companies themselves and for the public.

5272. What steps would you take to bring about a state of things that you think it desirable to enforce on the Irish railway companies,—impartiality, so to speak, between the English companies?—That is a very difficult question. I am not in favour, generally, of compulsory powers for booking through. Companies, to a certain extent, should be left to consult their own interests; but I think, looking at the peculiar position of Ireland, and the complaints which have generally proceeded from the Irish companies of their non-paying qualities, either through want of traffic or want of arrangement, that something should be done by which all the companies in England using, by means of a reasonable route, any part of the Irish railways by means of through rates and fares should be placed upon equal terms with respect to the Irish railways. It would be very easy to make that arrangement. That, I think, would put the whole of the English companies on an equality, and enable us all to develop the resources of the country to the fullest possible extent. I am quite sure that the greater the facilities that are offered for a free interchange of traffic between all the English companies the better position will the Irish railway companies be placed in.

5273. Do you think the circumstances of Ireland would justify Parliament in imposing greater restrictions on all the railway companies in that country than would be advisable in the case of England?—Perhaps they would. I am disposed to think that the Irish railway system is altogether different from the English. There is such a large amount of traffic, and the resources of this country are so much superior to those of Ireland, that I think there ought to be some restriction placed upon arrangements which are made with Irish railways to the exclusion of other companies. It is a very large and important question, and generally speaking, as I stated before, the companies should be allowed to consult their own interests. But of course there will always be exceptional cases; and looking at the universal complaint in Ireland, the only remedy that I can see is to throw the Irish railways open to the whole railway system of England.

5274. (*Mr. Glyn.*) Have you ever proposed that question of through rates to any other company in Ireland besides the Ulster Company?—We attempted some years since to book through to Belfast and the south of Ireland; but we found difficulties in the way and the result was that we gave it up.

5275. Difficulties raised by the boards?—Difficulties raised by the boards themselves in consequence of the agreements which they had with other companies.

5276. (*Sir R. Hill.*) Are you aware that the Irish railway companies have received considerable assistance from the Government in respect to lines, at low rates of interest?—My attention has not been called to that at all.

5277. You are probably aware that they are now applying for further assistance?—Yes, I am aware of that.

5278. Do you think there would be any unfairness on the part of the Government if they were to make these arrangements which you recommend between the Irish railways and the English railways a condition of the further assistance which they are asking for?—If the Government are called upon to assist them by loans I think they should make it a condition that the whole of the Irish railways should be thrown open to the English system.

5279. There would be no compulsion, in the proper meaning of the term, in such an arrangement; it would be a matter of bargain, would it not?—Perhaps I may be allowed to explain what I mean by throwing the system open. I will take the Great Southern and Western Railway, which at present sends its traffic by Dublin. Suppose it should be required to book through, we will say, from Galway to Belfast, and take another route by an English railway; if that route was longer by any considerable distance I think the mileage proportion due to the Great Southern and Western should not be reduced in consequence of lengthening the route by way of Belfast, but that the loss should be borne by the company choosing to avail themselves of the power to book through by way of Belfast. I will take an extreme case. Suppose we choose to book through from London to Galway by way of Belfast, I think the Great Southern and Western should be compelled to take the traffic through, but if the rate per mile were reduced by that, the Great Southern and Western should have the same rate per mile as though they took it from Dublin.

5280. (*Mr. Glyn.*) That is, that they should have the full rate, although the traffic was only carried a shorter distance?—That is a system well known upon English railways. That is a practice commonly prevailing with English railways. We have that arrangement with the North Eastern Company, the Great Eastern Company, and the Great Western Company. If our route is longer than another route with any other company we bear the loss; and it is the same with the Lancashire and Yorkshire Company.

5281. You know the Irish railways?—Yes.

5282. Do you not think that great inconvenience arises from the fact of the country being split up into such small divisions, the different railway companies having different divisions?—I do; I think amalgamation would be exceedingly advantageous to the Irish railway system, and just as advantageous as it has been to the English railway system.

5283. Suppose such a system were advisable, would you have it under one management, or two, or three?—That depends upon circumstances. Of course, if it were under Government management it would be necessary to have one. I think there is sufficient scope in Ireland for two or three systems of railways, but all those systems should be compelled to work in harmony with each other. I think if you attempt to put the entire of the Irish railways under one management, it would become so large, that in time, as the railways extended in Ireland, it would be difficult to manage; but if it were divided into three systems, with compulsory power to make their arrangements *inter se* with each other, I think that probably would be the best arrangement that could be made.

5284. Then you would not think it necessary to have Government supervision in that case?—I am not in favour of Government supervision.

5285. Not even in the particular case of Ireland?—No, I am not. I do not think Government supervision or Government management is in any case equal to private management; I do not think they give the necessary time.

5286. But for the prevention of unfair competition between the respective companies in the respective districts, would it not be necessary to have some supervising power?—I think that might be left to arbitration. Those are details which could be very easily arranged or left to some standing arbitrator. There are several cases now in England where a standing arbitrator is appointed to settle disputes

between one or more companies. I can mention the case of the London and North-western Railway Company and the Manchester, Sheffield, and Lincolnshire Railway Company ; a standing arbitrator is appointed in a certain district. By Act of Parliament a standing arbitrator is appointed between the Great Western and the Midland, and also between the Great Western and the North-western for certain purposes. That might be extended to the general arrangements of a company. If there was any complaint of unfair dealing upon the part of another company, they might appeal to the standing arbitrator.

5287. Do you think, in point of fact, with a certain number of general rules laid down, that that would be a proper way to regulate companies amongst themselves, with an arbitration clause added, and that upon the whole it would work well ?—I think so.

5288. (*Mr. Horsfall.*) Do you think it would be an advantage if that arbitration clause extended to the public ?—Certainly ; I would extend it to the the public. If the Irish railways call upon the Government to assist them, the Government has a right to put in certain conditions, and I think that it would be a very fair condition, in the interests of the public, to say that a standing arbitrator should be called in to remedy any grievance which the public might have.

5289. Would not that be a good principle to extend to the English railways ?—If they called upon the Government to assist them.

5290. But not otherwise ?—I think not.

5291. (*Sir R. Hill.*) You are probably aware that it has been recommended that Government should purchase the Irish railways ?—Yes.

5292. You appear to object to such an arrangement, upon the ground that Government management is inferior to that of the railway companies generally ?—Yes.

5293. Does it necessarily follow that because the Government become the owners of railways that the Government should manage the railways ?—I think that would follow.

5294. Could not the Government grant leases of the railways either as a whole, or by dividing the system into two or more ?—No doubt they could, but in granting those leases they would be coupled with such conditions that, practically, they would be under Government supervision.

5295. But if a lease could be so framed as not unnecessarily to tie up the hands of the lessees, then your objection would be removed ?—If the management of the railways could remain as independent of Government control as they are now, my objections of course would vanish. But it would be a very difficult thing to say that the Government should be the owners of the railways, and that they should not have the power of controlling the management. I fear you would fall into the further difficulty, that if the Government still retained the control, there would be a laxity of management, because nobody would care whether the railways paid or not. If they were leased to individuals then you fall into this difficulty, that the individual or company consisting of half a dozen or a dozen individuals leasing a line would not have exactly the public interests in view, but their own private interests, to such an extent that I do not think you would establish that thorough management which our present system of railway management enforces. At present you have not only the public opinion to deal with, but you have a large number of shareholders; and any one who is practically acquainted with railway management knows that it does not follow that the interests of the shareholders are looked to at the expense of the public. There are a variety of reasons which compel railway companies now to be liberal in their dealings with the public ; but I do not see how you could enforce that if you leased the railways to a few individuals.

5296. Might not the conditions in the lease be such as to secure the public interests ?—My opinion is that it would be a difficult thing to draw up a condition of that kind. If the lease were drawn, and I was asked to give my opinion upon it, I would do so.

5297. Suppose for a moment the difficulty to be overcome, and the lease to be granted to a small number of individuals, who worked the railway with a view to their own advantage, would not the management of a railway so leased be superior to the management of a railway now worked by a body of directors ?—No, I think not.

5298. Why do you think the management of the Government is inferior to that of a body of directors? —It is so in all cases. It must be patent to any one who has had any experience of these public companies and Government that there is not that same supervision, and the same care and economy. And, if I may be allowed to take my own case, if I were a Government officer, I think it is in human nature that I should become somewhat lax in my duties. I should not have that constant controlling power over me, not only on the part of the directors and on the part of the shareholders, but on the part of the public. I always find it so in Government offices ; there is not the same energy and attention to the details of business which is found either in private life or in public companies.

5299. Supposing that to be the case, does not that arise from causes which operate, perhaps in a less degree, but which still do operate in a railway board ? —No, for this reason ; directors are appointed by the shareholders with twofold qualifications ; first, they must be shareholders to a considerable extent in almost all the large companies ; next they are responsible to the shareholders; if they do not manage the property properly they are subject to be removed by the body of shareholders ; but I do not think any governmental body would take so keen an interest in the supervision of a railway as a body of shareholders would.

5300. Do you find, in point of fact, that directors are dismised by their shareholders for want of energy and intelligence in the management ?—I think it is the fact that the shareholders have that power which keeps the directors up to the mark. In most of these large companies we find that the directors are kept up to the mark by the shareholders themselves.

5301. Of course I cannot ask you any questions which involve the consideration of the efficiency of directors under whom you act. But suppose for a moment—take the North-western Railway, for instance—that the secretary, the manager, and the principal officers of that railway were working solely with a view to their own interest, do you not think that the management would be even more energetic than it is ?—I think not. I believe, knowing what I do of the North-western and most other companies (I will not speak of my own company), but I will take the North-western—that the directors and officers of that company are as energetic in the management and control of the business of that company as if it were their own. I have no doubt that that is the case.

5302. Supposing it to be an advantage to have a large body of shareholders or proprietors to control the directors of a company, and a body of directors to control the officers of the company,—supposing for a moment that these are advantages, may not those advantages be secured by the Government, when it grants the lease ? May it not grant a lease to a company of proprietors who shall appoint their directors, and those directors appoint the manager ?— If they were leased to a company, I can see no possible utility in the Government having possession of the railways. It would be merely transferring the railways over to the Government for the Government to transfer them back again to a company. It appears to me that the whole object to be attained is done away with. It is a cumbrous proceeding to get back to the present state of things.

5303. Would it not be a mode by which the objections to Government management would be avoided ?—I think not. I for one would not be a party to lease any railway from Government unless

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I had as much power as I have now in managing that railway without consulting the Government. I do not mean for a moment to say anything against any Government officers; but my own experience of the slight supervision which the Government has now over railways is decidedly against Government interference. There is not that experience which practical men have. The Government officials take a certain view of things. Everything must be done on a Government scale, and we find that that is in many cases exceedingly opposed, in my judgment, to the interests both of the company and the public. Perhaps this is not the time to go into a question of that kind; but I can, if necessary give instances in which I have been personally very much opposed to Government officers, and have refused in many cases to carry out their views. One of the members of this Commission is aware that we have resisted the views of Government officers even to the last, when the Government have been obliged to give way, and, as we contend as practical men, for the benefit not only of the company itself but of the public. I must confess from what experience I have had of Government supervision I should be very much opposed to Government having the control of any part of our railway system. I believe the resources of the country would not be developed in anything like the same degree as they are under the present management. I may add that private individuals manage their business perhaps better than companies; but certainly companies manage their business much better than the Government.

5304. Suppose the Government to lease a railway to private individuals, then would not the management be even better than it now is?—If the management were as unfettered as it is now, it would be as good as it is now, but not better.

5305. (*Chairman.*) You do not think that a company leasing a railway from the Government would be influenced by any other motives than those which influence the present boards of directors?—I think that if you leased it to a few individuals, and if Government had the control, then you fall into the difficulties I have pointed out. If they have no control, then they have no supervision of the shareholders or the public, and they will get out of the railway the utmost possible farthing they can. That would be the natural tendency of giving a lease of a railway to private individuals.

5306. Do you know enough of the management of the railways in Ireland at present to be able to state whether in your opinion it is satisfactory to the public?—I think it is, generally speaking. I think the Irish railways are tolerably well managed. I think, perhaps, in some cases, they have mistaken views. As regards rates, I have sometimes thought they have been too high in their charges. I am convinced, in a country like Ireland, to develop the resources of the country to the utmost extent requires low charges.

5307. Do you think that they have done all that can be reasonably expected from them towards developing the resources of the country?—I think they have. I believe, as they gain the same amount of experience which we have in England, that the resources of that country will be developed in the same manner as they have been in England.

5308. Are you of opinion that any of the railway companies in Ireland have been managed with a view rather to the interest of steam-ship companies than to the interest of the shareholders of the companies themselves?—I am not aware of that. I think there has been a tendency to make exclusive arrangements with one or two English companies, which of course I have a strong objection to; but beyond that I do not think there has been any favouritism shown to any steam-ship companies; I am not aware of any case of that sort.

5309. Has the Midland system any connexion with the south of Ireland either by means of railway companies or steam-boat companies?—Yes, by way of Bristol we have.

5310. With what companies in Ireland?—We have had no through booking arrangements whatever They have invariably refused. The Midland Railway runs to Bristol. We have exchanged traffic with the steam-boat companies trading to that port; but we have had no through booking arrangements with any Irish railway company through Bristol.

5311. Have you any arrangements about coal traffic with any Irish railway company?—No, we have not.

5312. Have you any opinion as to whether much could be done with a view to develop coal traffic in Ireland?—I think it could be very much developed. If the Irish railway companies were to adopt the same free-trade policy which has guided the Midland affairs for some years past as regards coal, there would be a very large increase of the coal traffic in Ireland. I may state that the Midland has now the largest undeveloped coal field in England. Our system has been to make through rates with all neighbouring companies without reference to the traffic passing the longest distance over the Midland Railway. I would give as an instance that although we have a line of our own to within 30 miles of London, and shall shortly have one all the way to London, we exchange a very large coal traffic with the Great Northern Company at Nottingham. Our mileage proportion to Nottingham being very small as compared with our own route to London, the Great Northern charged the same rates from every colliery to London by their route as we do by our own. Although at first sight it might appear to have injured the Midland, inasmuch as, instead of taking from 16 to 25 or 30 miles the longest distance, we should have it on our own line upwards of 100 miles; but the Midland policy with this and other companies has so developed the coal traffic on the Midland that I believe the Midland Company have been more than compensated by the large increase of traffic which has taken place.

5313. (*Capt. Galton.*) You are referring to the coal traffic generally?—I am now confining my remarks to the coal traffic. I may state that probably the largest instance of the development of the resources of a district that I can name in any part of England is this; 17 years ago the entire coal traffic upon the Midland system did not exceed 250,000 tons a year; our coal traffic at the present time is at the rate of 6½ millions of tons. I believe that a very large proportion of that increase is due to the free-trade policy which we have adopted with surrounding companies. We have adopted the same arrangement with the North-western, with the Great Western, with the Great Eastern, and all companies who choose to throw open their lines to us at mileage rates. If we could send our coals to Ireland upon the mileage principle I believe that it would very largely increase the coal traffic of Ireland.

5314. Do you send any coals to Ireland?—I do not think we send a single ton.

5315. (*Mr. Horsfall.*) What is your mileage rate to London for coal?—It varies according to distance and according to circumstances. Our object has always been to give such a rate to a colliery as would enable the coal owner to develop his traffic. The *modus operandi* is simply this: A coal owner comes to me and says, I want to get into the Bristol market or the Birmingham market, or the Southampton market; coals are being sold there at such a rate, they come from such a district; if you will give me such a rate, I think I can develop the trade there. It is my business to inquire into the whole of the facts before I give him an answer, and I do give him such a rate as in my opinion will develop the traffic. That is the mode we have adopted. We adopt no universal scale upon any part of our Midland Railway.

5316. (*Mr. Glyn.*) You have a flexible rate?—Yes.

5317. Determined by the wants of the particular district to which you are asked to send a supply?—Quite so.

5318. (*Capt. Galton.*) What is the highest rate?—The highest rate we have may be for some very short distance. I do not think we have any rate exceeding 1½*d.* per ton per mile for coals.

5319. What is the lowest rate?—The lowest rate is about ⅜ths of a penny.

5320. (*Sir R. Hill.*) Do those rates include the use of waggons?—No, they do not.

5321. Do they include terminal charges?—No, they do not. On coals we charge a low terminal; to the great bulk of our stations in the country we charge 2*d.* per ton terminals.

5322. For each terminus, or for both?—The coals do not come on at a station generally, they come on at a colliery.

5323. You have a constant charge of 2*d.* in addition to the mileage?—Yes, if we find the sidings at the colliery we charge two terminals, but if we only find the station, then we charge but one terminal, 2*d.* in the country, and 6*d.* in London. The most expensive place except London we charge 3*d.* per ton. I may state also that we never charge to coal owners in the same immediate locality different rates, we always put them upon the same footing.

5324. (*Capt. Galton.*) Do you charge at the same rate for less quantities?—We never make any difference on account of quantity; we think that would be unfair to the smaller traders. We have collieries on the Midland Railway, the capabilities of which are so large that if we adopted that principle they would ultimately absorb nearly the entire coal traffic of our line. We think it is not fair to the small coal owners, and that in fact the man who sinks 10,000*l.* in a colliery ought to have the same rate as a man who sinks 200,000*l.*

5325. (*Mr. Glyn.*) To go back to Ireland. Have you ever made any calculation at what rate per ton coals could be delivered from your district in Belfast provided a fair mileage rate was established?—I believe we could deliver coals in Dublin, including the sea freight, for something like 12*s.* 6*d.* or 13*s.* per ton.

5326. Are you aware that the present price of delivery at the quay side is 14*s.* 6*d.*, and to the houses in Dublin 16*s.* per ton?—That depends upon the quality. I am speaking now of Yorkshire household coal, which is very superior. If there was a proper system for conveying coals across the channel to Ireland by screw steamers, which I have frequently urged many people to put on, the same that there is between the north and London, and having the same scale of charges that we have for long distances upon our line, and the Irish railways were to do the same, I see no reason why the whole of Ireland should not be supplied very freely with English coal.

5327. Are you aware that at present there is no communication in Dublin between the railways and the wharves?—I am quite aware of that.

5328. Of course the cartage makes a very considerable charge in addition?—Yes, but there are other ports where coals could be brought. I should not confine it to Dublin.

5329. (*Capt. Galton.*) They might be delivered at Belfast, might they not?—I was referring to Belfast; I was not speaking of Dublin. But I see no reason why Dublin should not be supplied also. It would not be from our Derbyshire coalfields. I do not know why coals should not be sent from one of our northern ports to Dublin as well as to Belfast. I should state that the coalfield to which I have alluded extends about five or six miles north of Derby to Leeds, and even beyond, so that the collieries are now opened the entire length of the line. The distance of the route is not very great, but we never attempted to develop it in consequence of the difficulty of getting across and making arrangements with the Irish railways. To show how the coal traffic is enlarging, I may state this fact: any one who travels in the south of England may at any time see the Midland Company's coal waggons from Clay Cross and various other collieries in the Midland district down almost as far as Exeter. You see them at Southampton and Brighton. I have myself seen them at Dorchester and even at Portsmouth. I mention that to show that coal delivered at that price will go the longest distance you can send it on our English railways.

5330. Do you happen to know at what price it is delivered at Portsmouth and Southampton?—I do not. We do not at all interfere with the selling price at any place, either upon other railways, or upon our own; we are merely carriers; we leave the coal owner and the merchant to fix their own price, we merely giving rates of carriage.

5331. Have you at all considered at what price it should be delivered in Ireland, so that a trade in coals might arise?—Assuming that we charge a halfpenny per ton per mile, the route it would have to be shipped being a distance of probably about 60 to 70 miles, that would be 3*s.* The cost at the pit's mouth at the present time would be, say, about 6*s.* per ton; it is sometimes higher and sometimes lower, but that would be the average at 6*s.* per ton.; that would be 9*s.* per ton. There is no reason why the freight across the Channel, if they had screw steamers, should exceed 2*s.* 6*d.* per ton. I may state with regard to the screw steamers from Newcastle to London, in which at one time I was largely interested, that we were perfectly willing to take a contract for a year at 4*s.* 6*d.* per ton from Newcastle to London; 5*s.* per ton we considered a very fair price, and out of that 5*s.* we had to pay the city dues, so that, I think, I put a fair sum at 2*s.* 6*d.* for the communication across the Channel. Then if they adopted the same scale in Ireland for long distances, there is no reason why coal should not be sold on the extreme west coast of Ireland at something like 16*s.* or 17*s.* per ton at the outside.

5332. (*Sir R. Hill.*) At stations?—At stations, of course.

5333. (*Chairman.*) What are the obstacles which prevent such an attempt being made at present?—I think Irish railway boards and managers have not had sufficient experience in coal traffic to justify their adoption of these low rates. I may state that I could mention two or three large companies in England whose boards and managers think that no company can carry at a halfpenny per ton per mile. I think I may appeal to the honourable member on my left, whether it is not the fact, that for many years the North-western considered that anything below one penny per ton per mile was a loss to the company.

5334. (*Mr. Glyn.*) That was some years ago?—That was some years ago. That opinion still prevails, to a certain extent, even in England. The North-western now are thoroughly convinced that low rates tend to a development of the traffic, and they are satisfied to take a mileage rate with the Midland. That opinion does not prevail to a great extent in Ireland, which has had the effect of keeping down the development of the traffic.

5335. (*Mr. Gower.*) Do you think there can be any reduction of rates in Ireland without a temporary loss?—No reduction can take place without a temporary loss. I have never yet, in the whole of my experience, which now extends over nearly 25 years, as a railway manager, made a reduction without a temporary loss, but in many cases that loss has been very temporary; others have extended over a longer period. I have generally found out that in the end it has been a gain, although in some few cases it has been the reverse.

5336. (*Mr. Horsfall.*) Do you recollect what the rate was on the Midland line at the period when there were only 250,000, tons of coals carried?—No, but the were very high. The Midland directors and the manager at that time shared the opinion that low rates for coal were unremunerative. I think the lowest rate we had on the Midland then was a penny per ton per mile.

Mr. J. Allport.
9th June 1865.

5337. Now upon the average that has been reduced one half?—I do not think the average rate on the Midland exceeds $\frac{5}{8}$ths of a penny.

5338. Was there a considerable loss in the first instance when the reduction took place, or was the increase of traffic so great as to compensate for the reduction?—Reductions have been made from time to time. It was not one reduction, or two or three, Those reductions have extended over a series of years up to the present time. In fact we occasionally reduce even the very low rates per mile we have now. Our present rate to London is 6*s.* 6*d.* per ton. It might happen that, owing to a change in circumstances, the trade may change. The northern coal owners would be compelled to reduce their prices very much. The sailing colliers would reduce their freight, and we should have to reduce our rate 3*d.* or 6*d.* per ton, which is scarcely appreciable as a mileage reduction; because it would be in the gross sum that we should reduce the rate.

5339. (*Mr. Glyn.*) Do you think there is anything particular about Ireland which would render it more difficult or be attended with greater risk to make those experiments in the reduction of rates there than in this country?—Certainly not in the article of coal, because they have had very little of it.

5340. Generally speaking, both passengers and goods?—I think it should be done with care. Any reduction in Ireland would be at first attended with loss; but the increase of traffic would ultimately make it up. I have always found that in agricultural districts it has taken a very much longer time to make up the loss from the reduction of fares than it has in manufacturing districts.

5341. Do you not think the state of Ireland is such that it would require a longer time, even in those agricultural districts, to recover a great reduction in the fares?—I think it would. The population is comparatively poor, and therefore it would take a longer time.

5342. (*Capt. Galton.*) Can such a reduction be made in one district, and not in another, of Ireland?—Yes, that is frequently done. I may be allowed to mention three instances which have occurred upon the Midland Railway. For some years an opinion prevailed at the Midland board that our passenger fares could not be reduced, and they were rather high. I was constantly urging upon the directors a reduction. We first abolished the express fares upon the entire line between Bristol and Birmingham; and after about five or six months we found that we recovered that loss. We then established it upon the whole line. Again, some twelve months ago, we reduced our fares between Derby and London and the whole of our southern system, by which, on paper, we appeared to lose about 20,000*l.* a year upon that single reduction. That loss recovered itself in about four or five months, or six months at the outside. Of course there is a limit to that. The reduction we made then was from $2\frac{1}{2}d.$ per mile, first class, to 2*d.* To a certain limit, I believe, low fares are very beneficial both to the companies and the public.

5343. It has been urged in evidence that in Ireland especially the third-class fares should be very much reduced, in fact, to a halfpenny per mile instead of a penny per mile; have you had any experience of low third-class fares?—Yes, I have. It much depends on the district. I have tried the experiment on the manufacturing parts of our line and the agricultural parts. We have fares as low as a halfpenny per mile on some parts of our line, and the returns are very satisfactory. Upon other parts of the line they would not be. In certain districts we have attempted to put third-class carriages upon all our trains. It is a long time before you recover the loss sustained through diverting the second-class passengers to the third class, and that would be the case in Ireland. I should not advocate so large a reduction as from 1*d.* to $\frac{1}{2}d.$ I think if a reduction were made that it should be made judiciously, say, first of all, to $\frac{7}{8}$ths of a penny, and then $\frac{3}{4}d.$, and so on, until you feel certain to what extent you may reduce it, and still leave a fair and reasonable profit to the companies. I think it would entail a very serious loss indeed upon the Irish railway companies if they were to reduce it at once from a penny to a halfpenny.

5344. It has been stated that upon some of the Irish railways in particular localities a third-class passenger cannot go and return the same day to some of the stations. Have you any instances where that is the case?—Not except in very long distances, where it is probable that we may have. I do not remember any case of the kind; but it is just possible that from Bristol to Lancaster, which is the extreme length of our railway, a third-class passenger would not have the opportunity of going and returning the same day. In fact, it is almost certain he would not; but in 100 miles I do not think we have any case of the kind on the Midland.

5345. The case which was mentioned, I think, was that a third-class passenger upon any part of the Southern and Western Railway could not go to and from Ennis the same day; but he would have to sleep at Limerick, and then go on the next day from Limerick?—That is a mistake. I do not think such a state of things should exist.

5346. That does tend to check third-class traffic, does it not?—No doubt. I may state that we do issue what are termed "return tickets" at low fares.

5347. Return third-class tickets?—Yes; that is, third-class day tickets.

5348. We have been informed that the only railway which does that in Ireland is the Dublin and Drogheda Railway?—I believe they would find it very beneficial to extend that over the whole system.

5349. (*Sir R. Hill.*) What is the mileage rate of the return ticket?—We take off 25 per cent. from the double fare.

5350. What is the single fare?—One penny per mile.

5351. (*Capt. Galton.*) Upon six miles how much would that be?—$10\frac{1}{2}d.$; in that case we should not make it $10\frac{1}{2}d.$, we should make it 10*d.* We go upon the give-and-take principle. Perhaps in another case if it came to $8\frac{1}{2}d.$, we should make it 9*d.*

5352. Do you find that those tickets are very much taken?—They are very much taken, particularly between country places and market towns.

5353. (*Sir R. Hill.*) Do you think it would be to the interest of the railway companies in Ireland if they would do the same?—I think it would.

5354. Are you aware that they do not?—I am quite aware of that.

5355. Then, are the Irish directors an exception to the rule you have laid down, viz., that directors generally are men of great intelligence, promoting the interests of the railway to the best of their ability?—I have been for some years trying to get the same system adopted from all places in England to all places in Scotland, but I have not yet succeeded; the Scotch companies are not so advanced.

5356. Then even railway directors make mistakes occasionally?—I am afraid that is a failing we are all subject to, whether it is a board of directors or a board sitting at Westminster or anywhere else, mistakes will be made.

5357. (*Chairman.*) Have you ever tried to establish a low scale of third-class fares in purely agricultural districts?—I have.

5358. At what rate per mile?—I once made an experiment upon a branch in a purely agricultural district in abolishing second-class carriages altogether and making them first and third class. For a long time it was unsuccessful, although ultimately it became successful; but it was so long in recovering that I think that is an experiment which a board of directors would not carry out to the fullest extent under similar circumstances.

5359. (*Capt. Galton.*) You did not have any second class passenger trains?—We abolished second-class altogether.

5360. Then all those who would have gone second class went third class ?—Yes. It was for the purpose of trying the experiment.

5361. (*Mr. Glyn.*) Where was it ?—Between Lincoln and Hull.

5362. (*Mr. Dalglish.*) Was the ultimate result that a good many of the passengers who would have gone by the second class changed to the first class ?—We reduced the third-class fares ; I think some would go by the first class, but an increased number by the third class. It had not that effect for some time, but it did ultimately.

5363. A great many went by the first class ?—Yes.

5364. (*Sir R. Hill.*) Would not such an arrangement lead to economy as regards the necessary number of carriages in a train ?—Yes. The great bulk of the Irish people will travel in the lowest class, and if they had two classes at a moderate first-class fare with all their trains, and a third-class fare for 1*d.* per mile, and below 1*d.* with return tickets with 25 per cent. off, I think it would have a very beneficial effect upon Irish travelling.

5365. (*Capt. Galton.*) You said it took a long time to recover, in the case you mention how long did it take ?—I forget ; it is several years ago.

5366. Was it one year or two years ?—It has taken more than two years recovering itself.

5367. Then you think two years would be a long time for the traffic to recover itself ?—That was in the fine agricultural district between Lincoln and Hull, but it is a very difficult thing to get an agricultural population to travel much ; you cannot move them from home, they are not like a manufacturing population.

5368. Do they travel now largely upon that line ?—I cannot speak to that; it is on the Manchester, Sheffield, and Lincolnshire line. *Mr. J. Allport.* 9th June 1865.

5369. (*Sir R. Hill.*) Do you know whether the experiment is considered to be successful on the whole?—I do not know whether it is still adhered to.

5370. (*Chairman.*) To revert to a former part of your evidence, supposing Irish railways were to be purchased by the Government, who leased them out to a company, would not a company of that description be willing to wait in all probability with greater patience for the result of an experiment of that kind than could be expected from the present board of directors ?—No doubt that would be so.

5371. I mean a company which leased a railway from the Government ?—It would depend upon the terms of the lease.

5372. (*Sir R. Hill.*) The lease might require a rising rent, might it not ?—No doubt.

5373. The rent beginning low and gradually increasing during the time the lease had to run ?—You may put terms in a lease which would make it valueless to a company to take an Irish railway at once at $\frac{1}{2}d.$ per mile. It all depends on how far the Government would be disposed to risk an annual loss of a large sum.

5374. (*Chairman.*) Are there any other matters connected with Irish railways about which you wish to make any remarks ?—If you will allow me, when I come to consider the evidence I have given, if I find that I wish to add anything, I will communicate with the secretary.

Mr. Charles John Brydges called in and examined. *Mr. C. J. Brydges.*

5375. (*Chairman.*) You are the general manager of the Grand Trunk of Canada Railway ?—Yes.

5376. Have the Canadian railways received any aid from Government ?—The principal lines have, and the Grand Trunk amongst others.

5377. To what extent has that Government aid been afforded ?—In the case of the Grand Trunk, to the extent of 3,112,000*l.* sterling.

5378. What is the total capital expended ?—It is now about 16,000,000*l.*

5379. Upon what terms has Government aid been afforded ?—The original terms were, interest at 6 per cent., but by subsequent legislation the Government loan is to bear interest after all the other capital of the company has received its interest.

5380. Was there any sinking fund to be provided by the company ?—No.

5381. In return for the aid afforded by the Government, did they receive any control over the railways ?—They did at first by the appointment of a certain number of directors by the Government, but that has been done away with, and the railway is now managed entirely by parties appointed by the share and bond holders.

5382. Was the admixture of Government directors found to be inconvenient to the working and management of the railways ?—It was considered so with regard to the political matters in the colony.

5383. Then at present Government exercises no control over the railway beyond any that may be included in the Act authorizing the railway ?—Quite so.

5384. Does the Act under which the railway was constructed authorize the Government in any cases to interfere ?—The only way in which the Government can interfere at all is with regard to the question of rates. It is provided, under the Railway Clauses Act, that all rates and tolls shall be first submitted to the Governor in Council before being put in force, but that has practically been a dead letter, and has never been acted upon.

5385. (*Capt. Galton.*) I suppose a maximum rate is fixed by the Act ?—Only for one portion of the Grand Trunk Railway.

5386. Not as regards the whole ?—No.

5387. Then can you charge any rate you like ?—Practically there is no limit.

5388. But they are kept down by the steam-boat competition ?—I mean there is no statutory limitation at all except with regard to one portion of the Grand Trunk system.

5389. Do you think the public suffer from the want of a maximum rate ?—The fares actually charged are very much less than those fixed over one portion of the line.

5390. What is that portion ?—From Montreal to Toronto.

5391. The Montreal to Toronto portion is that part of the line which has the strongest steam-boat competition ?—It is as strong there as any other part.

5392. From Quebec to Portland there would be no water competition ?—They do not vary very much as regards passengers, and for goods there is a uniform scale.

5393. What is about the average per mile for first-class passengers ?—It is about $2\frac{1}{2}$ cents. or about $1\frac{1}{2}d.$ sterling.

5394. You have two classes of passengers ?—Yes.

5395. What is the rate for the lower class of passengers ?—The rate for the lower class is under one penny per mile.

5396. Do you give return tickets to the lower class passengers ?—We do in some cases ; it is not general.

5397. But you do to the first class ?—Yes.

5398. Invariably ?—Almost invariably.

5399. At what rate are they compared to the single fares ?—At a reduction of about 25 per cent. from the two fares.

5400. That is the same with the lower class traffic ?—Yes. The number of return tickets on the second class are not numerous.

5401. (*Sir R. Hill.*) Have you ever had three classes ?—We have an emigrant class, which is simply used for one description of traffic.

5402. Do you find it any convenience in having two rates rather than three ?—Our first class there is really very much like the second class here ; and our second class is more like the third class in England.

Mr. C. J. Brydges.
9th June 1865.

5403. (*Mr. Glyn.*) How long has the present system of fares existed upon the Grand Trunk?—Ever since I have been connected with Canada.

5404. There has been no lowering in fares?—Not by any Government action.

5405. Are they carrying now at the same fares as they did in the first instance?—Our fares are generally less; they have been reduced.

5406. Do you know what the reduction has been?—It has averaged the last three years from 25 to 30 per cent.

5407. How has the traffic been affected by that reduction?—There has been a considerable increase of traffic; the receipts have increased as well as the numbers.

5408. Is it not the fact that under the General Railway Act in Canada the table of fares and rates must be submitted to the Governor General in Council before they are put in force?—That is the law.

5409. Then, in fact, the supervision of the maximum fare is in the hands of the Government, and not in the hands of the company?—They could reject it if they did not approve of it, and they could direct something lower.

5410. In the course of your experience in Canada has there been any appeal?—None whatever.

5411. (*Mr. Horsfall.*) There being no appeal is a good proof that the railways have been well managed? There has never been any attempt at an appeal.

5412. If people were dissatisfied, of course they would appeal?—I suppose so.

5413. (*Capt. Galton.*) Have you any cattle traffic?—Yes, considerable.

5414. At what rate per truck per mile are they carried?—The rates vary a great deal according to the time of the year. Our rates vary between winter and summer, arising from the great cost we are put to in working the traffic in winter.

5415. Can you give any instance of that at all?—I have not the figures with me, and it is very difficult to remember the particulars, but I will supply that on my return to Canada.

5416. (*Mr. Glyn.*) Your through rate is lower for passengers than the usual rate?—Considerably.

5417. Does that apply also to goods?—Yes.

5418. What is the difference per cent.?—In some cases as much as 30 or 40 per cent.

5419. That, in point of fact, is governed by competition?—It is.

5420. (*Chairman.*) Are your goods charges generally about the same rate in England, or are they higher or lower?—They are lower.

5421. Of what description of goods does your traffic principally consist?—From the west principally flour, pork, and provisions of various kinds; going to the westward principally manufactured goods, exported goods.

5422. (*Mr. Glyn.*) Do the fares and rates on the Grand Trunk and other Canadian railways differ much from the fares on the American railways?—I think on the Grand Trunk they are generally rather lower.

5423. Does not that arise from the fact of your competing against rather shorter distances?—Yes, we run longer distances to get to the same points, and we have more direct water competition than many of the American railways.

5424. (*Sir R. Hill.*) Does the post office enjoy any privileges on your railway?—The post office send their mails by the railways.

5425. Do they pay for them?—Yes.

5426. How is the rate of payment determined?—We have just settled a contract with the Government for carrying the mails which comes into operation on the 1st of July.

5427. How was it arranged; by negotiation?—By negotiation, and finally by a commission appointed to advise the Government upon the subject.

5428. Is there a provision in the Act regulating railways for determining the rate of payment by the post office?—It is left by the Act to the determination of the Governor in Council; but it has never yet been actually put in force in that shape.

5429. (*Capt. Galton.*) That would be simply leaving it to them entirely?—I think the language of the Act is that the company shall carry the mails with all the facilities at their command, and if they cannot agree upon the rate of compensation it shall be determined by the Governor General in Council.

5430. Practically it came to an arbitration?—It came to an arrangement between the company and the Government, after a good deal of discussion, by the appointment of arbitrators and finally a com mission of inquiry.

5431. (*Sir R. Hill.*) What rate per mile do they pay?—They pay us 150 dollars per mile.

5432. Per annum?—Per annum.

5433. Taking the miles in both directions?—That is per mile of railway.

5434. How many mails are carried *per diem* at that rate?—They are to have one each way, and on some portions of the line a second mail each way daily.

5435. (*Capt. Galton.*) They cannot send by every train in the same way as they do on the London and North-western Railway?—Under the new arrangement we have just made with them, we agree to let them have the use of any train if they want it.

5436. In addition to the one train each way?—The basis is one train each way daily, with a second train on certain portions of the line, and the use of other trains if they want them.

5437. Then, in fact, although you have received Government aid in the construction of railways, you are practically as free as the English companies are in respect of charging rates?—Exactly, except as regards the limit with reference to a portion of our line, beyond which we must not go.

5438. In England there are maximum rates?—Yes.

5439. In fact, you are as free as the English railways are?—We are quite as free.

5440. (*Sir R. Hill.*) Is it open to the Governor in Council to reduce the maximum rate?—The question has never been raised.

5441. (*Chairman.*) Are the people of the country generally satisfied with your rates and charges, both as regards passengers and goods?—Yes, I think there is general satisfaction.

5442. (*Capt. Galton.*) Are the whole of the lines in Canada in the hands of one company?—No; there are three or four companies. There are the Grand Trunk and the Great Western.

5443. I thought the Grand Trunk and the Great Western were practically amalgamated, or working together under some agreement?—No, they are quite separate, in fact they are in direct competition with each other, in the west of Canada.

5444. What are the other lines of railway?—There is the Northern Railway of Canada.

5445. Where does that go to?—That runs back north from Toronto. Then there are the Ottawa and Prescott, and the Peterborough lines.

5446. Those are all independent of the Grand Trunk, although running into it?—They all join the Grand Trunk, but are independent.

5447. Do you know whether their powers are similar?—Very much the same.

5448. (*Chairman.*) Have you any security, either for a limited period or in perpetuity against competing lines?—No.

5449. Then you are at the risk of the Canadian legislature sanctioning competing lines to you?—Certainly.

5450. I think you have stated that on part of your system you meet with competition?—We meet with competition over nearly the whole of the system in one shape or another.

5451–2. Is that chiefly by river traffic?—Lake and river.

Adjourned till Wednesday next at 12 o'clock.

Wednesday, 14th June 1865.

PRESENT:

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
WILLIAM POLE, ESQ., F.R.S., *Secretary*.

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. WILLIAM DARGAN examined.

Mr. W. Dargan. 14th June 1865.

5453. (*Chairman.*) You are a contractor?—Yes.

5454. You are at the present time chairman of the Dublin and Wicklow Railway Company?—Yes.

5455. Have you been for some years chairman of that company?—I have been for about a year chairman, but I have been a director of that railway for some years.

5456. Have you paid much attention to Irish railways generally?—Yes, a great deal.

5457. Will you be kind enough to state any opinion that you may have formed with respect to the present fares and charges upon Irish railways?—With regard to the fares I do not think that they will admit of much reduction, unless the railway companies are aided in some way to enable them to make the reductions. Most of the Irish railways are in debt, and they are unable to make reductions which probably they would be disposed to make if they were not in debt.

5458. Do you think that a reduction of the fares would be attended with a heavy loss to the railway companies?—I think so; indeed I am quite satisfied that a reduction of the fares would be attended with loss.

5459. Do you mean a permanent loss or a temporary loss?—I should scarcely like to say, but I should feel afraid that there would be a permanent loss, although I know that many persons differ from me in that opinion. I am afraid that numbers and quantity will not compensate for rates with us.

5460. Will you state to the Commission what are the fares charged upon the railway with which you are connected?—For first-class goods we charge $1\frac{1}{4}d.$ a mile; for second-class goods, $1\frac{3}{4}d.$; for third-class goods, $2\frac{1}{2}d.$; and for fourth-class goods, $3\frac{1}{2}d.$; but the fourth class consists scarcely of anything; they are composed chiefly of insurable articles of a valuable character. I suppose our fourth-class goods do not yield us 100*l.* per annum.

5461. (*Capt. Galton.*) Does the first class consist of minerals?—No, they are charged less; we carry minerals at something under 1*d.* a ton per mile; but I am aware, at least I believe it was stated, that we charge much more. I may mention that there is a great deal of work to do for the mining companies besides the haulage. We take the minerals from them near to the pit's mouth and carry them down a private railway, having to load and reload them into the trucks and ship them at Kingstown. We do everything for the mining companies from the pit's mouth down to the vessel.

5462. Do you find the trucks?—Yes, we do.

5463. Why do the minerals require to be unloaded and reloaded at the junction with the private railway?—They are brought by a small truck down the inclines, and then they are taken out of that small truck; that is, we take them out, and we there reload the minerals into large trucks; but we also carry them upon the private railway for about two miles. I calculate that the expenses that we are put to, outside the haulage, costs about 1*s.* 3*d.* a ton; and we do all this for them in order to make the traffic somewhat regular and large, and also to avoid accident, for the private tramway runs down our main line.

5464. (*Chairman.*) Is the private tramway worked by locomotives?—It is not; at least that part to which I allude is not; part of it is worked by a very small locomotive.

5465. (*Capt. Galton.*) Of what gauge?—Three feet gauge.

5466. Probably that causes the necessity for reloading?—Yes; altogether the loading and reloading and bringing down to the platform to be loaded into the railway truck, and then shipping the minerals, costs about 1*s.* 3*d.* a ton, and we charge about $\frac{3}{4}d.$ a ton per mile for the haulage and waggons. It may appear to be large, but I must mention that the first eight miles from the platform is an incline of 1 in 80, and the whole distance is only 40 miles.

5467. (*Chairman.*) Will you now be good enough to finish your answer as to the fares and charges made upon your railway generally?—I will, but I should wish first to mention that the haulage of the minerals must be necessarily very expensive, because our inclines are bad. Then to go to the passenger fares:—We carry first-class passengers for 2*d.* a mile; second-class passengers for $1\frac{1}{2}d.$, and third-class passengers for 1*d.* To the third-class passengers we issue return tickets, and we run third-class carriages by every train.

5468. (*Capt. Galton.*) What is your charge for a return ticket?—A fare and a half, and it is done to enable persons to get in and out to Kingstown and Bray. In the afternoon, going to and from their labour, we carry them at $\frac{1}{2}d.$ a mile to Kingstown and Bray, without giving them return tickets.

5469. Are they carried over the rest of your line at 1*d.* a mile, and do you issue return tickets?—Yes, but it is only from half-past seven in the morning that we carry them at $\frac{1}{2}d.$ a mile. Again, in the evening we commence at 6.30, when the men leave off work.

5470. Are they what you term workmen's trains?—Not exactly so. We have third-class carriages attached to all our trains, and we issue no return tickets in the mornings or evenings.

5471. (*Sir R. Hill.*) Do you carry all persons who present themselves, whether labourers or otherwise?—Yes, within the times that I have mentioned.

5472. At $\frac{1}{2}d.$ a mile?—Yes.

5473. Why should it answer to carry passengers upon those terms on that portion of your line, and not on the remainder of it?—Because the numbers are very much greater.

5474. Is not that rather at variance with the statement you made in the beginning of your evidence that numbers would not compensate for rates; I meant generally throughout the country; in this case they do.

5475. (*Chairman.*) I understand you to mean passengers to Dublin and Kingstown?—Yes, passengers to Dublin, Kingstown, and Bray are all taken, as I have described, within those hours.

5476. How long have these low fares been in operation?—For two months.

5477. Will you state what has been the result of that low scale of fares?—I do not think they have increased our gross receipts, but the numbers carried have increased very much.

5478. (*Capt. Galton.*) Have these low fares had the effect of diminishing the gross receipts?—I think not. I think they are about equal. I am now speaking of a particular part of the country, where a great number of persons go out and return each day. We carry

Mr. W. Dargan.
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two millions of people on that railway in the course of a year.

5479. (*Mr. Gower.*) Has the expenditure on the railway increased in consequence?—Very slightly.

5480. (*Chairman.*) Has the number of the third-class passengers travelling by these trains very largely increased?—Yes.

5481. They are chiefly to accommodate artizans, I presume?—Almost entirely; or labourers, or people in some occupation or other.

5482. Are there any other places of importance on your line besides Kingstown and Bray?—There is Wicklow and the Vale of Avoca; then there is Arklow, Goree, and Enniscorthy; but we do not make any difference to those places.

5483. (*Lord Stanley.*) I understood you to say that a general reduction of the rates would not, in your opinion, be practicable without a considerable permanent loss?—I think not.

5484. Do you found that opinion upon the comparative scarcity of population in the country and the absence of great towns, or upon what is it founded?—I found it exactly upon what your Lordship states, the absence of population.

5485. In other words, in a thinly-peopled agricultural country the rate of profitable carrying upon a railway is necessarily higher than it is in a thickly-peopled country with many great towns in it?—Yes.

5486. That is, in your belief, at the root of the difficulty of making Irish railways pay?—Yes, I think so; I am quite sure of it.

5487. In fact, if anything, providing railway accommodation in Ireland has been rather overdone with reference to the actual wants of the country?—I had been considering, before I came into this room, that if the railways now in course of construction, or for which Parliament have already granted powers, were completed, no further lines would be required in Ireland beyond the few projects under the consideration of the Legislature in the present session at this time. In my opinion it would be better to develope and utilize the existing railways, than to waste capital and energy on constructing new ones for some time to come.

5488. That is, you do not know of any place where, if there is no railway made now, it would pay to make one?—No, where there is no railway already made, or powers obtained to make it: for instance, we have obtained powers to make a line from Enniscorthy to Wexford, and when we obtained powers to make that line, we provided ourselves with preference stock, but when the depression came upon Irish railways so heavily as it did, we could not get our preference stock out, although it was of a good character, and we were therefore unable to go on with the work. But I declare that I think, if all the railways that are not finished were finished, and the two or three exceptions that I have mentioned were made, I think Ireland would be supplied with enough railways.

5489. Have you considered the question of the great subdivision of management in the Irish railways, and do you think that any considerable saving would arise from amalgamating several small companies into one?—I have no doubt whatever about it. I believe that the Irish railways might be worked for a little over 40 per cent. of the gross receipts at their present rates.

5490. What is the present average cost of working the railways in England?—That is 50 per cent. I think that if the Irish railways were amalgamated and thrown into large systems, either one system, or two or three systems, they would be worked very much cheaper; but I do not think that the English system would do for us, I mean the expenses at which railways are worked in this country. Railways are made and completed in this country with all the appliances possible, with the easiest and most direct manner of loading and unloading goods and of conveying people, that can be introduced, and yet in the great systems their working expenses are 50 per cent. of their gross earnings.

5491. Can you explain to the Commission how that saving would arise, which you seem to think is possible, between 40 per cent. and 50 per cent. upon the gross earnings?—In the first place there are a great many boards in Ireland, and of course there are officers connected with them. By the Board of Trade returns, it appears that they cost 82,000*l.* a year, or 84,000*l.* I am supposing that two-thirds of that expense would be swept away, and then I believe that, with a properly defined system of railways, with the power of using the rolling stock, when they were too busy upon one railway or part of a railway, upon some other; to transfer the working stock, for instance, to such a place as Ballinasloe, where it would seem they are never able to carry all the cattle from; with this power of disposing of this rolling stock, so as to work it most economically, I think great advantage would come out of it.

5492. You think that if they could make their rolling stock available for every part of the country there would be greater economy in the working expenses?—Clearly.

5493. Do you think that there is any insuperable difficulty in the way of such an amalgamation being carried out without Government or parliamentary interference, similar to the amalgamations which have been made in England; *i.e.*, by railway companies seeing that it was the wisest course to adopt?—I have no doubt that it will come to that by and by in Ireland, but they are not prepared for it yet. A great many of our railways are incomplete, and until they get the whole of them completed they will not know what value to put upon any of them. I expect that many of the southern lines will join in ultimately with the Great Southern and Western line, and probably the lines in the midland part of the country, if they are better provided with capital, will become united with the Midland Company. Then the railway companies in the north are generally pretty well able to take care of themselves.

5494. Do you think that there is any difficulty in the whole of the Irish systems ultimately reducing themselves either to two or to three systems, one to include all the country south of a line drawn between Dublin and Galway, another to include all the central part of Ireland, and a third to include all the northern railways?—I think there will be no difficulty whatever, except what might be the legal difficulty and the opinion of people as to the value.

5495. I suppose the members of the different boards whose salaries were to be economised would object?—They would not like it, certainly not. I do not think that the directors of any line would object, but I think that the officers naturally would object unless they received compensation, as I think they ought.

5496. It is found, is it not, in England, that the directors do consent to amalgamations, and there have been some very large amalgamations of late years?—Yes, and so there would be with us. The directors would consent to sell or to do anything else that would put that property into a better condition.

5497. I suppose that a single company, or two or three great ones, would be able to borrow money upon better terms than the great number of small isolated companies which now exist?—Some of them cannot borrow money at all. I should see no difficulty whatever in working the whole of the Irish system by one company.

5498. Admitting that, do you think there would be any considerable gain in uniting the railways in the north and south of Ireland, or is not each half of Ireland large enough to have its own railway system?—I think so. I think there are about 1,800 miles of railway, and 900 would be very good systems to work.

5499. Do you think it improbable that the railway companies will voluntarily come into an arrangement of this kind?—I should hope that they would do so by and by, but not just immediately.

5500. Why should that be unlikely to be done in Ireland which has been done, and which is being

done every year in England?—I think that we are not sufficiently advanced with our system; there is a great proportion of the small companies which have not completed their lines yet.

5501. Do you mean that they have not money to complete them, and that they cannot raise it?—Yes.

5502. Those railway companies are practically insolvent?—Precisely so.

5503. I presume the shareholders in the lines which are in that condition would be more willing than any others to come into any arrangement whatever that gave them a promise of some return?—Unfortunately I do not see any railway company that is able to undertake the duty that would have to be performed; we have no great companies that would be able to absorb them. Suppose a railway is paying nothing, of course they have a hope, and if they have no money they will not give up that hope without something; but there is no great railway company that is able to give them anything, because they have not got it to give them, and then the shareholders would not allow them.

5504. Have you at all considered the proposition which has been often suggested as to the Irish railways being purchased by the Government?—Yes, I have.

5505. Will you be good enough to express your opinion upon that proposition?—I think that if the Government purchased them, and brought to their aid their better credit, and obtained money at a lower rate of interest they might do a very great amount of good. When I say obtain money at a lower rate of interest, I do not think that the advancement of railways ought to press upon the State at all further than this, to lend them their credit and to let them have money at the same rate at which they can borrow it; that in my opinion would enable us to do a very great deal.

5506. Practically speaking, from 1 to $1\frac{1}{2}$ per cent. would be the difference between the interest which the Government would pay and the interest which the railway companies would have to pay?—Yes.

5507. It would be in effect a Government subsidy?—Yes. At the same time as the promotion of such a plan would so much serve that country, I think it might be worth the while of the Government, provided they sustained no loss by it. There ought not to be any loss by borrowing money on cheaper terms, and giving the railway companies the money upon the terms the Government would get it at. I can see a very great deal of advantage that would result from it if it is a thing that could be entertained; for instance, we are pressed for money upon our railway, and we should not have any objection, but quite the contrary, if we were aided in such a way as to be enabled to complete our entire system; it would not require very much with money at the interest for which Government could obtain it; we should not object to make considerable reductions in the charges for the carriage of coals, pit wood, &c., the fares for third-class passengers, and the rates for cattle, and all cheap goods.

5508. (*Mr. Horsfall.*) To what extent should you be prepared to make a reduction in the rates for goods and passengers?—The extent of the reduction would be in proportion to the amount of the assistance given to us. We should be willing, if what we require was given to us, to make a reduction to the extent of 30 per cent. I do not say this without having consulted the board beforehand, therefore I say it authoritatively.

5509. (*Sir R. Hill.*) Do you mean 30 per cent. upon all your charges?—No; 30 per cent. upon cattle, coals, and third-class passengers, and all cheap goods which are now reckoned as our first-class.

5510. (*Capt. Galton.*) What amount of aid did you say you would require from the Government?—A million and a half. Our railway is peculiar. At the commencement of it probably the only capital in it was what I had myself, and then, as we made portions of the line we got our credit up better; then we went for another division, and we borrowed money upon that, and we made it out of borrowed money; for instance, we made the railway out of our original capital to Wicklow, and from Wicklow we went to the mines, from the mines to Gorey, and from Gorey to Enniscorthy. Each of those divisions we made out of the credit that we obtained by the extension of the line, and it is for that reason that we are encumbered with so much borrowed money, and therefore so much is required by us. We could make a reduction to a smaller extent if we were aided with a smaller sum.

5511. (*Sir R. Hill.*) You have expressed the opinion that any extensive reduction would be attended not only with temporary loss, but with a permanent loss?—I do not think I expressed myself so decidedly as to a permanent loss. I think I said I should be afraid of it.

5512. What is your opinion as to the permanent effect of an extensive reduction in the rates of charge?—If a very extensive reduction was made there must be a permanent loss.

5513. Would a reduction of one-third upon certain charges be attended with a temporary loss?—It would be only temporary. Our line is a peculiar line. We go through a country inhabited by a great number of people, and I should expect that our increase upon the reduced rates to that extent, added to the benefit we should get by having our debts placed at a lower rate of interest, would enable us to do all I have said without risking the solvency of anything.

5514. What would be the effect of reducing your rates to that extent without receiving any assistance from the Government?—That we should have no money wherewith to pay our interest at the present time.

5515. It would lead at least to a temporary loss?—It would lead us to bankruptcy.

5516. Then do you think that that being the state of things, the Government could advance a million and a half of money to assist your company without incurring a very considerable risk?—I think they could. I believe we could prove that the Government would run no risk whatever, and unless we did prove it I think we ought not to get it.

5517. (*Mr. Horsfall.*) You apply that remark only to the line with which you are connected, and not to the general railway system in Ireland?—Only to the line with which I am connected; but part of our line is not completed, and we should employ the money to complete the line. We should use it also to reduce the interest upon the money already borrowed.

5518. What dividend is your railway at the present time paying?—We have paid 5 per cent. in the last two years. We have a small original capital, only 600,000*l.*; our borrowed capital is 900,000*l.*

5519. (*Capt. Galton.*) Do you include in your borrowed money the preference capital?—Yes.

5520. You regard that as borrowed money?—Yes.

5521. How could the Government, by guaranteeing new preference capital, relieve you from any amount of interest?—That has been the difficulty. I cannot answer that.

5522. Is the preference capital a capital which can be repaid at any time?—No; we have not that power, it is a permanent charge.

5523. I see that you have a preference stock at 6 per cent., 200,000*l.* at 5 per cent., and 300,000*l.* at 5 per cent.?—Yes, but the remainder of the preference stock that you see there is not yet issued.

5524. (*Sir R. Hill.*) Is the interest upon the preference capital always regularly paid?—Yes, it is punctually paid.

5525. (*Capt. Galton.*) You have borrowed money by loan under subsequent Acts without having raised preference capital?—No, we have not touched the loan.

5526. (*Mr. Horsfall.*) How would you deal with those railways that pay no dividend at all?—I can scarcely say; although they do not pay a dividend they have a hope, and they would be compensated

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for that hope. I do not think that they have any chance of ever getting much; but if those railways are dealt with, I certainly would deal with them not compulsorily, but upon a voluntary principle. I believe that if there was a moderately fair price put upon any of those lines of railway they would all come in and take it; but I think it would be wise to let it be done under the powers of a Wharncliffe meeting, where the majority would carry the remainder with them. I do not think it could be done if it were left to individual dealing, because perhaps a person holding to the extent of 10,000*l.* or 20,000*l.* would stand out for more, and would probably double his claim, but I would coerce them by the powers of the shareholders; for instance, if I was a shareholder I should not like to see another man prevent me from making a bargain that I approved of. I think you would get a majority to agree, and I think it would be a very fair principle to act upon in all cases.

5527. Do you think that the purchase of all the Irish lines might be effected by such means without any great sacrifice on the part of the Government?—I believe that the capital already laid out upon the Irish lines of railway up to this time is probably about 26 millions; in 1863 it amounted to 24 millions, and I imagine that a couple of millions have been expended since that time. I believe that the whole of the Irish railways could be purchased for about 22 millions.

5528. Without resorting to any compulsion beyond that which the shareholders would exercise over each other?—Yes, as they do now.

5529. Are the Commission to understand that you anticipate a great saving in the working expenses if all the Irish railways were amalgamated?—Yes.

5530. Would a saving of one-fifth in the working expenses be effected?—Yes.

5531. Could that great saving be made if certain companies were to refuse to sell their property?—No; I think that the saving would be effected on the lines that would be taken by the Government.

5532. Whether the Government purchased them all or not?—I cannot imagine for a moment any company in Ireland holding out if a fair offer were made, or the Government having only a portion of them, and not the whole.

5533. Do you not think there would be any danger of a company holding out in the expectation of being bought up at a high price?—I think the shareholders would not stand out, individuals might; but I do not think that would happen in the companies.

5534. Dealing with the shareholders as a body, you think that a scheme, including the whole of the Irish railways, might be successfully carried out?—Yes, on the voluntary principle.

5535. (*Mr. Gower.*) What do you think would be the effect of a general amalgamation of the Irish railways upon the further extension of railways; would it put a difficulty in the way of further extensions in Ireland?—I wish it would. I do not know a single yard of railway that ought to be made, except those which I have already alluded to.

5536. Do you think that they would be carried on?—I cannot say; there might be conditions or arrangements made that would admit of their being carried on. I do not think that there would be an insuperable difficulty.

5537. Supposing that a general amalgamation did put difficulties in the way of further extensions, would not that be rather hard upon those districts which are at present unaccommodated by railways?—That is what I have not been able to see, where those districts are.

5538. I believe there are districts in Ireland that have not yet been accommodated by any railways, and new lines are being proposed every year?—I know the whole of the country well, and I do not know where there is any district that would justify the making of a railway, except the three I have named.

5539. (*Sir R. Hill.*) Are there Bills for the construction of new railways now before Parliament?—Yes, and I wish they were to be the last, for they are doing harm every day.

5540. Do you think it would be fortunate if those Bills were thrown out?—No; there is one that I am concerned in myself. I think, referring to those lines of railway in the county of Waterford, that there is justification for applying for them.

5541. Referring to those insolvent companies of which you have spoken, have their shares any price in the market?—They have.

5542. They are transferred; are they?—Yes, they are; they have a nominal price, probably some of them as low as 15 per cent.

5543. Still they are sold at a price?—Yes, they are, and money is paid for them; but there is one thing that I should much like to mention, and that is the injury that is done to us by railway legislation. I think it is a great pity that the rule that was laid down was ever abandoned, in consequence of which parties are enabled to come and obtain powers for the construction of a railway when they have no money to make it with. I think it would be the greatest improvement to our railway system if, when parties come to ask Parliament for powers to make a railway, they were compelled to show that they were able to do what they were seeking powers to do. Let me suppose a case. There is an idle engineer in a neighbourhood, and there are plenty of them, and there is a speculative lawyer; those two men put their heads together, and they go for a railway, and they get parties with legitimate business to transact, and fair-dealing intentions who desire to carry out all their undertakings correctly, and they give them all the trouble in the world. In our own case one of the things that made us unable to issue our preference stock was a railway of the character I have just mentioned having been laid out this year; the parties came to Parliament for a Bill, and people said, "if power to make this railway is obtained it "will damage these other people immeasurably," and therefore our credit was knocked down. These schemes interfere very much with legitimate proceedings, and are most mischievous; the lawyers get all our money, and if there is not a penny wherewith to pay a dividend, the lawyer must be paid.

5544. (*Lord Stanley.*) Was not an attempt made and continued for many years by Parliament to ensure the solvency of the promoters of railway schemes, and did it not break down because it was found to be so easy to evade the rule that was laid down?—No, it did not break down; it made things safe all the time, it was in existence, but it was given up. The standing order, I think, was in both Houses that the parties applying for a bill should prove their capability of making the line, and a most legitimate order it was; but now it is only necessary to go to a banker and borrow a sum of money and deposit it, and trifle and play with it, and torment other people.

5545. Formerly parties were required to come with a capital in their hand to obtain the sanction of Parliament, but now they obtain the sanction first, and then trust to that to get the capital afterwards?—Precisely.

5546. (*Sir R. Hill.*) What has been the effect of the competition of the new lines upon the old lines?—Wherever they have come into competition, of course they have damaged each other.

5547. Do you consider that much of the difficulty by which the old lines are now embarrassed is owing to the competition of the new lines?—Yes, a good deal of it.

5548. (*Mr. Horsfall.*) How would you propose to give security to Parliament that parties who apply for bills are able to carry out what they propose?—I would go back to the subscription contract. I think that three-fourths of the capital should be subscribed for beforehand by solvent people.

5549. How are you to prove the solvency of

people ?—It did not fail before ; that was always easily done.

5550. (*Chairman.*) Do you think it is possible to prove the solvency of persons who put down their names as subscribers ?—I do. I think it is possible to prove that sufficiently to the satisfaction of a Committee of either House.

5551. (*Sir R. Hill.*) You estimate the cost of all the Irish lines at about 22 millions ?—I think that sum would purchase them.

5552. Can you state the data upon which that estimate has been formed ?—The data that I went upon was taking the market price of the shares and adding 10 per cent. for the compulsory purchase. The market price of the present shares is about 20 millions.

5553. (*Capt. Galton.*) Do you think the shareholders will be satisfied with a purchase upon that basis ?—Yes, I think they would be delighted.

5554. That is if you took the market price and added 10 per cent. for compulsory purchase ?—Yes, I am sure of it.

5555. (*Sir R. Hill.*) You would take, I apprehend, the market price of the preference stock and debentures ?—Yes, if a whole purchase was made.

5556. (*Capt. Galton.*) Did you do so in the estimate you have made ?—Yes.

5557. (*Sir R. Hill.*) Does your estimate of 22 millions include everything ?—Yes.

5558. (*Capt. Galton.*) Having purchased the Irish railways, what would you do with them ?—There are so many opinions upon that point that I have never had it clear in my mind what you are to do with them. I think the Board of Works in Dublin might work them all, or some board that was specially formed, and which probably would be better.

5559. You would not lease them to any private company to work ?—I do not think that would be an improvement as regards the country.

5560. Do you think you could effect an improvement by establishing a board like the Board of Works in Dublin to work them, which would be subject to political influence ?—I think they would be improved by a board. The effect of political influence I do not of course understand.

5561. You do not understand how such a board would be subject to political influence ?—No.

5562. How would you constitute such a board ?—In the same way as any other board that was appointed by the Government. I think that three commissioners would be quite enough for them, or five at the very outside. I think that three would be better.

5563. (*Sir R. Hill.*) Would you intrust that board with the details of management ?—Yes.

5564. Do not you think that you would be likely to have more efficient and active management if the lines were leased to private individuals ?—I have not been able to see my way to a lease that could protect all the interests concerned. For instance, I have known a line to be leased as the Midland Great Western was, but when they took it up from the contractor it half broke them to renew it. The condition of their permanent way was very bad, and the rolling stock was eaten out.

5565. Do not you think that conditions might be inserted in a lease that would furnish security against the wearing out of the permanent way and the rolling stock ?—I am not sufficiently conversant with that matter to say. I have not thought of the safeguards that would be essential in a provision of that kind.

5566. (*Capt. Galton.*) If safeguards could be devised, would you then prefer to place the Irish railways under a board rather than under private management ?—If safeguards could be provided that would protect the public, and protect the property and interests concerned, I would rather place them under private management.

5567. As far as the public are concerned, could not they be protected either by an arbitration clause or by conditions inserted in the lease ?—I should say by conditions put in the lease. I do not know what the public would have to do with an arbitration clause. I should think that the leasing parties possibly might frame specifications and conditions in a lease that would compel the lessees to do their proper duty.

5568. (*Chairman.*) Do you think that if the Irish railways became the property of the Government, and it was thought advisable to lease them, that parties could be found to tender for and to accept a lease of that kind ?—I have no doubt of it ; I have heard of joint stock companies, new companies, being formed for such a purpose ; but I think the parties you would find who would be ready to lease them, would be some of the great English companies, who, for the advantage of getting the Irish traffic over their own ines, would become competitors, and be willing to meet a little loss with us ; or if they did not do anything more than just save themselves they would recoup themselves on this side.

5569. Do you think that Ireland would derive any benefit supposing that such a leasing company was to consist merely of persons interested in the English railways ?—That would depend upon the conditions under which the lease was made.

5570. (*Sir R. Hill.*) Suppose the Government purchased the Irish railways at the sum you have named, 22 millions, the interest upon that sum might readily be calculated. Then suppose the Government were to make it known that they were ready to grant a lease of those lines to responsible persons for a rent equal to the interest upon the purchase money, but to throw the competition upon the rates at which the parties tendering would engage to work the lines ; for example, suppose the Government were to set forth in their advertisement certain maximum rates, say, for instance, the present rates, and then invited parties tendering for the lease to say at what rate per cent. they would work under those rates, and that they gave the lease finally to the party offering to work the lines at the lowest rates of charge. Do you think that would work ?—I think it would work well if the Government properly defined what the rates were to be ; but I think with reference to the country, it would be better if the reductions were made, not generally, but upon the special traffic ; for instance, coals, and those articles which I named before.

5571. (*Mr. Horsfall.*) When speaking just now of one of the great English companies leasing the railways in Ireland, you said that any loss which might accrue on the Irish lines would be recouped on the English lines ?—I should expect that they would look forward to that.

5572. Do you think that that would be fair to the English public ?—I think it would be fair to the English public, but I do not mean to say that the English public would in this instance be interfered with if the arrangement increased the trade that they would get upon their lines from Ireland ; that is the way in which I should expect they would be recouped.

5573. Of how many miles of railway in Ireland are you a director ?—Ours is a short line, only 120 miles.

5574. Have you an equal mileage rate over the whole of that line ?—Yes, except in those special cases that I have mentioned to you ; that is, taking in and out the working people.

5575. I mean both for goods and passengers ?—Yes.

5576. (*Sir R. Hill.*) If the security to the Government, under such an arrangement as we have been considering, should appear to be insufficient, do you see any means by which that security could be augmented ?—I have been alluding to the great railway companies in England, but in answer to the question I must say that I do not see any means ; all that would have to be looked to would be the solvency of the companies tendering for the lease.

5577. The Commission has been informed that there have been instances of landowners and agriculturalists making considerable advances by way of promoting the construction of railways in different parts of Ireland. Do you confirm that ?—To a very limited amount. I know that Lord Erne made large advances

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upon the Irish North-western line, and I believe that Lord Lucan and Lord Crofton also made advances; but I do not know of any other instances in which large sums have been so advanced.

5578. Would not the landowners and agriculturalists be largely benefited by an extensive and general reduction of the rates of charge?—No doubt they would.

5579. In consideration of that benefit, do you think they would be willing to give personal security, or security upon their property, in order to carry out the scheme suggested?—The landowners would not give one penny; they will not give any security whatever.

5580. Not with a view to obtaining so important a benefit to themselves?—I think not. That matter has been tried before, and it turned out most unsatisfactorily. The counties of Galway and Roscommon guaranteed a fixed rate of interest of 3½ per cent. to the Government to make up any deficiency that might arise in the receipts of the railway, but nothing could have turned out more unsatisfactory than the whole of that transaction.

5581. In what way was it unsatisfactory?—The railway company and the gentlemen of the counties got to quarrelling with each other, and they involved themselves in legal difficulties.

5582. Would there be the same likelihood of their quarrelling and getting into legal disputes if the railways belonged to the Government?—I think so. I think that they would be very unwilling to do anything. I know that a feeling exists against giving any guarantee either from the baronies or the counties; a guarantee is looked upon as very unpalatable, and I do not think that a guarantee could be obtaiaed from the holders of property, but of course this Commission are better judges upon that than I am.

5583. If it were found that the railway companies themselves could not provide that security, which would justify the Government in applying the funds, which belong to the whole United Kingdom, for the advantage of the Irish railways, can you suggest any means by which assistance could be afforded by the Irish people themselves?—No; I cannot.

5584. (*Lord Stanley.*) Do you not think that some objection might be made and some difficulty felt if a Government subsidy to a large amount were granted to the Irish railroads while no similar assistance was given to railroads or other industrial undertakings in any part of the United Kingdom?—I think there would be, and very naturally, but still we are a country in great distress, and I think that anything that could be done without loss ought to be done to help us.

5585. You would look upon it as a kind of out-door relief to the Irish community at large?—I suppose it would be; but, still, if it were a transaction that could be entered into with safety and security, without touching upon the property of England or of the State in any way, I think it ought to be done.

5586. You say without touching upon the property of the State, because you mean that it would be only lending the credit of the State?—Yes.

5587. It is clear, however, that an equally good case might be made for lending the credit of the State to any other solvent industrial undertaking, and that any other undertaking would be equally benefited by it?—Yes; no doubt of it.

5588. It is also a fact that the credit of the State, however large, is limited in amount, and that similar assistance could not be given to all undertakings that required it?—Yes.

5589. (*Capt. Galton.*) Why should an exception be made in favour of Irish railways?—Because I do not see how they can very well be carried on without it.

5590. You think it is essential with a view to the development of the country?—Yes; I do.

5591. (*Chairman.*) Do you believe that the industry of the country would be very greatly developed if a scheme of this kind were carried out?—I do.

5592. And that Ireland would derive great advantages?—There is no doubt about it.

5593. (*Capt. Galton.*) Would the carriage of coals into the interior of the country, in your opinion, promote manufactures?—There are some manufactures for which the country is suitable, and which would be promoted by it.

5594. What class of manufactures do you refer to?—I think the manufacture that we are now entering upon is that which is most suitable for the country—flax is done—and it does not require cheap railway carriage, that is a valuable article; but there is the woollen manufacture.

5595. In what part of the country would that manufacture be established?—I think in the south of Ireland; it is creeping in there a little. Mr. Malcolmson, who has been examined before the Commission, is carrying out that manufacture very fast.

5596. He lives at Clonmel?—No; at Mayfield near Carrick-on-Suir.

5597. He stated that coal was not required, because he manufactured with water power?—Yes; I am satisfied that very little coal is wanted for manufactures in Ireland, except in the north, for there is unused water power sufficient in almost every part of Ireland to keep going all the machinery that would be required there for a century, no matter how rapidly they worked, and without the aid of coal. A little coal might be required in very dry seasons, just to keep up the regularity of the working.

5598. In what manner would railways promote manufactures if not by the transport of coal?—They would do so in a small degree by the transport of coal; but they would afford facilities for the transport of manufactured goods and of wool.

5599. Is not wool a high-priced article that would not be much affected by the rates for which it was conveyed by the railways?—It is.

5600. In the same way that flax is?—Precisely the same. It would not be much influenced by the rate charged; but it is a legitimate manufacture for the country, and I do not know of many others that are.

5601. Whether the rates charged upon railways are diminished or not, it does not appear that the manufacture of wool would be much affected?—I think not.

5602. Are there any other manufactures that you think would be affected by them that Ireland is adapted for?—I do not know of any.

5603. (*Sir R. Hill.*) Are the peasantry at all likely to do any injury to the railways?—No.

5604. You know of no instance of that kind?—No.

5605. Do you think there would be no risk of that kind if all the railways were to become the property of the Government?—Not the remotest. I think they would be safer in the hands of the Government than in the hands of individuals.

5606. (*Chairman.*) Has any progress been made lately towards an amalgamation of any of the small Irish railways?—I think not.

5607. Do you think that if matters are left as they are the progress of amalgamation will be very slow?—I think so. I do not know why it is, but railway companies with us are often very jealous of each other, one company very often endeavouring, whether legitimately or otherwise, to get hold of the traffic of another.

5608. (*Mr. Gower.*) Do not the public benefit by that?—They benefit when the fares are reduced, of course; but the railway company suffers.

5609. (*Chairman.*) I do not clearly understand why you think the Irish railways could be worked at 40 per cent., while in England the working expenses amount to 50 per cent.?—That is my own experience.

5610. What are the items with respect to which Irish railways can be worked cheaper than English railways?—In the first place, labour is cheaper, and that is a very important item. Coal is a little dearer, and our taxation is heavier, and indeed it surprises me that it should be so. Our taxation is something heavier than the taxation upon English railways.

Coal is cheaper in England, and then we are not subject to the duty on carriers.

5611. But that is trifling in amount, is it not?—Yes.

5612. (*Sir R. Hill.*) In England five per cent. is charged upon the passenger traffic, except passengers carried by the parliamentary train?—Yes.

5613. (*Capt. Galton.*) In what respects is the taxation heavier upon Irish railways? Do you allude to the poor rates, or what do you include in those taxes?—The local rates, and the county rates, and the grand jury rates, and all local taxes. Strange to say, they are heavier with us than they are in England. I obtained my information from the Board of Trade Report, and it astonished me.

5614. (*Mr. Glyn.*) In the 40 per cent. for working expenses do you include the keeping up of the permanent way?—Yes.

5615. (*Sir R. Hill.*) You say that labour is cheaper in Ireland; do you find that when a given piece of work has to be executed—for instance, excavating a large number of cubic yards of earth—it can be done at a smaller cost than in England?—Yes, it can. It requires some little time, until the men are trained to the work, and you must give them better wages than the wages of the country, but they need not have as high wages as labourers in England; but they will do very nearly as much work. That is a question that I can answer with great confidence.

5616. (*Mr. Glyn.*) Have you ever made any calculation of the cost per mile per annum of keeping up the permanent way?—Our cost is about 80*l.* a mile.

5617. That I think very much corresponds with the cost in England?—The cost in England I think is more.

5618. (*Chairman.*) Does that sum include renewals?—Yes, it does.

5619. (*Capt. Galton.*) Does not the cost vary with the amount of the traffic?—Of course it does; but our permanent way costs upon the average about 80*l.* a mile.

5620. Does that include the Dublin and Kingstown and Wicklow section of the line?—I have been speaking of railways generally in Ireland. The Dublin and Wicklow line of course costs a great deal more, because the amount of traffic upon it is heavier. Although some people think it is not so, I know that that has a very great effect upon the wear and tear. You can keep a line up much cheaper with light traffic, which of course stands to reason, than you can with heavy traffic; but the general opinion is that it makes no difference.

5621. (*Mr. Horsfall.*) If the expense upon English railways is only 80*l.* per mile, the cost on the Irish lines ought to be much less, looking at the difference in the quantity of traffic, ought it not?—I think the cost upon our lines is about 85*l.*, but we know nothing yet about the effect upon the rails; we have no line that has been sufficiently long in existence to be giving way yet, except the Kingstown line, but that higher expenditure will come upon us some day or other.

5622. (*Capt. Galton.*) In the evidence given by Professor Sullivan, with reference to the charges made for the conveyance of minerals from the Vale of Avoca to Kingstown, he stated that you charged 25 per cent. upon the total value, and he complained that the railway company did not afford those facilities for the development of that traffic which he considered ought to be afforded?—I know Professor Sullivan well, and I do not think that he is a man that would misstate a fact that he was clear upon, but whoever gave him that information did not tell him all. I have already stated, with regard to that mineral traffic, that we take it from near the pit's mouth, and carry it down by a separate railway, and load and unload it, and ship it for the mining company. We give them their invoice and do everything that is necessary at Kingstown, and the expense connected with those operations, entirely outside the haulage or the waggons, which are our own, is very great. I should add also that the material is an extremely heavy one, heavier than ironstone. It is sulphur ore, and the wear and tear of the waggons is very heavy, from throwing those masses into and out of them. Our charge to the company is $\frac{3}{4}d.$ a ton per mile for the use of the waggon and the haulage. I should also say that our first incline from the mine is 8 miles of 1 in 80, and almost our best load is 120 tons. We are not charging one penny more than what barely repays us; if anything, we charge them less than what pays us, in order to encourage their traffic.

5623. Do they supply you with a large traffic?—They are now getting into it more; it is a valuable ore; and I think we carry for them from all the mines about 120,000 tons a year. Before we put the railway down and provided accommodations for them, I do not think they averaged 60,000 tons a year; but now hope we shall increase the quantity to 300,000 tons a year.

5624. The rate you charge is not a prohibitory one?—No.

5625. The product of the mines is of some value?—Yes; we have never had any difference with them about the rate; but we have had a difference about the irregularity with which they supplied us with the ores.

5626. You say it is not a very remunerative traffic to the railway company now?—It is only fairly so.

5627. (*Capt. Galton.*) Does the mining company pay very high dividends?—Yes; they are paying, I believe, 25 per cent.

5628. Then substantially you think they have no great grievance to complain of?—None at all. We have put them into this condition, that they can make 5*s.* a ton upon 400,000 tons a year, whereas they endeavour to make six out of one. All they have got to do is to increase their works, and they ought to be a very prosperous company.

5629. (*Sir R. Hill.*) Is it a fair mode of testing the rates of charge to say that they amount to so much per cent. upon the value of the goods carried?—Not at all. I do not consider it any test whatever.

5630. Five per cent. upon the value of the goods might be a high charge, and 25 per cent. might be very low?—No doubt of it, when they are rated upon a per-centage of the article; it is no test whatever as to whether we do the work cheaply or dearly for them.

5631. (*Capt. Galton.*) You stated that you had four or five classes of goods; are those classes uniform all over Ireland?—Yes, they are.

5632. Do all the Irish companies adopt the same classification of their goods?—I believe so; we charge the same mileage rate to all places.

5633. But do all the railway companies in Ireland put the same articles into the same classes that you do?—Yes, they are all taken from the clearing house; they are arranged there.

5634. Then the classes are uniform on all the Irish railways?—Upon every one of them.

5635. As well for the local traffic as for the through traffic?—Yes; I believe there is some difference made upon the through traffic, but the extent of that I do not know. I cannot tell you what the classification is, but the rates are not uniform.

5636. Do all the railway companies in Ireland adopt the same classification for their goods?—Precisely.

5637. (*Mr. Gower.*) You think that no partial reduction might be made that would be unaccompanied with a loss?—Yes, there might be. We should be very much better pleased to receive less assistance, that is, only sufficient to enable us to complete our system and to make a reduction of 10 or 15 per cent. We should be much better pleased to get assistance to the extent of one-third of what I have mentioned, and to make a reduction of 15 per cent., than to get assistance to the full extent and make a reduction of 30 per cent.

5638. (*Sir R. Hill.*) You are speaking now only of your own line?—Yes, but I think that we stand

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in a very peculiar position for testing the principle of the thing, and I think therefore that it might be worth while to make the experiment because if it proved successful it would draw others after it.

5639. (*Lord Stanley.*) In what way is your line in a peculiar position?—The peculiarity consists in the nature of our traffic. We have a large suburban traffic, and the experiment would tell well upon numbers there. I think that a reduction of the rates would be likely to be better made upon our line on account of the numbers that travel by it than upon any other. We have made some reductions lately, but we have not found that we derived any benefit from them.

5640. (*Capt. Galton.*) Those reductions have only been in operation for a year, I think?—Yes, but the reduction that I particularly allude to has been made within two months. We made a reduction of about 10 per cent. under the Great Southern and Western Company, a uniform reduction, but we have not found, in the course of two months, (although this has been an exceptional year in Ireland owing to the Exhibition), more people coming, so as to be able to recoup ourselves, nor have we made the same progress that we have in other years.

5641. Is not a period of two months rather a short time to make an estimate upon?—Yes; I am only stating a fact; we did try it, and I suppose we never can go back again. I hope it will recoup us after a while.

5642. Are your rates for parcels low?—Yes, and a very large proportion of our parcels is carried for nothing. Our subscribers get their parcels carried for nothing.

5643. To whom do you refer as subscribers?—I mean the season ticket holders. We have about 10,000*l.* a year that comes in from season tickets, and all the holders of these season tickets get their parcels carried free.

5644. Do you consider that that is a good system?—No, but we cannot alter it; complaints come in upon us so heavily. When we tried to alter it we thought we had better let it be as it was.

5645. Do you not think that it would be better to reduce the price of the season ticket and charge for the parcels?—No; the passengers would not be content with that, do what we will; they have been accustomed to it for twenty years and they would not like it altered.

5646. (*Sir R. Hill.*) Is it not a privilege that is open to great abuse; for instance, does not a subscriber sometimes get the parcels of a non-subscribing friend carried for nothing?—I am afraid too many of them; a man sends for himself what belongs to another.

5647. (*Mr. Glyn.*) Is the parcel limited to weight?—It is limited to 56 lbs. in one day.

5648. (*Chairman.*) Do you charge the same mileage rates for long as for short distances upon your line?—Yes, with the exception of those evening rates for the labouring poor which I have already mentioned.

5649. Both for passengers and goods you charge the same mileage rates?—Yes.

5650. (*Sir R. Hill.*) Are those parcels carried for nothing and also delivered?—No, the servants of the subscribers take them from the stations, but I should mention that our subscriptions do not extend beyond thirteen miles from Dublin. With reference to what was mentioned a short time ago, I wish to say that if we could make a less extensive reduction upon receiving less assistance we should prefer it.

5651. (*Chairman.*) You think that it would pay your shareholders better to receive a small amount of assistance and to make a small reduction, than to receive a large amount of assistance and make a greater reduction?—Yes, it would.

5652. (*Capt. Galton.*) Do you mean because under those circumstances you would be more free from Government interference?—No; it is because I think it would pay us better. We have no objection to Government interference whatever. I should mention to the Commission with respect to the parcels, that one of the inspectors from the Board of Trade made a special report upon our charges, and he stated that our charge for parcels was cheaper than on any line in the United Kingdom.

5653. What rates do you charge for parcels which are not conveyed for subscribers?—I really cannot tell you at the moment.

5654. (*Sir R. Hill.*) Is the number of the parcels so carried for subscribers very large?—Yes, particularly so for subscribers, those who have nothing to pay for them; but the other parcels are not so very great in number.

5655. (*Capt. Galton.*) You stated that as chairman of the Dublin and Wicklow Railway Company you would be prepared to accept a certain amount of assistance from the Government, and that you would then reduce your fares in a certain proportion?—Yes; we should reduce our fares in a certain proportion, but in addition we would undertake that the security should be perfect, because we should have this to fall back upon; we pay a dividend on our original shares now, but if there was any deficiency we could apply it to the payment of what would be naturally chargeable to it.

5656. Do you consider that your company would be prepared to give up their shares in the line upon the conditions you have mentioned at 10 per cent. advance upon the market price?—We would give up the whole line. These are questions that I thought the Commission would very possibly put to me, and I therefore spoke to the board upon the subject and discussed the matter with them, and I am able to say that we should be quite prepared to do what I have stated. We possess a peculiar power. The shareholders think pretty well of us, and they never refuse to abide by our advice. We would either part with the whole or we would take a subsidy which would enable us to complete our line and reduce our rates proportionately. A reduction in the rate charged I think would be most beneficial to the poor. A man who travels in a first-class carriage does not care about it, the fare that is charged is low enough at present; to the man who travels second-class a reduction might be of some little use; but it is the third-class passengers, looking at their numbers, who want to be served in Ireland, and if we could make the railway fares so cheap as to take away the inducement to a man to walk we should then carry them; but I doubt whether we could do that.

5657. The time of a man is not so valuable in Ireland?—No.

5658. (*Sir R. Hill.*) Is it the practice among the Irish labourers to go considerable distances daily in search of work?—No.

5659. Then they do not want to travel much?—No; they have no occasion to travel, they live at home on their little farms or at their place of labour, and they have no money to spend.

5660. (*Chairman.*) Do the small shopkeepers travel to any extent in Ireland?—Yes, they do.

5661. Would not the small shopkeepers generally travel third class?—I think they would.

5662. (*Sir R. Hill.*) If the labourers have no occasion to travel much, would there be any great advantage in making a large reduction in the third-class fares?—I think there would. I think that it would induce travelling among that class of persons. When we reduced one-half upon the Kingstown line, I do not think we lost any money by it, but still it was peculiar, because the line runs through a thickly peopled district.

5663. (*Chairman.*) Do you think that any purchase of the Irish railways by the Government ought to be an entirely voluntary transaction on the part of the companies?—Yes, I do, and I think that it would be adopted by all of them.

5664. Would there not be a fear, as there is so large a number of companies in Ireland, that a few would stand out and obstruct the completion of the scheme;

for instance, in the north of Ireland there are many small companies, and might not one or two of those stand out?—Yes; and if they did I would leave them there.

5665. You would not ask for compulsory powers to compel them after a certain time to come in?—They would very soon come in if there was a limit as to time. I think you would have them all.

5666. (*Sir R. Hill.*) You would say this is an offer made to the whole of the Irish railway companies, and if it be accepted by all the Government will take the railways, but if not accepted by all they will not take any?—I should be much afraid of that offer, because I think it would drive the small companies into the view of holding out, but I would leave those who were unwilling out of the system, and if there was any probability of their being left out of the system I think that they would all come in.

5667. You think that the traffic might be so worked as to force them into the system?—Yes.

5668. (*Mr. Glyn.*) You would want some precautions so as to prevent any impediments being thrown in the way of the traffic to be worked over their lines?—Yes, I think that ought to be done. You can do that now under the present law.

5669. (*Capt. Galton.*) Would you leave that to the existing law?—I think it ought to be done; where a party chooses to stand out of a great system or scheme of that kind there ought to be running powers over their line.

5670. (*Mr. Gower.*) If the Government made large reductions in the charges as part of the plan, and certain of the railway companies attempted to work by themselves, should they be obliged to make similar reductions?—Yes, and they should be forced to come into the system.

5671. (*Capt. Galton.*) Suppose, for example, that the Ulster Railway Company held out?—They must do as others would do. The Ulster Railway Company would be very glad to come into an arrangement of that kind.

5672. I am assuming the case of one railway, which forms an important link in the line between Dublin and Belfast; because unless that company came into the arrangement there would be no communication possible over its line, unless it were part of the system?—Then there should be the power which has been just mentioned; there should be power to run over their line.

5673. But that is a power which is scarcely ever conceded to a private company, to run over the line of another company solely because it is a link in a system, except for very short distances, or under very special circumstances?—In this case I think it ought to be so. I think the advantage of the thing would be so great and more important than interfering with any precedent.

5674. Then it would be a voluntary arrangement, but if they did not accede to it it would remain a matter of compulsion?—Yes.

5675. (*Mr. Glyn.*) In carrying out a large arrangement of this sort, you would not allow any of the parties to throw any impediment in the way?—Certainly not.

5676. (*Chairman.*) I think you stated that you had had some experience of railway companies leasing a railway?—Yes. The Midland Railway Company leased their line at one time, that is, the working of it, or the haulage, and I have heard them very often complain that they got their rolling stock and their permanent way into such a bad condition, that it proved a very unfortunate transaction for them, having let the line go out of their power altogether.

5677. Do you know how the public was served during the time when the line was leased?—The public was served properly, for the leasing parties were bound to run the trains under the direction of the company; they had a mileage rate, and the company fixed the number of trains to be run and the hours.

5678. Then the leasing company were not left very much to their own discretion?—No, they only had an interest in the work.

5679. (*Sir R. Hill.*) Were there any clauses in the lease the object of which was to secure the rolling stock on the line against deterioration?—I think there were some clauses, but they were found to be defective.

5680. (*Capt. Galton.*) Was it done in the shape of a reserve fund?—No.

5681. (*Chairman.*) Do you think that a company leasing a line would work the line on different principles in any respect from those on which they are usually worked by boards of directors; in other words, would they look more to the ultimate profit than to the immediate profit?—I think that they would look to both; but I think the probability is that, if anything, they would look more to the immediate profit.

5682. (*Sir R. Hill.*) It would depend upon the terms of the lease, would it not?—Yes, it would; but I think that people are very fond of immediate profit.

5683. Is there any practical difficulty in a landowner granting a lease of a farm and securing himself against the deterioration of the buildings or the land?—I should think not.

5684. Do you not think that similar means might be employed for securing the owners of a railway against injury?—I suppose there could be means devised for that purpose; but I have simply mentioned as a fact the single case that has come within my own knowledge.

5685. In that particular case, perhaps, sufficient care was not taken in framing the lease?—I do not think there was.

5686. (*Mr. Glyn.*) From your experience you think that there would be no difficulty in forming such a depreciation fund as to meet all those points?—None at all.

5687. You think that so much practical experience has been gained as to the working of railways in all their branches that there would be no difficulty upon that point;—I think none.

5688. (*Sir R. Hill.*) Have you seen Mr. Bidder's evidence?—No, I have not; but I understand that Mr. Bidder had some lines in this country leased, and that they got through it very well; but the question comes in there, had they entire control of the rates, and of the working, and everything; did they step into the company's place and work the line?

5689. (*Mr. Glyn.*) The leasing company had full power to reduce or to raise the rates, and to make what arrangements they liked for working the traffic?—That is the very thing they object to in Ireland; they say that our rates are too high. I think that the leasing company might have their rates prescribed to them, and that they should be bound to carry those rates out. I would let them reduce them as much as they liked.

5690. But you would fix a maximum in the lease?—Yes.

5691. And that maximum would be a reduction upon the present maximum?—Of course.

5692. (*Chairman.*) Would you allow them to reduce the rates in some instances and not in others on the same description of traffic; for instance, to have a different rate from Dublin to Cork than from Dublin to Belfast?—I think that would be objectionable. I have not thought of that, but what I have thought of was this, that upon the same railway I would not allow them to make different charges.

5693. (*Capt. Galton.*) That is to say, not to charge a lower rate per mile for a long distance than they did for a short distance?—I think not.

5694. You do not think that that is reasonable?—No.

5695. Why not; does it not cost proportionally less to a railway company per mile to carry goods a long distance than it does for a short one?—There is no doubt that it does.

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5696. (*Sir R. Hill.*) Do you see any objection to terminal charges ?—I was going to say that I would regulate the matter by a terminal charge.

5697. Then the total charge would vary per mile, would it not, and it would be less for a long distance than for a short one ?—I would make the charge uniform per mile on a line, but I would allow a terminal charge to be made, and that would regulate it.

5698. If the total charge were divided by the distance, it would give a higher rate per mile for a short distance than for a long one ?—Yes.

5699. You see no objection to that ?—No.

5700. (*Mr. Horsfall.*) Would you allow a railway company to vary the terminal charge ?—I think not.

5701. (*Mr. Glyn.*) You would have a fixed terminal charge at a particular place, to be governed either by the rules of the place as to cartage, or the labour, or by particular circumstances at each place ?—Yes. I think that the cartage and labour would be separate from the terminals ; if you go to delivery, I think that that involves some difficulty.

5702. What do you include in the term "terminals"? —Simply the loading and unloading of goods.

5703. In the railway station ?—Yes.

5704. (*Mr. Horsfall.*) Is it not desirable, inasmuch as there is a maximum charge for carriage, to have also a maximum rate for terminals ?—Yes, I think so.

5705. (*Chairman.*) If traffic to some particular place could be obtained by charging a very low rate, such as would leave a smaller profit to the company than in ordinary cases, would you make them reject that traffic because they would be carrying it at a lower rate in that particular instance ?—No. I do not think I should restrict them as to the lower rate at all.

5706. You would allow them to carry any particular description of traffic at any rate they pleased, however much it might be below their ordinary rate ?—Precisely.

5707. (*Sir R. Hill.*) Would you allow them to carry the traffic between the same places at a lower rate for A than for B ?—No, certainly not ; nor do I think it would be just or fair to carry at a less mileage rate into one district than you carried over the line generally, except so far as the terminal charge was concerned. I do not think it would give a fair chance to the traders. I believe we have two railways upon which there are differential rates. I do not know them exactly, but I have heard it complained of, that these differential rates give an advantage to parties, where the railway company carries cheap, over other parties.

5708. (*Capt. Galton.*) If all the Irish railways were placed in the hands of one company you would desire, I suppose, to have some means of settling the differences between the public and the railway company, by arbitration, or some arrangement of that kind, so that one district should not feel itself aggrieved at the expense of another ?—I should leave that power with the Government ; or with the Board of Trade it would be better.

5709. So that they should prescribe the rates ?—Yes, to prescribe and equalize the rates.

5710. (*Sir R. Hill.*) You would make the Board of Trade a court of appeal ?—Yes.

5711. (*Capt. Galton.*) You would prohibit any special rates between certain parties and the railway company ?—I do not know ; there are special rates made upon every railway, and I do not think that those could be prohibited.

5712. If special rates are are not to be prohibited, how can you do more, in providing for the traffic, than fix a maximum rate subject to any reduction which the company carrying chooses to make ?—I would not seek for anything further. I think that that is quite sufficient. I would allow them to make lower rates ; but for the same article they should make the same rate to every party.

5713. Without reference to the quantity the party sent ?—No ; I think that quantity has something to do with it, and I think that seems to work well.

5714. Would you allow a discount for quantity ?—Yes.

5715. (*Sir R. Hill.*) But still extending that rule to all ?—Yes.

5716. (*Capt. Galton.*) Would you have the rates published ?—Yes, I would.

5717. So that anybody could go and ascertain what they were ?—Yes.

5718. It is the practice on continental railways ?—I do not know, but I think it ought to be so on every railway.

5719. (*Chairman.*) Suppose the Irish system of railways to be in the hands of one company, and they found that upon one part of their system, say, from Dublin towards Cork, they could get traffic of a particular kind at 1*d.* a mile, but that between Dublin and Galway they could not obtain it if they charged more than $\frac{1}{2}d.$ a mile, would you allow them to charge 1*d.* a mile on the line going towards Cork, but only a $\frac{1}{2}d.$ a mile on the line going towards Galway ?—I would leave them free to act, so that they did not exceed the maximum charge.

5720. (*Sir R. Hill.*) And that they treated all alike ?—Yes.

5721. (*Mr. Horsfall.*) In carrying out a system of discounts, do you not place the small trader at a great disadvantage as compared with the large trader ? —There is no doubt that you do ; but at the same time it appears to work so well that it is difficult, although people object to it, to alter it ; and we have latterly reduced it to this, that we allow a differential rate upon a full wagon—a single wagon—so that it does not affect the poor man so much as where it was allowed only upon large quantities.

5722. (*Mr. Glyn.*) You carry a quantity as small as one full wagon at a differential rate.—Yes.

5723. (*Mr. Horsfall.*) It has been stated in evidence, by a gentleman connected with the Midland Railway Company, that they adopted a system of differential rates in the first instance ; but, finding that it worked very much to the disadvantage of the small traders, they put them upon the same footing as the large traders ; and do you not think that that is very desirable ?—Ours is very small ; we have reduced it to a single wagon ; any man can get the advantage of it, or get his neighbour to join with him ; and they only employ one wagon. It might be better, perhaps, the other way, than the system we adopt.

5724. (*Chairman.*) Are there any other points connected with the Irish railways upon which you wish to give any further information ?—I do not think there are.

The witness withdrew.

Mr. P. Roe.

Mr. Peter Roe called in and examined.

5725. (*Chairman.*) You have been the manager of different railway companies in Ireland ?—I have.

5726. Will you mention the railway companies with which you have been connected ?—I have been manager of the Midland Great Western from its formation in 1847 up to 1855, when Mr. Forbes took charge of it.

5727. You have also been manager of the Derry and Coleraine Railway Company ?—I then became manager of the Derry and Coleraine Railway Company.

5728. Were you manager of the latter railway under the directors or under the Loan Commissioners ? —I commenced the management under the board of directors, who then resided in London, and I very rarely had an opportunity of seeing them.

5729. Did you subsequently continue as general manager when the railway was taken into the hands

of the Loan Commissioners ?—I did. I then became lessee of it under the Loan Commissioners.

5730. Will you explain under what circumstances the railway fell into the hands of the Loan Commissioners ?—When I took the line it was scarcely able to work itself; in fact, the receipts were short of the expenses. I adopted a system of fares which gave us some little increase.

5731. Under the board ?—That was while I was working under the board.

5732. You were employed by the board in 1855 ?—Yes.

5733. How long did you continue to act as manager under the Board ?—I think about two years.

5734. Some little improvement was effected during that period ?—I increased the receipts about 2,000*l.* a year during that time. I found them under 14,000*l.*, and I think I made them 15,500*l.* during that time.

5735. At that period the railway was taken by the Loan Commissioners ?—At that period it was seized by the high sheriff for various debts, and the Loan Commissioners stepped in and interfered, having the first claim upon it, and then a proposition was made to lease the line by the Loan Commissioners.

5736. Did you make a tender to the Loan Commissioners to lease the line from them ? — Mr. McCormack, who had a large stake in it, undertook to lease the line, with the undertaking and consent of the Loan Commissioners that I was to take it off his hands; in fact, he made terms of which I took a transfer with the consent of the Loan Commissioners.

5737. How long did you continue to work as lessee? —I continued until May 1861 to work it at a rent of 10,000*l.* a year.

5738. Was it a lease from year to year ?—It was an annual lease; it was for a term of seven years, but with a condition in the lease to terminate it at any time if certain things were not carried out.

5739. You gave it up before the termination of the seven years ?—I sold my interest with the approbation of the Loan Commissioners and of Mr. McCormac. As soon as the junction was formed with the Coleraine and Northern Counties Company, they seemed anxious to get possession of the line, and I transferred my lease, with the consent of the Loan Commissioners, to the Northern Counties Company, and they gave me a consideration for my interest in the lease.

5740. During the time you were lessee did you reduce the fares which had been previously charged on that line ?—Very considerably.

5741. Will you state the fares that you found in operation, and the scale which you adopted ?—I found the fares were up to the parliamentary rate, 1*d.*, 1½*d.* and 2*d.* uniformly all through, and I reduced them ultimately to an average of about ½*d.*, ¾*d.* and 1*d.* after I had been working some short time on my own account.

5742. What was the result of that experiment ?—The result showed itself very rapidly indeed, in giving me a considerable increase in the receipts.

5743. In the net receipts ?—In the net receipts; I found instead of running my carriages half empty that I had actually filled them, and on many occasions had not carriage room. I had a very limited accommodation in the way of plant and stock.

5744. Did you make any similar reductions in the charges for goods ?—Yes, I did. I reduced the rate considerably upon coal. I reduced the rate upon coal to about ¾*d.* per ton per mile. I increased the tonnage from 1,500 tons to 5,000 tons in the year by the reduction.

5745. What had been previously the rate per ton per mile ?—It was about 1¼*d.* per ton per mile ; I reduced it nearly one-half.

5746. What is the population of Londonderry ?—At present about 30,000.

5747. Is it larger than it was during the period that you are referring to ?—It was about 25,000 ; then it is rapidly increasing.

5748. What is the population of Coleraine ?—About 8,000. There is a very good intermediate town called Newtown Limavaddy, which contains a very industrious population. Part of it is on the Marquis of Waterford's property. I obtained a good deal of traffic by encouraging it at this station. I reduced the rates upon the third-class, and upon all classes of goods, and I think I doubled the receipts of that station by the reduction.

5749. Was there an increase equally in all descriptions of passenger traffic, first, second, and third class ?—There was a remarkable increase in the third-class by the reduction. I have always been in favour of cheap fares. While I was the manager of the Midland I introduced the experiment of carrying the harvest men at a very low figure. It was put off for two years by the directors, who did not approve of such a low fare as I proposed. However, they consented to allow me to try it. I think in the year 1849 (it was a very miserable year in the west of Ireland). The first year I succeeded in getting 4,000 of them to travel ; the next year I got 10,000 to travel, and when I left the Midland I think the number had increased to 25,000 ; and now I see by the chairman's statement they carry 78,000, which is an evidence that the people of that district will travel if you give them an accommodation which comes within their means, they are very poor.

5750. That will only be at one particular period of the year ?—Up and down. I carried them during the time I was manager whenever they offered themselves during the year.

5751. You described them as harvest men ?—We then called them harvest men ; they are now fourth-class passengers. Fourth-class passengers is the proper term to give them.

5752. (*Capt. Galton.*) Did you carry them by any train ?—Any train that they offered to go by.

5753. Did you find any difficulty in their being more or less amenable to discipline ?—When I had a sufficient number, say, four or five hundred of them, I gave them a special train. I found it paid to run them specially, without encumbering the regular trains with them. I found them a very easy traffic to manage ; they loaded themselves very rapidly, and as rapidly discharged themselves when they got to their journey's end. They were well conducted, and I never found any difficulty in dealing with them.

5754. (*Mr. Glyn.*) Did you ever try a reduction of the rates on the Midland while you were there ?—In some cases the directors were induced to lower their rates a little, and I always found it to be beneficial to the traffic.

5755. Did you ever try a market train on certain market days for the third-class ?—I never did on the Midland.

5756. But you have tried them on your own system in the north ?—When I became my own master, having a lease of that line, and no one to exercise any control over me, I tried those experiments, and I am giving now the result of them, that I really got a very considerable increase by adopting them.

5757. (*Mr. Horsfall.*) Have the directors continued the low fares that you tried the experiment with ?—I think not. I travelled over the Coleraine line last week, and I regret to say that they have gone back to the old fares, the trains appearing half empty. This led me to ask a gentleman, whom I knew very well, what was the cause of it, and how he could account for it, and he replied he could not tell what was the cause of it, but his opinion was that it was owing to their having raised the fares at every station.

5758. Have they raised them upon all classes ?—Every class, I believe.

5759. And upon goods ?—Except upon coal. I do not think they have raised the rate upon coal, but I believe upon local goods they have raised the rates, but through goods they carry at much less rates. They carry goods from Londonderry across to Fleetwood by Belfast at about half the rate in proportion to the

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distance, at which they carry goods from Londonderry to Coleraine.

5760. (*Sir R. Hill.*) Do you know how long it is since they raised the rates again?—I believe within the past year. The lease of that line expired on the 10th of April last, and the company then came under a new working arrangement with the old board of directors, and they are now working the traffic at so much per mile instead of at so much per year.

5761. (*Mr. Gower.*) How do you account for their raising the rates again, they having been so successful when they have been lowered before?—I cannot account for it beyond this, that it is not now their interest one way or the other. They get so much for hauling the trains, and they get that whether the trains are full or empty.

5762. (*Chairman.*) What company works the line now?—The Belfast and Northern Counties. It was originally called the Ballymena and Belfast line.

5763. That was the company to which you disposed of your interest in the line?—Yes.

5764. (*Mr. Gower.*) Am I correct in supposing you to say that they raised all the local rates, but that with regard to through rates to Fleetwood they carried lower even than when you were there?—That is quite correct, the local rates are much higher now than the through rates in proportion to distance.

5765. (*Chairman.*) Have they assimilated the rates which are charged between Londonderry and Coleraine to the charges on their own line between Belfast and Coleraine?—They have, I understand.

5766. (*Mr. Gower.*) Is there much competition from Londonderry and Belfast between the two lines?—There is a new line, which is the green line on the map, called the Dungannon and Omagh, which gives another route to Belfast; that has taken a portion of the through traffic away between Liverpool, Belfast, Glasgow, and Londonderry. There are two ways of getting to Belfast now from Londonderry. That green line has only been opened two years.

5767. When you reduced the rates on your line, was a similar reduction made on the line from Coleraine to Belfast?—I believe not. I got a very liberal through arrangement over the line in booking through to Belfast. I had no control whatever in asking them to reduce their local rates. They met me very liberally by a through arrangement which contributed a good deal to the increase of the traffic.

5768. (*Sir R. Hill.*) Up to the time that you became lessee of the line, I think you stated that the gross income was about 15,500*l.* a year?—About that.

5769. How long did you continue lessee after making the large reductions in the rates that you have spoken of?—I continued lessee up to May 1861; I left the receipts then about 18,300*l.* a year.

5770. Then the consequence of the large reduction which you made in the charges was an increase of traffic to the extent of nearly 3,000*l.*, was it not?—Yes; that was by encouraging the local traffic as well as the through traffic. I worked the receipts during my lease from 15,000*l.* a year to upwards of 18,000*l.*

5771. And you paid the Government 10,000*l.* a year?—10,000*l.* a year. Yes.

5772. Had you any other expenses?—I had all the maintenance of the line, such as taxes, repairs of the permanent way, wages, keeping the rolling stock in order, station masters, and everything.

5773. I should like to know, if you have no objection to state it, whether it left you a profit?—I have no objection at all to state it. The last year that I worked it I had a profit of 1,000*l.* after rent and everything was paid.

5774. Then the result of the last year was to afford an actual profit, that is to say that the gross receipts exceeded the working expenses by about 11,000*l.* a year?—Exactly so.

5775. Whereas, before you reduced the rates, the gross receipts did not cover the working expenses, I understood you to say?—When I took the line up in 1855 I found a most extravagant staff upon the line which was one cause of the heavy expenditure. I found a number of people who did not know very well their duty; I dismissed many of them, keeping only such as were suitable for the working of the traffic, and I effected a saving thereby of more than 1,000*l.* a year, and I increased the receipts by very nearly 2,000*l.*

5776. You were not a lessee in the first instance?—I was not.

5777. I understood you to say when you first became connected with the line that the gross receipts were not quite equal to the working expenses?—Scarcely.

5778. Of course under the head of working expenses you would not include any payment to the Government or to other parties for the loans made to the line?—I think I may be in error here, because when I say not being able to pay working expenses, the Government interest had to be first paid, and after deducting this, Mr. McCormack, who had a large interest in it, had occasionally to put his hand into his pocket to help pay the working expenses.

5779. Of course the gross receipts were not equal to the working expenses plus the Government interest?—Exactly.

5780. What was the amount of the Government interest?—Four and a half per cent. on 80,000*l.*

5781. Something less than 4,000*l.*?—Yes.

5782. What claim had the Government to the rental of 10,000*l.* a year?—The surplus, after the Government debt, was distributed amongst the bond holders. The bond holders came in after them; it was paid to them, they having a prior claim, and the balance was handed to the company to distribute as they pleased.

5783. Was there sufficient after the Government had paid themselves out of the revenue to pay all the bond holders?—I believe there was, for the bonds rose rapidly; from being a drug in the market at five shillings in the pound they rose to par.

5784. Was there sufficient to pay any dividend to the original shareholders?—Not to the original shareholders; the line was so extravagantly made that the original shareholders never expect anything. They are hopelessly gone.

5785. Have you any printed reports connected with this particular line which give these statistics and the gross receipts from year to year?—I can supply them.

5786. Beginning at the period when you first became connected with the line?—I will supply them; the books are all now in the hands of the Northern Counties Company, and for their satisfaction when I transferred my lease I said they might have the use of them.

5787. You can extract the statistics in question?—Yes.

5788. At the time you were lessee, did you print reports showing the traffic from year to year?—I did not publish the traffic. It then became a private affair.

5789. But you have the records?—I have books regularly kept.

5790. Will you favour the Commission with a statement from year to year of the gross receipts, and of the total expenditure, and so forth?—Certainly. I was bound regularly to supply the Board of Trade with a return every year, showing the number of goods, passengers, coal, and so forth, carried over the line and the rates charged upon each, that I can get a copy of. (*See statement at end of evidence.*)

5791. What securities were taken when the lease was granted to you by Government, were there any securities taken against the deterioration of the rolling stock and of the road?—Mr. McCormack, who had a large stake in it, stood in the position of security for me with the Government. I think the line owed him 80,000*l.*, and he having such a stake stood in the position of a security, and he bound me to maintain the line, which I did under his own special inspection,

and in the event of my failing to do so I was liable to have my lease cancelled by getting a week's notice.

5792. Were those conditions recited in the lease ?—They were recited in the lease. I was bound to pay the rent every Monday. I paid my proportion every Monday to his credit in the bank, and failing to do that I was liable to have my lease cancelled the following week.

5793. You were bound yourself to keep up the road and the rolling stock ?—I was.

5794. Who was the judge as to whether you performed your contract ?—Mr. Peter Barlow, the engineer ; his duty was to come at any time he chose and as often as he liked to inspect the plant, bridges, and rolling stock, and report on them.

5795. I presume he occasionally came to make an inspection ?—He came, and closely inspected the whole property.

5796. In point of fact when the line was given up was it in a state which was satisfactory to the owners ?—It was very satisfactory, so much so that the rolling stock when valued from me amounted to a higher sum than when it was valued to me.

5797. But perhaps you had increased it ?—I had put some new stock on, but I do not include that in the value, because I got paid for that separately, but I kept the old stock in that condition that its value was not rendered less. I kept them painted, put in new trimmings, new wheels, and so on.

5798. Then speaking from the experience you have had in the matter do you see any practical difficulty in granting leases of the other lines in Ireland ?—The only difficulty I apprehend is that directors are not very much disposed to lease lines.

5799. But supposing they should be disposed ?—I believe it would be of great advantage to the shareholders.

5800. Do you think they would be worked with greater efficiency by one or more individuals than by the companies ?—Two or three practical men would be able to give a result upon any of the Irish lines exceedingly far beyond what they are now doing. I can say that from my own experience.

5801. Are you aware that at the present time many of the Irish lines are not paying their expenses ?—I am quite aware of that.

5802. Suppose the lines were amalgamated, to use an ordinary term, and placed under one general management, and then leased to a few intelligent and energetic men, do you think that they might be worked so as to be remunerative to the shareholders to some extent ?—I believe that the result would agreeably astonish the shareholders. The expenses could be reduced enormously ; I am sure their receipts could be very much increased. I know one instance of a northern line, where I proposed myself, and two others, to take the line on lease, and give the preference shareholders 2½ per cent., to be increased to 4 per cent. ; but as it is worked now, I do not think they will ever get a single farthing per cent.

5803. That offer was not accepted ?—The offer was not accepted. A section of the board were favourable, but a majority were against it, and it fell to the ground.

5804. If you were one of several lessees of all the lines, would you recommend, as regards all the lines, a reduction similar to those which you made between Londonderry and Coleraine ? — Certainly. I think the position of Ireland compared with England is totally different. The population are not so wealthy. The labouring classes do not get such high wages as in England. There is not so much manufacture in the country ; and I think, in order to meet the requirements of the people, a reduction of fares should be made, and I think that would give decidedly an increase of traffic. I know some instances where trade has been prevented by the high rates.

5805. When you reduced the fares between Londonderry and Coleraine, did you make a sudden reduction to the full extent, or did you proceed gradually ?—I tried it gradually. I tried it upon one or two sections, and I found the result so satisfactory, that I decided on making it general.

5806. Was the preparatory trial long. Did it occupy much time ?—About half a year, or a little more.

5807. Then in about half a year the whole reduction was effected, was it ?—The whole reduction.

5808. What was the immediate effect upon the revenue ?—I think that year it showed an increase on the gross traffic of 1,500*l.*

5809. Then the immediate effect was an increase in the total receipts ?—Without any increased expenditure. I did not run an extra mile.

5810. Then, of course, there would be an increase in the profits ?—Certainly.

5811. Then probably you would not apprehend that a similar reduction applied to the whole system of the Irish lines would lead to a temporary loss ?—I do not think it would. My own opinion is that it would not.

5812. Have you any apprehension at all as to its leading to a permanent loss ?—I am quite sure it would not lead to a permanent loss.

5813. (*Chairman.*) Londonderry and Coleraine are very thriving towns, I believe ?—They are, particularly Londonderry, which is rapidly increasing in point of population.

5814. Are there manufactories in both towns ?—There are.

5815. Londonderry has become an important seaport, has it not ?—It has. They have built a new line of quays, which are perhaps the finest in any port in Ireland, and the town itself is increasing amazingly fast.

5816. Do you think that results derived from experience of such a line as that between Londonderry and Coleraine would be applicable to the general condition of Ireland ?—I think it would. A liberal mode of communication at a cheap rate for goods and passengers between any two towns in any part of Ireland would be a great benefit.

5817. I suppose that the working population in Londonderry and Coleraine are much better off than the population of the greater part of Ireland ?—I dare say they are a little better off ; but they get pretty much the same wages.

5818. Are not wages considerably higher in that district than the midland and southern counties ?—Not for the agricultural labourers. I think they are not at all higher.

5819. Do you find a considerable number of agricultural labourers travel between Londonderry and Coleraine ?—Yes, a great number. The rates were so low that men going any distance to work would use the railway. The rates were 1*d.* or 2*d.* from station to station. They would get a third-class return ticket from one station to another. I recollect giving a return ticket for 1½*d.* per day from one particular station to another, and the labourers did use the railway very much.

5820. (*Capt. Galton.*) For how long ?—For about 2½ miles. They used the railway to go to their work and return. It was no additional expense. The trains were running, and they might as well have passengers in them as run half empty.

5821. (*Chairman.*) Do you think that the labouring population on the Midland Railway would travel in the same way from place to place ?—I believe they would if the rates were moderate ; but they cannot afford to pay high fares with small wages.

5822. (*Capt. Galton.*) Did you carry third-class passengers by every train ?—By every train except one.

5823. If low rates were given to the third-class passengers it would be part of the system to give them frequent trains ? — Certainly ; three trains a day ; one train in the morning, one at noonday, and one in the afternoon, but especially morning and afternoon, each way.

5824. (*Sir R. Hill.*) That is, about the time when work begins, and about the time it ends ?—Exactly ; and then there should be a midday train for people

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who wish to travel, either going on pleasure or to their places of business.

5825. I gather from what you say, that you had four passenger trains in each direction every day?—I had.

5826. Were they generally pretty well filled?—They were indeed. I managed to fill them very well.

5827. (*Mr. Glyn.*) Supposing this leasing system to be carried out, how would you divide Ireland; into what districts would you divide it; into three or four districts, or one large district?—I think it might be very properly divided into three districts. Take the northern district, there are many systems and different properties there, commencing at Dublin. Take the north as one district; the Midland Great Western for the west and north-west, and the Great Southern and Western with the other small branches for the south.

5828. Would you prefer having it in three districts, or having it managed by one large company?—I think I should prefer having it in three. It would be a very large and extensive job for even three boards to manage it, or three parties to undertake it. By dividing it into three districts you can give your special attention to one quarter. The requirements of the north are sometimes very different to those of the south.

5829. As the lines are at present laid out, can there be any difficulty in booking through from north to south, or from south to north?—Yes. If you are going from the west of Ireland to the north you are stopped at Cavan, and have to re-book there, and wait three or four hours. They have altered the trains on the northern route recently so that they will not now work in with the trains on the western route.

5830. Would not a communication between all the railways in Dublin be a very great advantage?—I think it would be very desirable to have a central station.

5831. There is an Act for that, is there not?—There is.

5832. But there is no money to carry it out?—I am not aware of that. The shares are selling at a large premium in the market.

5833. (*Mr. Horsfall.*) Do you think there will be any difficulty in getting people to lease these lines on terms that would be remunerative to them and beneficial to the shareholders?—I think not. I consider the only difficulty would be in the board-room of each company. Certainly, the shareholders would be pleased with the change, I think.

5834. Do you think it would be met by opposition on the part of the directors of some of these lines, or many of them?—I think some of the directors would be desirous of leasing the lines. Of course it would require proper security that their immense property should be taken care of, and kept in a proper condition.

5835. (*Chairman.*) You are not able to state the reasons which have influenced the Londonderry and Coleraine Company in reversing a policy which, according to your statement, would appear to be very advantageous?—I cannot account for it except their working it under a new management.

5836. (*Mr. Glyn.*) Do you happen to know what the diminution of the receipts has been the last year?—The manager told me some time ago that the falling off has been more than 2,000*l.* a year upon 10,000*l.*

5837. (*Sir R. Hill.*) Perhaps you can favour the Commission with a general statement as to that?—I will. Mr. Dargan, one of the directors of the line, told me that he believes the receipts are reduced more than 2,000*l.* a year.

5838. The Government does not now possess the line, I presume?—No, they do not. The Loan Commissioners have been paid their debt. It is now entirely the property of the bondholders, amounting to about 200,000.

5839. (*Mr. Horsfall.*) Are you aware whether any other companies have tried the principle of lowering the rates materially?—It has never been tried in Ireland to my knowledge. I know nobody who has attempted it but myself.

5840. (*Capt. Galton.*) We have been told that on the Waterford and Kilkenny line they have tried the cheap trains, and they have not been successful. If you reduce the fares in the north of Ireland, your experience seems to show that the loss is very soon recouped. In the agricultural districts, that is, in the south, if it is not so easily recouped, would it not be one means of meeting the loss in the south to amalgamate the whole of the railways into one, so that it might be the interest perhaps of the working company to carry on the traffic at lower fares, because although in one part of the country they would get very little profit, they would get a very high profit in the more densely populated part?—But then in amalgamating the whole you attach the more prosperous end of Ireland to the poorest end, and if you are to take an equal division at all you would be depriving the northern people in the province of Ulster of a certain portion of the dividend which they should get, and you would be distributing it among the poor lines in the south of Ireland.

5841. Are you of opinion that amalgamation would be the means of improving the present value of the property as far as the shareholders are concerned?—Yes.

5842. You could not amalgamate two lines if one line was paying 1 per cent. and another line 5 per cent., for the shares could not be taken at an equal value for the purpose of amalgamation; it is only with reference to the purpose of eventually working the traffic?—Both for the purpose of working the traffic and the general benefit of the community. Working the entire system under one management would be a very great advantage indeed. There would be uniform rates, and there would be continuous communication kept up, giving an advantage to the whole country.

5843. (*Sir R. Hill.*) If the whole system belonged to one party would you lease the whole or divide the system into portions and lease them separately?—If the whole system was divided into three districts, with a proper understanding for uniform rates and through communications, the lines to be kept up and worked under one management, it would answer all the purposes as well, and would in my opinion be better worked, because if you take the whole it becomes a vast undertaking.

5844. Did you continue to work the line until your lease ran out?—No, I sold my interest in it. My lease would not have expired until the 10th of April last.

5845. We have been told that the Midland line was once leased, and that the receipts were very unsatisfactory. Can you throw any light upon the cause of that?—I am quite aware of that. I was manager of the line at the time. They leased the locomotive department to a contractor for the haulage of the trains, and I think a more unsatisfactory lease no board ever made.

5846. (*Mr. Glyn.*) It was not a lease of the line?—No, not at all; it was merely a lease for providing the haulage power, which was a most unfortunate contract for the company.

5847. (*Sir R. Hill.*) There was no similar lease to that which was granted to you in respect of the Londonderry and Coleraine line?—Not at all.

5848. (*Mr. Glyn.*) The lease was merely with regard to locomotive power?—Yes; it was in the interest of the lessee to run as many miles as he could without any regard to the quantity of traffic, as the more miles he ran the more money he would receive.

5849. (*Chairman.*) Does the greater part of the traffic from the north and south of Ireland pass through Dublin?—At present I should say that seven-eighths of the whole passes through Dublin.

5850. Is there any important intercourse between the north and the south such as that if there were conveniences for carrying it, it would pass direct without going through Dublin ?—Yes ; I think there is, and that communication is getting more and more necessary every day, for we are now getting all through the south and west a large flax crop raised, and for some years at all events it will have to find its way to the north, and just now, according to the present arrangement of the trains, it is very difficult to get it to the north. It deters the growers from encouraging this particular crop.

5851. Is flax the principal article of traffic between the north and south of Ireland ?—There is a good deal of passenger traffic as well.

5852. Are any of the manufactures of the north of Ireland distributed all through the south ?—I think there are. I know Mr. Malcolmson has recently built a large factory in the north, at Belfast ; he has also factories in the south.

5853. You have been engaged in mercantile pursuits since you ceased to lease the Londonderry and Coleraine line ?—I have.

5854. You have had occasion to make arrangements with the railway companies in the pursuit of your business as a merchant ?—I have ; by becoming a merchant, I have got to the other side of the question. I have got to know the value of the various goods which are carried over the line. I certainly have found very great cause for complaint as a merchant, of the rates, especially to the west and north-west.

5855. Will you state where your business as a merchant is carried on ?—Stafford Street, Dublin. I am partner in a large wholesale oil and drug establishment. We send goods to all parts of Ireland, but our chief markets are the west, the north-west, and greater portion of the south.

5856. Have you had reason to complain of the conduct of the railway companies ?—Very frequently.

5857. In what respects ?—The high and excessive charges in some instances being quite a prohibition to the sale of our goods.

5858. Did you show the railway companies that in your opinion the traffic could have been carried at lower rates so as to remunerate them ?—I have frequently shown that to the managers of the different lines, particularly Mr. Forbes, my successor. I even revised a book of rates for him to get his board to adopt, for I found in some cases that the charge to Galway was 50 per cent. on the first cost value of the article.

5859. Was that an article not of much cost originally ?—Take, for instance, washing soda, of which a great quantity is used in the west, rough sulphur, copperas, or any of those articles, the charge for carriage was about 50 per cent on their value.

5860. (*Sir R. Hill.*) What was the rate per mile ?—I think about 2½*d.* per ton per mile, or something like that.

5861. (*Chairman.*) Did the railway companies inform you that they could not afford to carry it at a less rate ?—They could not deviate from the rate. I have one case especially that is a fair sample of the rates and the way they treat merchants about those rates. Within the past two months we sent a small quantity of American oil, a few casks, to a customer in Sligo; it went down without our making any specific inquiry as to the rates. When it reached Sligo our customer complained that the charge was at the rate of 4½*d.* per gallon upon an article the intrinsic cost of which refined was 2*s.* 2*d.* ; the charge was actually 4½*d.* per gallon to Sligo. I wrote to the manager and told him I felt certain it was an error. He wrote me back saying that it was in accordance with the company's rates. I followed it up by going to a director whom I knew. He said they heard it was explosive, and they could not carry it unless they got an extraordinarily high rate. Since that it has been sent by steamer to Liverpool, and from Liverpool to Sligo, and we find that we can get it carried at 1*d.* per gallon the whole way by this route as against 4½*d.* by railway.

5862. It has to undergo transhipment at Liverpool from one vessel to another ?—Yes ; when we are sending heavy goods to the west coast of Ireland we have often waited for a coal vessel to take in 8 or 10 tons of goods for Galway, and we save immensely by doing so.

5863. (*Mr. Glyn.*) Is there a great deal of internal traffic affected in the same way by these high rates ?—A great deal. I am speaking now exactly of what everybody in our trade would say if you had them before you, that the rates are really in some cases quite a prohibition to trade. There is also a grievance which we have to complain of, that goods from Manchester and Wigan, and other places in that district are booked through to Limerick, Ballinasloe, Kilkenny and all other towns at the same rate as to Dublin.

5864. In point of fact the through rate is a very much better rate than the local rate ?—It places the Dublin merchant at a great disadvantage.

5865. As regards the local rates on these articles in Dublin, have you ever represented the facts to the directors ?—Repeatedly.

5866. You alluded to one case, and that was the case of oil ; but they stated it was an inflammable article, and therefore they made you pay a higher rate for it ; but have you ever made a representation with reference to other articles to which that did not apply ?—In answer to my repeated applications, calling their attention to the excessive rates, I invariably got the answer that it was in accordance with the company's regulations and fixed rates.

5867. I suppose you then told them that in point of fact the rate is of no use, because they will get no traffic ?—I have gone myself, personally, and pointed out to them that they were not getting half of the traffic.

5868. (*Sir R. Hill.*) Some of the gentlemen from Ireland have expressed an opinion to the effect that there is a limited quantity of traffic, and that the railway companies got the whole or nearly the whole of it, and that consequently any reduction in the rates of charge would be so much loss ; your experience does confirm that view ?—Certainly not. From Dublin to Mullingar only last week we sent from our works by road about 30 cwt.

5869. What description of goods ?—Sundry goods ; oils and goods of that kind.

5870. Then it is frequently cheaper to use the ordinary road than the railway ?—Frequently. A great many cars are still earning a livelihood upon the road, carrying the goods which ought to go upon the railway.

5871. You stated that you transferred the lease of the Londonderry and Coleraine line before the term had expired. Can you say whether your successor carried it on upon your plan ?—To some extent he did ; not entirely. But he gradually dropped back.

5872. That is, he raised the charges ?—He has recently raised them to the full extent I have been informed.

5873. And that with reduction in the total receipts ?—A considerable reduction.

5874. (*Chairman.*) You carried some coals between Londonderry and Coleraine ?—I increased the tonnage in coals about 4,000 tons.

5875. Do you think that the consumption of coals in Ireland could be considerably increased by the reduction of charges on the railways ?—I am quite of opinion that it could. I think it will be found that if coals can be brought into Dublin at 11*s.* or 12*s.* per ton, and sent into the interior of the country at a moderate rate of ½*d.* a ton per mile, every comfortable farmer will discover it to be cheaper considerably to burn coals than to save turf and draw it home from any distance. I found it so in the north, many people who formerly used turf, particularly some who lived

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on the Marquis of Waterford's property, were induced to try coal, and they have told me that they have continued since to use it, finding it cheapest.

5876. Did you carry coal at your own risk and form depôts at the railway stations ?—I imported coal.

5877. You were a coal dealer ?—I imported the coal and gave a commission to the station master to dispose of it. I charged the regular reduced rate over the line, and gave the line credit for it in the receipts.

5878. (*Mr. Horsfall.*) I suppose a considerable reduction in the price of coal would have the effect of encouraging manufactures in Ireland ?—No doubt of it; coal is most essential to any manufacture.

5879. (*Sir R. Hill.*) You have stated that in consequence of the reduced charges and the other facilities that you afforded, the number of passengers largely increased between Londonderry and Coleraine, and especially third-class passengers ?—Yes.

5880. Can you say whether the increase consisted chiefly of artizans or of agricultural labourers ?—My opinion is that there was a proportional increase in all classes, and people who used the train in the second class I have very frequently found in the first class when the rates were reduced.

5881. I am speaking more especially of the third class passengers, the increase was not confined by any means to artizans ?—Oh dear, no.

5882. But it extended to agricultural labourers ?—Agricultural labourers travelled at a reduced rate.

5883. To go to their work and back again ?—To go to their work from station to station. I have carried 25 or 30 labourers, and sometimes as many as 50 in lots from the various stations at these low fares. They take the ordinary morning train, and return in the afternoon. It cost me nothing additional to carry them, and those people would have walked if they had been charged a high rate.

5884. (*Chairman.*) You mentioned one instance in which a large quantity of goods has been recently sent from Dublin to Mullingar by the road ?—Yes.

5885. That is not a solitary instance ?—Not at all.

5886. Have you reason to believe that it is the general practice to send goods by the road instead of by railway ?—It is a general practice; there are one or two shopkeepers in Mullingar who have never, I believe, used the railway, but cart the goods by the road still.

5887. Do you think those facts are known to the board of directors ?—They must be, because they must see the waggons go along the road.

5888. (*Mr. Glyn.*) Did you ever calculate what rate would induce that traffic to change from the road to the rail ?—I tried it. At Londonderry I had to contend with a very difficult question of this kind. The line from Londonderry to Newtownlimavady is 18 miles, and by road it is 11 miles. Nearly all the goods went by carriers. I immediately cut the rate down to a price which made the carriers cease to exist in about half a year. I found it paid me well to do so. I reduced the rate on most of the goods from 4*s.* a ton to 2*s.* 6*d.* a ton. I found the carriers gradually died off every month, until at last they all disappeared.

5889. Though you had to contend with the disadvantage of 18 miles against 11 ?—Yes; the line runs through slob land and twists about for a distance of 18 miles, against 11 miles by the road.

5890. From your experience as a man acquainted with railways, are you of opinion that if the same principle were applied to the railways generally in Ireland that it would be equally successful ?—I have no doubt of it.

5891. Of course it would vary according to the particular wants of the district ?—If the principle were carried out it would have the same results upon any line.

5892. (*Chairman.*) Are there regular carriers between Dublin and other towns, such as Carlow and Tullamore, as between Dublin and Mullingar ?—We have not regular carriers to every town, but we have a cheap mode of communication by canal to Carlow. In the west of Ireland the Midland Company have ceased to work the canal, and having the monopoly of the traffic they have practically shut up the traffic of the canal. They say that the people must go over their line; they have no other alternative.

5893. (*Mr. Glyn.*) They allow boats upon the canal ?—They allow boats, but the traders do not seem to work them with energy. They charge a high toll I believe to the traders.

5894. (*Chairman.*) Is there not an arrangement between the railway company and the canal company as to the traffic towards Carlow and that district ?—There is an understanding as to the rates. The canal company now do their work so well and so punctually, and in so very short a time, that a large portion of the goods go over the canal to those towns, and hence the prosperity of the canal. It gives very much better accommodation now than some years ago.

5895. (*Capt. Galton.*) The canal had a differential rate given to it by the railway company, had it not ?—Yes.

5896. Was it not 15 per cent. ?—I believe so.

5897. So that the carriage is cheaper by the canal than by the railway ?—And they have this advantage, that they are doing the work very much better and quicker. The goods go very nearly as fast to Tullamore and Carlow by canal as they would by railway; the difference is so trifling that the parties do not care about it.

5898. (*Sir R. Hill.*) Are the boats drawn by horses or propelled by steam ?—Propelled by steam. They have an arrangement the moment the goods arrive of advising the parties of the arrival of their goods or despatching them with their own carts to the various shopkeepers.

5899. (*Capt. Galton.*) Do you know Carlow itself as a town ?—Yes, I do.

5900. Do you believe that low rates to and from Carlow would produce a quantity of traffic ?—I believe they would. I think a great deal of the agricultural produce of that rich district would come up to Dublin that does not now come, if there was a lower rate. There is often a considerable difference in the price of butter and potatoes at Carlow and Dublin.

5901. Is there such a difference as would make it worth while to send them up by railway if the rate was low ?—Certainly, if the rates were at all moderate; but now, if you get them upon the railway, you find the difference is nearly absorbed in the carriage, and therefore the goods do not come; the farmers will not send them.

5902. From your experience of Carlow, if you had the working of that line, would you feel disposed to carry at low passenger rates as well as at low goods rates ?—Certainly. I am quite in favour of that in any district in Ireland.

5903. (*Mr. Horsfall.*) And I suppose in England too ?—They have such a monstrous traffic in England that there is not the same necessity. I believe generally rates in England are lower than they are in Ireland, for passengers especially; but we have a very poor population in Ireland, thinly scattered over the country. They require to have every accommodation at the lowest possible figure to encourage them to send their produce and to travel themselves.

5904. (*Chairman.*) Is there any other information which you can furnish the Committee with in connexion with railways ?—I am not aware that there is anything else at present.

The witness subsequently sent in the following statement :

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LONDONDERRY AND COLERAINE RAILWAY CO.

Number of Passengers, Rate per Mile at which each Class was carried, with total Receipts of Londonderry and Coleraine Railway for following years as under :—

Year.	Passengers.			Rate per Mile for each Class.			Total Number for all Classes.	Total Receipts for Goods and Passengers.	Remarks.
	First Class.	Second Class.	Third Class.	First Class.	Second Class.	Third Class.			
				d.	*d.*	*d.*		£	
1855	11,880	21,041	70,713	$1\frac{5}{10}$	$1\frac{1}{2}$	1	103,634	13,865	Return Tickets were counted as one Passenger for 1859 and 1860, but as two Passengers for 1855 and 1857.
1857	13,134	25,561	70,609	$1\frac{3}{4}$	$1\frac{1}{4}$	$\frac{3}{4}$	109,304	16,507	
1859	12,986	30,288	70,466	$1\frac{3}{4}$	$1\frac{1}{4}$	$\frac{3}{4}$	113,740	16,896	
1860	13,250	32,380	74,640	$1\frac{1}{2}$	1	$\frac{1}{2}$ & fraction.	120,270	18,250	

Working Expenses in the year 1855 about 85 per cent.
Do. do. 1860 „ $34\frac{1}{2}$ „
Goods increased in proportion with a similar reduction of rates.

Adjourned till Friday next at 12 o'clock.

Friday, 16th June 1865.

PRESENT :

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ.
J. R. M'CLEAN, ESQ., Pres. Inst. C.E.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. JAMES GRIERSON examined.

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5905. (*Chairman.*) You are the general manager of the Great Western Railway ?—I am.

5906. Have you been general manager of the Great Western Railway for several years ?—I have been general manager for two years, since the amalgamation of the South Wales Railway and the West Midland Railway ; before that time I was goods manager of the line.

5907. Has the Great Western Company made any arrangements with any of the Irish railway companies with regard to through traffic or through booking ?—Yes, they have made arrangements with the Waterford and Limerick Company, and with the Waterford and Kilkenny Company.

5908. Will you be so good as to state to the Commission the nature of the arrangement that has been made ?—It is simply a through booking arrangement with the Waterford and Limerick ; Company with regard to passengers, they getting their local fares, and as regards goods taking a mileage proportion with the clearing house terminals. It is the same with the Waterford and Kilkenny Company. We have also a right to book through with the Great Southern and Western Company under an agreement which was sanctioned by Parliament about two years ago, when we got our amalgamation, and also under a clause which was afterwards introduced into the bill in the Committee in the House of Lords, by which it was arranged that whatever through booking was given to the London and North-western Company should also be given to the Great Western Company ; that applies *viâ* Holyhead ; it is not put in full force, and at the present time it only applies to the Great Southern and Western ; as that is the only company which at present books through with the London and North-western Company.

5909. (*Capt. Galton.*) How would you get on to the Great Southern and Western line ? by way of Holyhead ? — Over the London and North-western Railway. Our amalgamation agreement gives us the fullest facilities over the London and North-western line, the passengers leaving our line either at Wolverhampton, at Crewe, or at Chester, the Great Western Company having junctions at those three places, and the London and North-western Company being compelled to take our traffic, as if it were their own traffic, on to Dublin.

5910. (*Mr. Glyn.*) Have you advertised that route? —Generally, as far as Dublin is concerned, that arrangement is in full force.

5911. (*Chairman.*) Is there any important traffic passing over your system, derived from the Irish railways, with which you have through booking arrangements ?—A most important traffic from Waterford and Limerick.

5912. Is that traffic carried on between Waterford and Bristol ?—There is traffic between Waterford and Bristol ; but we have no through booking arrangements *viâ* Bristol to Waterford ; we have from London *viâ* Bristol to Cork.

5913. Where does the Waterford traffic come to ? —It comes to Milford Haven.

5914. Have the arrangements which now exist between you and the Waterford and Limerick Company been satisfactory to the Great Western Company, or do they wish to carry them further because they think the traffic could be further augmented ?— So far as the Waterford and Limerick Company are concerned, the arrangements have been satisfactory ; but as to the other parts of Ireland in the south they do not go far enough. If through booking is to be carried on *viâ* Dublin, we think that it ought also to be carried on *viâ* Waterford, and to all parts of the south of Ireland.

5915. That is to say, you think that from the Great Southern and Western line they should book through to Waterford ?—Yes; or to any place to which it would form a reasonable route. The directors of the Waterford and Limerick Company, I believe, have been very anxious for it to be done.

5916. (*Mr. Hamilton.*) Do the directors of the Great Southern and Western Company refuse to give you through booking arrangements ?—I have not personally asked for through booking arrangements until a few weeks ago, and then they refused them ; but I have understood from other parties in the south of Ireland that they have been always anxious to

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obtain through booking; however, I cannot speak of that from my own knowledge.

5917. Who do you mean by the word "they"?—The Waterford and Kilkenny Company. I have understood from parties that they have been always anxious it should be done; but, as I have before said, I do not know this of my own knowledge.

5918. (*Mr. Glyn.*) Do the Irish railway companies with which you are connected charge, as part of the through booking rate, a local rate?—Not in the case of the Waterford and Limerick Company; they have booked through with the Great Western Company on fair and liberal terms, and I am bound to say that for an Irish company, having a limited amount of traffic, I should consider it a reasonable thing in some cases for them to expect something more than a mileage proportion, because their traffic is not so extensive as it is on English railways, with respect to which the rule is to divide by mileage, with clearing house terminals.

5919. (*Chairman.*) Are they satisfied with their mileage proportion?—Within the last few months they have been negotiating with the Great Western Company in order to obtain some better arrangement. They have deposited a bill in Parliament this session with the view of bringing about a closer connexion between the Great Western Company and their line, and it was in consequence of that bill coming on that they came to the Great Western directors to know what course they would adopt as to it; they were very desirous that we should give them some rebate, or else that we should undertake to work their line.

5920. (*Capt. Galton.*) Was a working arrangement provided for in the bill which they were promoting;—Yes; it was for a lease to or working arrangement by the Great Western Company.

5921. Was the Great Western Company anxious to take it?—The directors of the Great Western Company have decided not to take any steps in the matter at present. I should mention that the directors of the Great Western Company did not take the initiative in depositing that bill; it was done alone by the Irish Railway Company, and without consulting the Great Western Company.

5922. (*Chairman.*) Have you traffic both in passengers and in goods on the Waterford and Limerick Railway?—Yes, but our steam packets are principally suitable for the carriage of goods; they are not first-class boats for passenger traffic, and therefore the traffic in passengers is not large.

5923. (*Mr. Hamilton.*) You said, I think, "our "packets;" the Great Western Company does not own any, does it?—No; what I meant was, the packets on that route, but we support those packets indirectly.

5924. (*Mr. Horsfall.*) The bill that you have referred to was merely an enabling bill?—Yes.

5925. (*Capt. Galton.*) Have you considered the question of the advantage that might result from leasing an Irish line in that way; do you think it would be advantageous to the Great Western Company?—No doubt of it. As far as they are concerned, it would be advantageous to them to get a control over the Irish railway, and so get all the through traffic over their own system. But if you asked me whether, in the public interest, an Irish railway should be leased to an English railway company, I should consider that there would be a great question about it.

5926. Do you think it would be worked as well with respect to local fares and rates as it is at present worked by the Irish company?—If a line of railway were placed under my control in Ireland for the benefit of the Great Western Company, I should of course consider the interests of the Great Western Company first, and as the local traffic upon a railway is generally far more important, at least as it bears a large proportion to the through traffic, I do not think, unless under special circumstances, it would be desirable to hand over an Irish railway to any particular company.

5927. But still, if the Great Western Company had a lease of the line, it would be to its interest, I presume, to develop the traffic to the utmost?—Yes, if they were the possessors of the line itself, certainly. If they were the owners of the line of course they would do the same, in order to develop traffic upon it, as they would do with their own line. I have been speaking merely of working the line under a working arrangement, and I draw a distinction between the owners being in actual possession of the railway and a company who are simply the workers of the railway.

5928. In the case of being the lessees of the line, you would pay a rent for it, and you would develop the traffic to the utmost?—No doubt.

5929. Have you considered whether it is probable that the railways in Ireland would be better worked if they were leased to English companies?—I have heard that suggested, but I should consider, looking at the amount of local traffic in Ireland compared with the through traffic, and considering that the Irish railways are not very large in extent compared with the English railways, they could be worked very efficiently as one line of railway if they were amalgamated.

5930. If the whole of the Irish railways were converted into one?—Yes; and I should think that it would be a very great benefit to Ireland.

5931. (*Mr. Horsfall.*) Supposing the London and North-western Company to have leased those lines, does anything suggest itself to you that would enable you to increase the traffic?—If we were to lease the lines, we should give further facilities for the through traffic towards England.

5932. Would you lower the rates of charge?—The through rates from Waterford and Limerick to London are very low, and they are perhaps the lowest rates that are charged anywhere. I cannot say that we should lower the rates upon that traffic.

5933. Would you lower the rates upon the Irish part of the traffic?—That would depend upon the expansiveness of the traffic. Wherever by lowering the rates you have a reasonable prospect of increasing the traffic, it is no doubt most desirable to lower the rates, but without knowing the nature of the traffic, and between what places it was to be carried, I am scarcely able to say. It would no doubt be desirable to lower the rates in the public interest.

5934. On the particular lines to which we have been referring?—I do not know sufficient of their local requirements to be able to answer that question; but, undoubtedly, in the public interest, lowering the rates would be beneficial. I cannot, however, say that it would be beneficial to the Company, unless there was a large increase of traffic to compensate for the reduction.

5935. (*Lord Donoughmore.*) As between Milford Haven and Waterford, have you not given a guarantee to the Waterford Company?—We have guaranteed them a minimum income.

5936. Is that a joint guarantee that is given to the Waterford and Limerick Company?—No; it is solely by the Great Western Company.

5937. With regard to the minimum income, can you state roughly what profit is insured to them?—No, I cannot state that; but I think we give them a rebate out of the receipts on our line amounting to something above 20,000*l.* a year.

5938. Is that in addition to their charges for freight?—It is in addition to their own proportion of the mileage rate as between Waterford and Milford Haven.

5939. (*Capt. Galton.*) There is a very large traffic, is there not?—Yes; there is a large traffic in bacon and butter, and that description of goods; there is also a traffic in cattle, horses, and pigs; but there is not a large passenger traffic.

5940. Do you think the passenger traffic could be more largely developed if better boats were put on?—Yes, I do.

5941. (*Lord Stanley.*) Would that line, in your opinion, ever compete with the Holyhead line?—Yes, to a certain extent; but it would require very expensive boats to compete very successfully with the route *viâ* Holyhead. The average passage to Milford is now above nine hours, and the passage to Holyhead is only four and a half hours; and of course the first-class passengers are more likely to take the Holyhead route. It would be possible to put on a much better class of boats, which would make the passage on an average in seven hours.

5942. Was there not a project entertained some years ago by the Great Western Company to establish a rival port to Holyhead at a place called Porthdynllaen?—Yes, that is in North Wales.

5943. Was that project entirely abandoned?—The Great Western Company do not move in it, but the Aberystwith and Welsh Coast Company obtained powers to make a railway to that place, and there also have been parties in North Wales who have been very anxious to complete the communication from Bala by way of Festiniog, and to open a route in that direction.

5944. You probably look upon that rather as a local question than as affecting the Great Western Company?—It is a matter that the Great Western Company have not moved in for many years.

5945. (*Lord Donoughmore.*) Did not the Great Western directors at one time obtain an Act empowering them to make a line to Fishguard?—Yes, that was the original South Wales line, which has been resuscitated this year, and has been passed.

5946. Is it the intention of the Great Western Company to make a harbour there?—It is not promoted by the Great Western Company, but it is promoted by independent parties, and they say that they will make a harbour there.

5947. The passage across the channel from that point to Wexford is a very short one?—Yes, it is, and they say that they can compete successfully with the route by Holyhead. I think it is about the same mileage, or less, or within a mile or two of the route by Holyhead.

5948. (*Chairman.*) Was not an Act obtained last year for a railway on the Irish side of the channel, to a place called Roslea Harbour?—Yes.

5949. Is that the point you mean?—Yes.

5950. If all the Irish railways were amalgamated to be worked as one company, do you think it would be necessary to take any precautions against that company endeavouring to concentrate all the traffic at any one port to the injury of the other Irish ports? I think there is no doubt that that would be so. At the present time the local companies seem to direct their attention mainly to their own particular port, and that is the reason why there are complaints made that the traffic is not allowed to take its own course. If all the Irish railways were amalgamated, it would, of course, depend upon the directory as to which port they would favour, so that probably some stipulations would be necessary in order to protect the interests of the various ports.

5951. Would it be the interest of one company, or do you think they could work the traffic cheaply if they endeavoured to concentrate it all at one of the ports, rather than to distribute it in the proportions in which it would naturally go to the different ports?—Certainly they might do so. The Waterford and Limerick Company, who are working in friendly connexion with us now, as they have done with the Great Southern and Western Company, and with the London and North-western Company, have entered into an arrangement by which the traffic should go from Limerick to Waterford, and that they are to obtain the same payment upon it, although it leaves their line at the Limerick Junction.

5952. What sort of stipulations do you think would be necessary to give all the ports a fair chance?—I think it would require some very strong clauses to be framed, giving an appeal to some tribunal in case the traffic was improperly diverted.

5953. Ought traffic, in your opinion, always to be allowed to take the shortest course?—I do not say that under all circumstances, because there is no doubt that when there is a superior route it cannot be expected that traffic should be sent by the shortest route, and in that case the longest route might be the best. Take, for example, the traffic arising close to Waterford; it might be the interest of the Company to take that traffic to Dublin, although the parties might be willing to send it to Waterford, and we have had complaints made to us by parties who use the Waterford route that when they want to get trucks to take the traffic to Waterford they cannot obtain them.

5954. (*Mr. Hamilton.*) From what Company do you mean?—I think from the Great Southern and Western Company; but I do not say this from my own knowledge. This has been stated to us by parties trading on our own line. I do not make use of that as a complaint against the Great Southern and Western Company at all.

5955. (*Lord Donoughmore.*) Have you a list of the places in England to which you have through booking arrangements with the Waterford and Limerick Company?—I think I have a list of some of them.

5956. Is Crewe among those places?—Yes; Crewe is a London and North-western station.

5957. I thought your line ran to Crewe?—It will run to that place. Crewe is, in fact, one of our junctions with the London and North-western line; but the connecting link between our main line and the line which runs to Crewe is not yet opened.

5958. Is Wolverhampton one of the places?—Yes.

5959. Which do you consider is the natural route for goods passing from any place in the south of Ireland to Wolverhampton, is it by Waterford and Milford, or by Dublin and Holyhead?—I think, for goods going to Wolverhampton, the most convenient route would be by Holyhead.

5960. Which would be the route for goods sent to Birmingham?—The same route.

5961. And yet you compete with the Great Southern and Western Company and the London and North-western Company by making through rates by the other route?—Yes, we make through rates; but I say, notwithstanding that, I believe the other route is the best of the two from those places.

5962. Are your charges lower than theirs are, or are they the same?—I can scarcely answer that question. We have only just received from the London and North-western Company their scale of rates, and they have not yet been compared. We have a right to book through by the London and North-western line, but it is not fully put into force yet. We applied to them for their list of rates, and they have now sent them to us, and they are under consideration.

5963. Is Manchester one of the places to which you have through booking?—No; we have not through booking arrangements to any place so far north.

5964. (*Capt. Galton.*) Is Shrewsbury too far north?—I believe they can send, *viâ* Holyhead, the Wolverhampton and Birmingham traffic. We send by the north also.

5965. (*Lord Donoughmore.*) Do you think it would be possible to make an equitable arrangement as between Dublin and Waterford by running a line across England, and saying that all places to the north of that line should be considered as entitled to the Dublin route, or rather that the Dublin route should be entitled to the traffic from those places, and that the Waterford route should be entitled to traffic from places south of that line?—I think it is possible, as between the different companies, that such an arrangement might be made.

5966. Are you aware that such an arrangement was made between the Great Southern and Western

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Company and the Midland Company ?—I am generally aware that there was such an arrangement.

5967. (*Capt. Galton.*) Do you think it would be an advantageous arrangement for the public ?—I think that it would be equivalent to closing up one route in each direction.

5968. For the benefit of a particular port ?—Yes, and for the benefit of the two companies.

5969. (*Lord Donoughmore.*) Supposing that division was coupled with stringent powers to oblige the companies to carry at certain reasonable maximum fares, do you think the arrangement would work well in the interests of the public ?—I have no doubt that it would work well in the interests of the public ; but, as I said before, I think it would be equivalent to shutting up one of the routes, because if parties wished to send traffic between a place in England and a place in Ireland in a way contrary to that arrangement, they could not so send it.

5970. As matters stand now, all traffic which is brought to any local station of a railway company at which that company are the masters, and there is no competition, goes by the route which is favoured by that company ?—That is so.

5971. For instance the traffic brought to the station at Tipperary, which is on the Waterford and Limerick line, is naturally sent by the Waterford and Limerick line by the Waterford route ; but if it is brought to the station at Dundrum, close by, which is on the Great Southern and Western line, it is sent by Dublin ?—Yes, but so far as the Great Western Company are concerned they are desirous that the traffic should take its own natural route, and there are four points with which they interchange traffic with Ireland now : one is Bristol, another Milford Haven, another Chester and Holyhead, and the other Birkenhead, and they are disposed to keep those four routes open.

5972. (*Mr. Horsfall.*) Would not such a division of the traffic, as has been suggested, be so far disadvantageous that it would enable the railway companies to charge high rates and up to the maximum fares ?—No doubt, in combination with the Irish companies, it would be so, if the traffic would bear them.

5973. (*Capt. Galton.*) You say that it is the wish of the Great Western Company to keep open the four routes you have named ?—Yes.

5974. What arrangements do you make for keeping them open ; do you allow people to say by what route their traffic shall go ?—Yes.

5975. I suppose there is a different rate of charge according to the length of the route ?—If we booked through *viâ* Holyhead or Milford to the same places, it would be the same rate.

5976. I suppose the majority of persons would say they did not care which way the traffic went ?—At the present time we only book to Cork *viâ* Bristol, and in that case the rate charged by the steam-packet companies, being less, it is the cheaper route, and parties select that route when they are not particular in point of time to a day, but those packets do not run every day.

5977. (*Mr. Hamilton.*) Is there anything to prevent your booking through between Bristol and Waterford ?—Nothing; at one time we did book through *viâ* Bristol and Waterford, but when the Milford packets were put on, the South Wales Company being then an independent line, the through booking was withdrawn. We have stated, even lately, to the parties that we are willing to book through from London to Waterford *viâ* Bristol, and that the Great Western Company are willing to keep those routes open.

5978. I understood you to refer to some arrangement with regard to the Limerick junction, which operated as an impediment to the free interchange of traffic ; will you be good enough to explain that ?—An agreement has been entered into by the Great Southern and Western Company, the Waterford and Limerick Company, the London and North-western Company, and some of the packet companies, the City of Dublin Packet Company, and also Messrs. Malcolmson's Company, by which it is agreed that certain portions of the traffic shall be considered as going *viâ* Waterford, and certain portions *viâ* Dublin, but the traffic really takes the Dublin route ; the Waterford and Limerick Company being paid by a certain per-centage upon the traffic just as if it passed over their line, and Messrs. Malcolmson being paid in the same manner.

5979. (*Lord Donoughmore.*) Can you give me the date of that agreement ?—I am speaking from a circular that was issued on the 10th January 1865, and the note upon that states that this arrangement came into operation in September, 1864.

5980. (*Mr. Glyn.*) That is an arrangement, is it not, very much between the Great Southern and Western and the other Companies ?—It has reference to the routes which the Great Southern and Western line feeds.

5981. (*Lord Donoughmore.*) Is it in the nature of a common purse agreement ?—Yes.

5982. A certain portion of the traffic is credited to Waterford ; no matter how the traffic is carried ?—Yes ; the traffic arising at Limerick, if there was no agreement, the Waterford and Limerick Company would take to Waterford if the public would permit them, and hand it over to the Great Southern and Western Company at Limerick Junction, and although they take it over only about one-third of their line, they are paid just as if the traffic passed over the whole of it.

5983. (*Sir R. Hill.*) Is that done with or without the consent of the persons despatching the goods ?—It is done in the cases to which I have referred without the parties being asked anything about it ; of course the consigned traffic would be taken by the route *viâ* Limerick Junction, if the public required it.

5984. It is not done then in defiance of the wish of the consignees ?—No ; I have no doubt that if the traffic was consigned *viâ* Waterford they would so take it.

5985. (*Mr. Hamilton.*) Is there any doubt as to the genuineness of the document you have referred to ?—None.

5986. I suppose it is a very ordinary case of arrangement between different companies ?—I do not know of any such arrangement being in existence at the present time.

5987. Do you know the amount of the rebate or allowance that is made to Mr. Malcolmson as between Waterford and Dublin, for I understand that he gets a rebate whether he carries the goods or not ?—Yes, he does.

5988. Do you know what that amounts to ?—He is paid as if one half of the traffic took that route.

5989. Who pays that rebate to Mr. Malcolmson ?—It is out of the freight upon the gross traffic. Suppose that all the traffic which is obtained from Limerick and sent, say, to Birmingham, is carried *viâ* Dublin, then the great Southern and Western Company and the London and North-western Company obtain all the receipts in the settlement in the Irish clearing house ; but Messrs. Malcolmson and the Waterford and Limerick Company have their proportion from them.

5990. And of course that prejudices the trades of the port of Waterford ?—Undoubtedly.

5991. (*Mr. Glyn.*) It benefits the railway company having a long run, the Great Southern and Western ?—Yes, it does.

5992. (*Mr. Hamilton.*) Has any representation been made upon this subject by the Great Western Company, because, I presume, this arrangement prejudices their interests also ?—We have made representations to the London and North-western Company upon it.

5993. (*Chairman.*) Do you receive any Irish traffic at Birkenhead or at Chester ?—We receive Irish traffic at the present time at Liverpool. There are no steamers which now run into the Birkenhead

docks, but we are in expectation that traffic will be done through Birkenhead in about 18 months.

5994. Do you expect traffic from the north of Ireland ?—Yes.

5995. (*Capt. Galton.*) Will the steamers be your own ?—It is not in contemplation by the Great Western Company to put steamers on. We have frequently discussed the matter about running lines of steamers to Birkenhead, and the trade which naturally comes from the north of Ireland to Liverpool will always be large, therefore these packets will bring the through traffic for the railways at the same time, and as Birkenhead is so convenient a place, we expect that a line of steamers will be run to that place from Dublin ; that is a matter which has been latterly discussed, but no arrangement is yet made ; nothing tangible has yet been arrived at. With regard to running a line of boats to Greenore, that only is in contemplation.

5996. (*Capt. Galton.*) Will you be good enough to state the reasons why you consider it is desirable, for the public interests, that all the railways in Ireland should be amalgamated into one ?—Because, I think, where the traffic in the country is so small as it is, and the local companies are all endeavouring to carry that traffic to a particular port, which they consider in their own interest entirely, the traffic, not having the free flow which it would have if all the lines were in the hands of one company, is not so large as it would be, and the public do not get all the conveniences and accommodation which I think should be provided for them. I can speak from some experience with regard to amalgamations, and as to their effect in opening routes, because, before the Great Western Company became amalgamated with the West Midland Company, we had junctions at four or five places, and yet we did not interchange traffic, or only as little as each company could give ; but as soon as the amalgamation took place we made through rates, and we did not then care which route the traffic took, whether by the one or the other of the lines, or partly over their line and partly over ours ; and the consequence has been that a very large amount of additional traffic has sprung up between the two lines. Of course it cannot be expected that this will happen in anything like the same proportion in Ireland, because there are in that country no collieries nor iron works, nor any large manufactures, as there are in England ; but still I believe that traffic would arise to a very great extent.

5997. And the gain that would be made upon one railway would compensate for the loss sustained upon another ?—Yes, exactly so. I may state that the West Midland Company and the Great Western Company before the amalgamation were both anxious to obtain the largest amount of profit for their own line, but the moment the amalgamation took place, and there was no longer any difference of interest, the traffic took its own free course, and although we reduced many of the rates considerably, the traffic became so largely developed that we were more than compensated for the reductions we had made, and the public were greatly benefited.

5998. (*Mr. Glyn.*) And I suppose there was a considerable reduction in the working expenses ?—There was some reduction in the working expenses also, but that has not been felt upon the Great Western line to the extent that might be expected, because the directors of the Great Western line have been expending considerable sums of money upon the line, and they have also very much improved their service.

5999. If the new system works as you say, there would in Ireland also be a saving of working expenses ?—Yes, there would be a great advantage in having the rolling stock, the engines and carriages, available to go over all parts of the country wherever they were required.

6000. There would be great economy in material ?—Yes, very great economy ; and there would also be a saving in the general charges, but that does not really amount to a very large sum, nothing to compare with the advantages that would be otherwise gained.

6001. (*Mr. Hamilton.*) The experience you have obtained in the working of the two systems, the West Midland and the Great Western, leads you to entertain a favourable opinion as to the effect that would be produced in Ireland by an amalgamation of all the railways there ?—That is so. We have also entered into an arrangement with the Vale of Neath Railway Company, where, in the same manner, the traffic arising upon that railway might take either the route *viâ* Neath or *viâ* Aberdare, we having junctions at both places. They struggled to get the longest mileage on their line, and they had the power to charge certain local rates upon it, so that the effect was that we were compelled to give up the right to get a fair mileage proportion out of it. But when we entered into an arrangement with them in December last, we reduced all the coal rates to London to about 1*s.* 5*d.* a ton.

6002. (*Sir R. Hill.*) What was the effect of that reduction ?—I believe that the coal traffic at the present time is 20 per cent. higher than it was ; but I should say that it does not entirely arise from that cause ; for we expected, under any circumstances, to get a large coal trade into London ; but that is another instance to prove that where you do away with the separate pocket interests of companies, the companies derive great advantages from it.

6003. Has there not been a very large increase of traffic upon the Great Western line within the last two or three years ?—Yes, I dare say that in the first year after the amalgamation took place, our traffic increased probably to the extent of 8 or 9 per cent.

6004. Do you consider that that was owing mainly to the arrangements which you have been describing ?—Yes, to a large extent.

6005. You believe that the Great Western Company have derived great benefit themselves, and that at the same time the public have been benefited ?—Yes, it has benefited the public to a very large extent. The Great Western shareholders have not yet obtained the benefit resulting from it, which they might otherwise have done, if it had not been for the extended service which they have given both with respect to goods and passenger trains, and other expenses which they have incurred, and which have not yet been fully recouped by an increase of traffic, but which will be recouped.

6006. I was speaking rather of the benefit to the public from the reduced charges?—That is undoubted. In the same manner, not only as between the West Midland Company, the South Wales Company and the Great Western Company, had the amalgamation the effect which I have just stated, but in dealing with such companies as the London and North-western and the Midland Company, those companies have not, and neither has the Great Western Company, looked at small matters in the same way that we did before.

6007. Do you believe that the adoption of a similar arrangement in Ireland would lead to similar results ?—Yes, but of course there would be a difference in degree in consequence of the difference between the two countries.

6008. (*Capt. Galton.*) The fewer separate railways there were in Ireland the better it would be for the country ?—Yes.

6009. It would be better to have one system rather than two or three systems ?—I do not say that two or three systems might not obtain the whole, or nearly the whole, of the benefit that I have referred to ; but I do not see anything in Ireland which would make it necessary to put the Irish railways into three systems, if no reason could be urged against their being put into one.

6010. (*Sir R. Hill.*) You think that they are not too large to be put into one system ?—No.

6011. The total mileage of the Irish railways is, I believe, less than the total mileage of some of the large systems of railways in France ?—It is about the

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same, I think. I believe that the total mileage in Ireland is about 1,700 miles, and the mileage of the London and North-western and the Great Western lines is about 1,300 miles each.

6012. (*Sir R. Hill.*) The mileage of some of the railway systems in France, I believe, is very much more ?—From 1,700 to 1,900 miles.

6013. (*Mr. Glyn.*) There would be no more difficulty in working the Irish railways as you propose from north to south in one system than in working from Birkenhead to the Land's End ?—I see none.

6014. (*Mr. Hamilton.*) The train mileage would be very materially less would it not ?—I do not know that. I think that if all the railways in Ireland were put under one company, the larger the company the more service the public would expect from them.

6015. Would not the train mileage of the whole Irish system be considerably less than the train mileage on such a line as the London and North-western ?—Yes.

6016. (*Mr. Glyn.*) Are you of opinion that one Board could develop the local traffic in Ireland satisfactorily ?—Yes, I am.

6017. (*Mr. Hamilton.*) Have there not been instances of complaints being made that the local traffic is apt to be neglected by the existence of the system to which you have already referred ?—There have been frequent complaints, but I have never known a case authenticated. All the railway companies in this country have to pass through the ordeal of coming before Parliamentary Committees every year, and I think the traders have never once complained that they could not then obtain redress for any complaints they had to make; since the year 1849 there has not been a year in which we have not had our tolls attacked, and I believe that we have passed successfully through every committee.

6018. (*Mr. Glyn.*) As far as practicable the members of the different railway boards in England are selected in order to represent the different local interests ?—Yes, to a great extent.

6019. (*Sir R. Hill.*) It is highly advantageous to the companies as well as to the public to cultivate the local traffic, is it not ?—I think that the local traffic of every railway is a most important matter.

6020. Therefore if the directors of the amalgamated Irish railways were to look to their own interests, they would cultivate the local traffic ?—Most undoubtedly they would.

6021. (*Mr. Horsfall.*) The amalgamated company would, of course, have its agents to look after the local traffic ?—It would subdivide the lines into such lengths as would be most convenient for efficient working, and probably it would divide the attention of its board by appointing different committees to look after the various districts.

6022. Beyond this, would it not be desirable that they should have agents employed in the different parts of the country, in the place of, perhaps, eight or ten directors to look after the traffic in the same locality ?—No doubt in the same way that the London and North-western Company would have a manager in Manchester, another in Liverpool, and another in Leeds, for the purpose of looking after the traffic.

6023. (*Sir R. Hill.*) Other things being equal, an extensive system, you think, can be better managed than a small one ?—It can be better managed than a number of small systems, undoubtedly.

6024. (*Mr. Hamilton.*) Were you not in Ireland a few months ago ?—Yes.

6025. Had you any opportunity then of seeing the working of the railway system in Ireland ?—Yes; I was in the north of Ireland; I went there with a gentleman, and we were very much struck indeed by the smallness of the lines of railway there, and with what we thought was a very undesirable mode of working them, and in consequence of this we thought that it would be a great advantage if the lines were amalgamated. I had no notion then of any investigation such as the present taking place, but we expressed that opinion at the time.

6026. What do you mean by an undesirable way of working the lines ?—For instance, you will see some parties in the north who are all for getting everything for Belfast, others for Londonderry, and others for Dublin, and so on, instead of working the lines as one company and letting the traffic take its natural route to either of those three places.

6027. Then you think the traffic was placed under compulsion ?—Yes, no doubt.

6028. (*Capt. Galton.*) From the local interests of individual directors ?—I should imagine so.

6029. (*Lord Stanley.*) Do you feel certain that if all the Irish railways were in the hands of a single company they would not fall into the same error ?—It would require, I think, some strong clauses to make sure that one company directed by a particular board and selected in a particular manner did not fall into the same course.

6030. You think that they should be tied up so as to avoid all local connexions and influence as far as possible ?—I certainly would not go so far as that, for I believe that a local director is very often, from his knowledge, of very great value to a company.

6031. (*Sir R. Hill.*) But you think that the directors should look to the general interests of the Company rather than to separate and individual interests ?—Yes.

6032. (*Mr. Hamilton.*) Have you had any opportunity of forming an opinion as to the condition of the railways in Ireland ?—From what I saw of them I thought that the lines were in very good condition.

6033. Was the rolling stock in good condition ?—It was in fair condition, but not in such good condition as on our best lines.

6034. Was the permanent way in good order ?—Yes, with the exception of one line which I should prefer not to mention, which we thought was not in good order.

6035. (*Mr. Glyn.*) Do you consider that they work the lines satisfactorily in Ireland ?—They appear to do so; the trains appear to be punctual.

6036. Not at a low speed, generally ?—Yes, and therefore that is a reason for their being punctual.

6037. (*Chairman.*) Do you think that a project for amalgamating the Irish lines would be looked upon with jealousy by any of the great English railway companies ?—That would depend upon how the company was constituted, but I should think that any railway company that was merely desirous of having its fair share of traffic would have no objection to see all the Irish railways amalgamated if they saw that the managing company was fairly constituted.

6038. (*Capt. Galton.*) Such an amalgamated company should be either entirely independent of the existing English railway companies or should have directors in it who would represent them ?—Either of those courses is what I think would be the best to be adopted.

6039. With regard to working the Irish railways, are there any items of expenditure which you think would be cheaper in Ireland than in England ?—Perhaps wages might be cheaper for a certain class of men.

6040. Not for the skilled workmen ?—No, I should not think so.

6041. For artificers ?—Not as far as I have understood from mechanics in Ireland; I do not think there is much difference in the wages of skilled mechanics in Ireland as compared with those paid in England. Porters and that class of persons would be paid less than we pay them in England.

6042. Would that make any material difference ?—I do not think there would be much difference. There are, however, many circumstances which have to be taken into account; for example, in England we run much quicker trains, and therefore both our rolling stock and the permanent way suffer deterioration more rapidly. In Ireland they travel slower, but then they have not such heavy loads to draw. When you come to take these other circumstances into account, the per-centage of expenses upon receipts will not be

found to be very different. In Ireland they will send goods trucks with much less than a full truck load. In England, where we carry a much larger quantity of merchandise, we are more frequently able to send full truck loads, which tends to economy.

6043. (*Mr. Glyn.*) That applies also does it not to passenger trains?—Yes, and therefore although there might be some items that are cheaper in Ireland, there are certain circumstances which seem to tell against their working cheaper.

6044. (*Mr. Hamilton.*) What has your experience been of amalgamation or the absorption of small lines into large ones; has it the effect of raising the rates of wages or not?—As far as the Great Western Company is concerned it has always had that effect.

6045. Do you mean to say that porters and the ordinary servants of railways receive higher wages when serving an amalgamated company than when they are employed by a small local company?—Yes, undoubtedly; in the case where the London and North-western Company and the Great Western Company took the Shrewsbury and Hereford railway into their hands, there I believe we raised the wages of nearly the whole of the staff upon the line, and we put them on a similar scale to that of the London and North-western and our Companies, and I think in the case of every other small line that we have taken we have paid a little more.

6046. Should you anticipate the same result if the Irish railways were amalgamated?—I cannot say that, because there would be the same scale as is in force now; but if the Great Southern and Western Company are paying higher wages than the Waterford and Limerick Company, I think it quite possible that they would have to pay more.

6047. If the large lines absorbed the small lines, then the average rate of wages would be the rate of the Great Southern and Western Company?—Yes.

6048. (*Sir R. Hill.*) Would that result necessarily follow?—When you employ a large staff of people you have to bid pretty high to get a good class of men.

6049. By giving higher wages you probably get a better class of men?—Yes, and that is what we strive for, but on the small lines of railway they have not got so good a class of men because they do not offer the same inducements.

6050. You pay a larger amount of wages after an amalgamation has taken place, and you find that you are better served?—That is the very object for which we give a better scale of wages.

6051. It does not necessarily follow therefore that the total expenditure of the company is increased?—On the contrary, I consider that having a good class of servants is the best economy.

6052. (*Chairman.*) Are the large railway companies obliged to pay higher wages to porters and that class of servants than the smaller railway companies?—As a rule they do so with the view of getting good men.

6053. At the smaller stations where a superior class of porters can hardly be required, do they pay higher wages than the small companies?—As a rule the same scale applies to all the country stations, but there are some cases in which a youth is put in the place of a man, and in that case a saving is made.

6054. (*Mr. Hamilton.*) In the large railway systems are there two rates, a town rate and a country rate?—Yes, and in Lancashire, for instance, I have no doubt that the London and North-western Company pay higher wages than quite in a country place. The Great Western Company do in Staffordshire, where living is more expensive.

6055. Under similar conditions it would not answer to have two rates of wages?—No; in the country we pay the same rates of wages all over the country.

6056. (*Sir R. Hill.*) Are the men promoted from the less important towns to large towns?—London is our most important station, but as a rule I think the men would rather not come to London, but would prefer to live in the country where living is less expensive. We promote the porters to the post of goods guards and pointsmen as we find them to be competent.

The witness withdrew.

Mr. Charles Lanyon examined.

6057. (*Chairman.*) You are a civil engineer?—Yes.

6058. You are, I believe, connected with some of the Irish railways?—Yes.

6059. Of what railways have you been engineer?—The Belfast and Northern Counties, which comprehends the line from Belfast to Ballymena, and from Ballymena to Coleraine, the Portrush, and the branch from it to Cookstown, and also the branch from Carrickfergus to Larne. I am also engineer to the railway from Belfast to Bangor.

6060. Are all those railways in operation at the present time?—They are.

6061. Have you kept up your connexion with the railways besides having originally laid them out?—Yes; I am at present consulting engineer to the Belfast and Northern Counties system.

6062. Are you consulted by the directors upon any points connected with the traffic on those railways?—I generally attend the board, but the more special duties of the traffic are of course attended to by the manager.

6063. You are acquainted with the system pursued by the directors?—Yes.

6064. How long has the railway been opened from Belfast to Coleraine?—The line from Belfast to Ballymena I think was opened in 1847 or in 1848, and the other about five years afterwards, from Ballymena to Coleraine.

6065. Has the traffic upon those lines been satisfactory?—On the line from Belfast to Ballymena it has been very satisfactory indeed, and the parent line there would have made a very good return. We made a branch, which is unmarked upon the map on the wall, from Antrim to Cookstown, which had the effect of very materially reducing our dividends.

6066. Will you have the goodness to state the fares charged upon your system?—The fares which are generally charged are 2*d.*, 1½*d.*, and 1*d.* per mile, but we have been for a time in the habit of giving third-class return tickets, which, I believe, is a practice not generally adopted on the lines in Ireland, but we have adopted it.

6067. Do you issue third-class return tickets by all the trains?—Yes, by all the trains, except the express trains.

6068. And between all the stations?—Yes. We also run market trains from all the stations to the different market towns, such as Ballymena, Coleraine, and Derry, where the large markets are.

6069. At what rates?—At the single fare for a return ticket, which would average about a halfpenny per mile for third-class passengers.

6070. (*Capt. Galton.*) How many trains do you run in a day which have third-class carriages attached to them?—We run four trains a day from Belfast to Londonderry.

6071. Do you carry third-class passengers by all those trains?—Yes. We have an express train that runs to Portrush by which we do not carry third-class passengers; we have eight or nine trains which run to Carrickfergus, by all of which we carry third-class passengers.

6072. Are the third-class trains the same as they were when the Londonderry and Coleraine lines were separate?—I think they are.

6073. Are all the trains full of passengers?—We have a very fair passenger trade.

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6074. (*Chairman.*) Has there been any variation in the fares since the railway was originally opened?—I think not, except as to giving third-class return tickets for third-class passengers. That has been introduced, I think, only since 1860. When introduced it had the effect of materially increasing the third-class traffic, but it also had the effect of making a considerable depreciation in the second-class traffic, but not to so great an extent as the increase which took place in the third-class traffic.

6075. Was the result, upon the whole, profitable to the company?—Yes, it was satisfactory.

6076. But in way of profit to the railway shareholders was it satisfactory?—Yes.

6077. The line between Coleraine and Londonderry does not belong to your company?—No; it is worked by our company. We had a lease of it for four years, and at the termination of that lease, which occurred in April last, the sum that we paid was 10,000*l.* a year. We found that we had lost so much by it that we would not renew the lease; but we entered into working arrangements, and therefore we have still the management and control of the Londonderry and Coleraine line, and we work into Londonderry with our engines and plant.

6078. (*Lord Donoughmore.*) Is that for so much per cent. upon the receipts, or so much per train mile?—So much per train mile. I think it is 1*s.* 10*d.*, that is, guaranteeing a certain number of miles to be run.

6079. (*Chairman.*) When you worked the line, paying a rent of 10,000*l.* a year, you found there was an annual loss to the company?—Yes, there was.

6080. The line had previously been worked by Mr. Roe, had it not?—Yes, it had.

6081. Is it within your knowledge that Mr. Roe stated the result had been very profitable to him while he held it?—I am not aware of his having stated that, but I should say this, that there has been rather a change in the traffic since Mr. Roe left it, and a second line has now been opened from Larne to Belfast, the green line upon the map from Omagh, and we entered into an arrangement with the Ulster Company, who are the principal proprietors of that line, to divide the traffic between Londonderry and Belfast between the two companies.

6082. When your company took the line from Mr. Roe, did you make any alteration in the fares that you found had been established by Mr. Roe?—I am not aware of any alteration being made.

6083. Do you believe that the rate is the same as it was then?—I think so, but I will not speak positively upon that point, because these are matters of detail, which are more in the hands of the manager than in my department.

6084. (*Sir R. Hill.*) Who is the manager of your railway?—Mr. Cotton.

6085. He will be able to speak to those points?—Yes, and he could give very valuable evidence indeed upon the subject of the fares.

6086. (*Mr. Horsfall.*) You are probably aware that when Mr. Roe leased the line he reduced the fares very materially?—No, I am not aware of that.

6087. You are perhaps able to speak to the receipts during the time that Mr. Roe held the line, as compared with the receipts before he took the line?—No, I cannot speak to the rates comparatively.

6088. (*Mr. Glyn.*) How many years did you work the line before you altered the agreement?—Four years; it only expired in April last.

6089. You took it for the remainder of Mr. Roe's lease?—Yes.

6090. At the expiration of that lease you found it so onerous that you altered the agreement?—Yes, we entered then into working arrangements.

6091. (*Chairman.*) When was the competing line by Omagh and Dungannon opened?—I think it has been opened for about three years.

6092. Did your line become much less profitable after that competing line was opened than it had been before?—Yes, it reduced the income from 1,500*l.* to 2,000*l.* a year.

6093. (*Mr. Glyn.*) Was that line opened during the time of Mr. Roe's lease?—No, I think not.

6094. Not until the expiration of the lease?—It was during the time that we had the lease.

6095. It was opened during the time that you had the lease?—Yes.

6096. (*Sir R. Hill.*) Was the lease granted by the Government?—It was partly from the Government; the Exchequer Loan Commissioners had a mortgage upon the line. We were obliged to get their sanction to a transfer of the lease.

6097. (*Mr. Glyn.*) The new line was a competing line?—The line from Omagh and Portadown is opened, and a second line has been opened from Londonderry to Belfast.

6098. For how many miles does that compete with you?—95 miles is the whole distance.

6099. (*Sir R. Hill.*) Which is the shortest line?—The Coleraine line is the shorter of the two, but very little.

6100. (*Mr. Horsfall.*) Do both the companies charge the same rates?—Yes.

6101. (*Chairman.*) There is only competition between the two extremities?—That is all.

6102. Do you charge the same rates on the whole of the line between Londonderry and Belfast as on the part between Belfast and Coleraine?—I think so. I think the fares are generally the same.

6103. Is your traffic chiefly in passengers?—No; the traffic of goods is about the same as the traffic in passengers. We have a very large goods traffic.

6104. Have you any traffic in coals?—Yes, inland, from Belfast to Ballymena; and from Portrush to Ballymena there is very considerable coal traffic.

6105. Is the coal carried for manufacturing purposes or for household purposes?—For both.

6106. Is it used to any considerable extent for manufactures?—Yes, it is, in the neighbourhood of Ballymena; that is a manufacturing town, and a considerable quantity of coals is carried to that place.

6107. At what rate do you carry coals?—I believe that Mr. Cotton made a return of the rate at which the coal was carried; it is about a penny a ton per mile for distances beyond 50 miles, and a penny farthing a ton per mile under 50 miles.

6108. (*Sir R. Hill.*) Do those charges include terminal charges?—Yes, they do.

6109. Do you consider it an advantageous arrangement to make a certain charge up to 50 miles, and then a smaller charge for over 50 miles?—Yes.

6110. Does not that lead to this result, that the charge for 50 miles is more than for, say, 52 miles?—Yes, of course it does in those cases.

6111. (*Mr. Horsfall.*) Have you found that the traffic in cattle has at all increased?—No, I do not think it has increased. I think that the traffic generally in cattle has decreased, but that has been consequent upon there not being the same number of cattle in the country.

6112. That is during the past year?—Yes; previously to that we had a great deal of traffic in cattle; there was a considerable amount of cattle exported from Belfast, and at the same time we had a boat running from Larne, and there was a considerable amount of traffic from Larne to Stranrea.

6113. Do you think that any considerable reduction in the rates would increase the traffic in cattle?—With regard to the question of rates and so forth, I am scarcely competent to answer, for I have not considered the matter so much as the manager has done, and I am not so competent to speak upon that point as he would be.

6114. (*Mr. Hamilton.*) If the rate charged upon coal was reduced, do you think that the demand for coal inland would materially increase?—No; in Ireland there is always a difficulty to contend with in the matter of coals with reference to the quantity of peat in the country; when there is any large quantity of turf the demand for coal diminishes; it depends very much

upon the season, or rather upon the previous season, whether there has been a good season for making turf: the demand for coal would be decreased in the ensuing season.

6115. (*Sir R. Hill.*) A good season I suppose is a dry season?—Yes.

6116. (*Mr. Hamilton.*) Do you think that if the rate upon coals was reduced there would be a larger consumption of coals?—Yes; the demand for coal is gradually increasing, and there is no doubt that the inland consumption of coal in Ireland is becoming gradually more and more.

6117. (*Capt. Galton.*) Is coal preferred to peat?—I think, generally speaking, in those towns which are convenient to railway stations the consumption of coal has very much increased.

6118. (*Mr. Hamilton.*) Do you know what the rates charged upon coals are upon the English railways?—No.

6119. You are not aware that 1*d.* a ton per mile is a heavy rate?—No; but then I suppose it is very likely that 1*d.* a ton per mile, where they have such a very long haulage as in England, makes a very considerable difference. I suppose that the hauling from the coal fields in the Midland counties to the London districts would make it a more profitable speculation at ¾*d.* a ton than 1*d.* a ton upon a shorter distance.

6120. Are the gradients favourable on the lines with which you are connected?—The steepest gradient on the Northern Counties is 1 in 100.

6121. What is the maximum coal load that one engine can draw?—We can go up the steepest incline with 32 waggons with one engine, each waggon carrying about five tons.

6122. (*Sir R. Hill.*) 160 tons in all?—Yes.

6123. (*Mr. Hamilton.*) On the English railways the maximum train load is much greater?—Yes, it is because the gradients are generally better, at least on all the leading lines.

6124. (*Sir R. Hill.*) Do you work the engines expansively?—Yes.

6125. What coal is consumed in the north of Ireland?—They use Scotch coal principally, for manufacturing purposes, and a very large quantity of Scotch coal is brought over to Ireland; that is almost entirely used for manufacturing purposes.

6126. At what price per ton is it sold in Belfast?—I believe the price varies from 9*s.* to 11*s.* per ton.

6127. Delivered to the consumer?—No; house coal is very much more expensive; it varies from 15*s.* to 17*s.* a ton for English coals. I have been speaking of Scotch coal, and that is sometimes obtained for as low as 8*s.* a ton.

6128. For what purposes is the Scotch coal used?—For manufacturing purposes, for engines.

6129. (*Mr. Hamilton.*) Do you consider that the condition of the Irish railways with which you are connected is satisfactory?—In what way do you mean?

6130. I mean the condition of the permanent way, and the quality of the rolling stock?—Yes; with reference to the Northern Counties line I should say it is so decidedly, but the line from Coleraine to Londonderry is in a very bad state.

6131. (*Sir R. Hill.*) Has it been in that condition long?—Yes, it has been so for some time, and we have been obliged to give the parties notice to make some very efficient repairs upon it.

6132. (*Mr. Hamilton.*) This is the condition of the line owing to the want of resources?—Yes, it is in a very bad condition indeed; they have no money.

6133. (*Sir R. Hill.*) In what state was the railway when Mr. Roe transferred his lease to you?—It was in a very bad state indeed; and we did as much as we could to keep it in a safe condition.

6134. In what state was the rolling stock?—That was pretty fair, we bought the whole of it from them.

6135. In what state was the road; was that in a bad state?—Yes, there was a want of ballast, and the sleepers were bad; there was a want of draining and a want of fencing. The bridges are all made of timber, and they are in a very decayed state, and require a very large sum to be expended to put them into order.

6136. You have mentioned a want of drainage?—Yes.

6137. Was the line badly constructed in the first instance?—I do not know, but the drainage is not so important as the other points; the condition of the bridges is the worst point.

6138. In fact the works have suffered from age?—Yes, all the bridges were built with timber.

6139. (*Mr. Hamilton.*) Are you acquainted with the railways in other parts of Ireland?—Not so intimately, but I have been a good deal upon other railways.

6140. Do you consider that the state of repair on the other lines of railway is satisfactory or not?—By merely travelling over a railway you cannot judge, but I believe that some of the leading lines in Ireland are very admirably attended to, such as the Great Southern and Western Line. I believe that that is very well attended to.

6141. There are some lines, I suppose, which earn but little money, and where the state of repair is not satisfactory?—I cannot speak personally upon that point.

6142. (*Chairman.*) Has the question of lowering the fares ever been considered by your board?—No; the question has come before them of course several times, but they are under the impression that the fares are now at a very reasonable rate.

6143. Your fares are lower than the average of those charged in Ireland;—Yes, to the third-class passengers, I think they are; by the return tickets which are issued, and by the market tickets which are always issued at single fares to the third-class passengers on market days.

6144. Do you carry a large number of third-class passengers?—Yes, we do.

6145. Do you think the number would be materially increased by lowering the fares?—I think that lowering the fares would increase the number of third-class passengers, but I do not know whether that would increase the receipts.

6146. You do not think that it would be profitable to the company to lower the fares any more?—I do not know.

6147. (*Sir R. Hill.*) You have expressed an opinion, I think, to the effect that lowering the fares to ½*d.* a mile for market passengers was advantageous to the railway company?—No; what I meant to say was giving return tickets to third-class passengers.

6148. That you think was advantageous?—Yes; it increased the number of the third-class passengers and diminished the number of the second; but the total increase in the receipts was greater than the diminution which took place upon the second-class passengers.

6149. Upon the whole it was advantageous?—It was.

6150. (*Capt. Galton.*) Do you think the market tickets were not advantageous?—I do not say that; it only happens once a week.

6151. Do you know whether a very large number of persons avail themselves of them?—Yes.

6152. Persons who would otherwise not have travelled?—Perhaps not.

6153. Did you issue market tickets when the railway was first opened?—No, they were introduced by Mr. Cotton.

6154. Since the practice has been introduced have a larger number of persons travelled than before?—Yes, I should say so.

6155. To that extent then it has been beneficial?—Yes.

6156. So far as lowering the fares has hitherto been carried it has been advantageous?—Yes, to the third-class passengers.

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6157. But I mean advantageous to the company?—Yes; but there is very great difficulty in dealing with the question of lowering the third-class fares below a certain point, because it has the effect of abstracting passengers from the second-class, and you cannot lower the third-class fares without lowering them on the whole system.

6158. But you have done it by giving them return tickets?—Yes, but we have not lowered the rates per mile.

6159. Have you issued market tickets to second-class passengers?—I think we have issued them for all classes.

6160. (*Sir R. Hill.*) What do you think would be the effect of lowering the rates charged generally throughout Ireland?—I think the rates are low enough for the purpose of remunerating the shareholders in the railway companies.

6161. Do you think that a general reduction of the rates would be injurious to the shareholders?—I do not know what the rates are upon other lines, but I think that upon our own line, that is the Northern Counties system of railways, the rates are quite low enough.

6162. Do you mean that if they were lower the company would suffer?—Yes, certainly.

6163. Permanently as well as temporarily?—Yes, I think so.

6164. (*Mr. Hamilton.*) Do you not think that many persons walk now who would ride if the fares were reduced?—It might be so for very short distances, but I do not think there is very much walking where the lines are with which I am concerned.

6165. (*Chairman.*) Are many of your third-class passengers ordinary labourers?—Yes, and farmers.

6166. Are many of them common labourers?—I think not.

6167. Do you think that common labourers would not travel much by railways?—No, except the emigrants and people going to England for harvest purposes. Great numbers of those travel by railway during the English harvest time.

6168. (*Lord Stanley.*) Do you think it would be possible for you, with the limited population and the limited traffic of the country, to carry as cheaply as it might be done in the populous parts of England, where the amount of traffic upon the same extent of line is so much greater?—Certainly not. There is always the greatest difficulty as to the Irish railway fares; there is a great difference between the two countries, not only with respect to the numbers of the population, but also as to the manner in which the population are scattered. The population in England is gathered into towns, which are very closely placed with respect to each other, whereas in Ireland the population is scattered over a very considerable district of country; the towns are at great distances apart, and not very largely populated, and there is a very great difference between the population of England and that of Ireland, or at least with respect to fares in the probable results in England and in Ireland on that account.

6169. (*Chairman.*) The district around Belfast is very populous, is it not?—Yes, and very prosperous also.

6170. (*Sir R. Hill.*) You think that the traffic between Belfast and Londonderry upon the Northern Counties line was injured by the construction of the competing line?—Yes, the traffic has been damaged by that line.

6171. Looking at the small proportion of the population in Ireland that are carried by railway, do you not think that there are too many railways already in Ireland to be worked with profit to the shareholders?—No; I do not think so. I do not see how those districts would have been well accommodated without them.

6172. I am speaking of the profits to the shareholders. You have given one instance in which the traffic on the line between Belfast and Londonderry was injured by the construction of a competing line?—That only referred to the two termini.

6173. Still the traffic was injured?—Yes.

6174. May not that have occurred elsewhere, so that the construction of new lines may have reduced the traffic below a profitable point?—I think there are very few competing lines in Ireland, but I have always held the opinion, and I have stated it, that I do not think competing lines through the same district should be permitted in Ireland, because the country is not rich enough to afford it.

6175. We have been informed that several of the Irish railways are in a state of bankruptcy?—I believe that some of them are.

6176. And yet that more lines are in progress?—I do not know whether, in that district in which these bankrupt lines are, there are any more in progress; there are lines at present in progress, but very few.

6177. We have been assured that there are many railways in Ireland which not only pay no dividend to the original shareholders, but which cannot altogether keep their engagements with the preference shareholders and the debenture holders?—I cannot speak from personal knowledge of any with the exception of the Irish North-western line. I do not know as to any of the others.

6178. That being the state of things, can you account for applications being made to Parliament for powers to construct new lines of railway?—That is a very difficult question to answer; it is difficult to assign a reason for the making of railways. The spirit of speculation is so great that you cannot, I think, assign any particular reason.

6179. (*Capt. Galton.*) You think that railways are made more as a matter of speculation than to supply the actual wants of a district?—No, there must be a corresponding want before the speculation is entered into.

6180. (*Lord Stanley.*) Perhaps you mean this, that some lines are made to sell, and some others are made to be worked?—I am not prepared to answer that question.

6181. (*Mr. Hamilton.*) I suppose, with the exception of the neighbourhood of Belfast, the people in Ireland are less able to pay high rates than the people are in England?—I should say so certainly.

6182. How do you get out of this difficulty. You say, on the one hand, that you must have higher rates, because the population is not so dense, and on the other hand, the people are so poor that they cannot pay high rates?—Yes, that is the case, and I think that the two things are quite compatible as facts.

6183. (*Capt. Galton.*) If a railway is to be of real use to the population, ought not low rates to be charged?—I think that low rates ought to be charged, certainly, and I consider that the rates which are charged upon the Northern Counties line, that is, the rates with which I am intimate, are as low as they reasonably can be made.

6184. Is the single fare that is charged at the present time the same as used to be charged to passengers travelling by Bianconi's cars?—I do not know what his fares were.

6185. A penny a mile.

6186. (*Mr. Hamilton.*) Do you not see that if you impose a rate in the interests of the shareholders which is too high for the people, you practically make the railway of no use to the people?—Of course you could impose such a rate of fare as would make a railway useless to the great majority of the people.

6187. The rates in Ireland are apparently higher than the rates in England, particularly for the third-class passengers, although they are less able to pay high rates than the people in England; and the conclusion seems to be that the people in Ireland do not derive the benefit from the railway system which it is desirable they should derive?—The answer to that I think is that you have five or six passengers in England for one in Ireland, and that the great number carried in England will pay at the smaller rate.

6188. (*Capt. Galton.*) I thought you stated that you did not consider that the labouring classes travelled at all by railway because the fares were too high?—No; I think that there is very little travelling among the labouring classes, except at those periods of the year when those classes of people are emigrating to England for the harvest work. But when you talk of the labouring class in Ireland, it should be remembered that the farming class in Ireland are what the labouring class are in England; they have small farms, and the small farmers in Ireland are really not better off than the labouring class in England.

6189. There is a class below that class again, is there not, who would travel by railway if the rates were very low?—Yes; but the labouring class in Ireland are not in the same proportion as the same class in England. Take, for example, an agricultural district; you will find a farmer in this country farming 2,000 acres, and he will have a great number of labourers employed upon that farm. But that number of acres in Ireland, instead of being held by one farmer, will be held by a number of small farmers holding from 10 to 20 acres apiece, and these men are virtually labourers; they do not pay for the labour of others.

6190. (*Mr. Hamilton.*) In which case would there be the greater amount of population upon 1,000 acres, in England or in Ireland?—I believe that the agricultural population of Ireland may perhaps be very nearly equal to that of England; but a large proportion of the labouring population in England consists of manufacturing labourers, while in Ireland there are no labourers connected with manufactures, except in the districts, perhaps, round Belfast and Dublin. There are very few manufactures, except in those localities, and you can scarcely compare the two countries with reference to the labouring classes, or the numbers among them who travel.

6191. (*Chairman.*) Do the population who are employed in manufactures, travel a good deal?—Yes; by excursion trains and pleasure traffic. On occasion of holidays there is a good deal of excursion and pleasure traffic from Belfast among the labouring class connected with manufactures.

6192. Do you think that an amalgamation of any of the lines in the north of Ireland would be desirable?—Yes; most desirable. I think that an amalgamation of the railways going from Belfast to Dublin is a matter of very great importance indeed. I think it is desirable to amalgamate the line from Belfast to Londonderry; that line of railway used to be worked by three different companies. There was first of all the company from Belfast to Ballymena, then the company from Ballymena to Coleraine, and then the company from Coleraine to Londonderry. That state of things caused the greatest possible amount of dissatisfaction; but now we have purchased the Ballymena and Coleraine line, and we work the line from Coleraine to Londonderry, and the difference in the degree of comfort with which that line is now worked is very great indeed. And if the same system was carried out between Belfast and Dublin, it would be a matter of the greatest importance and value to the public.

6193. Do you consider it important, in the interests of the shareholders, and also to the public?—Yes; I have no doubt that the interests of the two are identical. I know of no more glaring case of want of amalgamation than the want of amalgamation between those three lines from Belfast to Dublin, nothing can be worse.

6194. What are the obstacles that prevent amalgamations being carried out to as great an extent in Ireland as in England?—I cannot account for the reason of it; but in these lines especially I think the great objection has been the difference in the value of the capital upon each line; there has always been the difficulty of one line attaching too great a value to its property, and that is rather an obstacle.

6195. (*Mr. Glyn.*) Has not some negotiation taken place with that object in view?—There was a step made in that direction in the last year.

6196. Upon what ground did the negotiation go off?—Some of the shareholders on the junction line and on the Drogheda line combined for the purpose of forcing the directors into an amalgamation, but they opposed it, stating that they themselves were endeavouring to take steps for bringing about an amalgamation.

6197. Has nothing been done since?—I believe not.

6198. (*Chairman.*) Would the advantage which the public would derive from amalgamation be confined to greater regularity and better arrangements, or would the fares be lowered?—I think that all those objects would be accomplished by an amalgamation; that the public would be benefited and the shareholders too.

6199. (*Mr. Glyn.*) Are passengers booked through now upon that line?—Yes, they are; but there are great delays arising from the different interests; for example, the Belfast Junction, having an intermediate line between Portadown and Drogheda, their interest is to consult the local traffic, and not so much the through traffic from Belfast to Dublin, so that each party has a different interest to look after.

6200. Are all the three lines dividend-paying lines?—Yes, the Ulster line has been paying from 5½ to 6 per cent.; the Belfast Junction has been paying from 3 to 4 per cent. I am not sure about the Drogheda line, but I think it pays 4 per cent.

6201. (*Chairman.*) To what extent should you like to see amalgamation carried in Ireland?—I think that the country might be divided into districts, and that there might be a system of district amalgamation of different lines of railway.

6202. So as to have only two or three. Would you venture to extend your suggestion as far as that?—I do not know whether it should be limited to two or three only, or whether it would require more numerous districts than that. I think that is a matter which would require a great deal of consideration as to the number of districts. I should like very much to see a district system of amalgamation carried out.

6203. Have you ever considered the possibility of all the lines being amalgamated into one system?—No, I have not.

6204. Do you think there would be objections to such an extensive amalgamation as that?—I think there would.

6205. What evils do you think would result from such an amalgamation?—There are such varieties of interests and such varieties of advice, that I should require to know in what way the amalgamation would be proposed to be carried out before giving a definite answer to that question.

6206. (*Capt. Galton.*) What objections would there be to the lines being all under one management?—I should not think that one management of the whole system would be desirable, certainly.

6207. Can you state any specific objections to such a course being adopted?—I think it would be very difficult indeed for one management to have sufficient information upon all the different local causes which should govern the fares, and so forth, of the country.

6208. Are the various causes differing more in Ireland than they would be upon the points of the North-western system?—No; but there is a difference in this respect. The London and North-western is a system, taking London as its commencement, having a certain district over which it has to travel. When you take districts like the districts of Ireland, I think the system will be completely different, because there are so many different centres. It is not one great trunk line like the North-western, with all its tributaries and branches.

6209. Suppose we take the English Midland; that, you would scarcely say, was consisting of one centre. Does not that occupy a district which runs to a variety of places very much like the Irish districts?

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—No, I think not; the Midland is very much in the same way as the North-western.

6210. It starts from Derby?—Yes.

6211. And runs to Leicester, Hitchin, Leeds, Bristol, and Birmingham?—Yes; but then you must take into consideration the circumstances under which all that amalgamation has arisen. It has arisen a great deal from the necessity for self-protection and the necessity for purchasing up lines, and a vast number of causes which certainly do not exist in Ireland.

6212. Is there any more reason why a central board in Ireland should not be capable of developing the local traffic of the different towns to which the lines run, than there is in the case of some of the large English companies which run to a great number of towns in different parts of England which differ very essentially one from the other?—I should rather like time to consider that question in all its bearings. My impression is that at present one general system of management for Ireland would be rather different to any of the systems that you have mentioned.

6213. (*Mr. Glyn.*) At any rate you would wish to have all the smaller railways merged into the larger ones?—Certainly.

6214. (*Mr. Hamilton.*) It is only a question of degree in your mind?—Yes.

6215. You are quite in favour of amalgamation as a principle?—Certainly.

6216. (*Chairman.*) Do you know whether any considerable amount of traffic in goods is still carried on over the common roads in Ireland, and not by the railways?—I believe in several districts there is traffic still carried on by carts.

6217. Do you think that in any instance it would be unprofitable for a railway company to lower its charges so as to get that traffic?—I believe it is absolutely necessary to do so in many cases. We find it quite necessary with reference to goods upon the Northern Counties line, in order to do away with the cart traffic, to lower the fares. At present there is very little communication between any of the towns with which we are connected and Belfast by road.

6218. Cannot a railway always afford to carry much cheaper than it is possible to carry by horses and carts?—Where the distance is great it certainly is, but not for some distances, where labour is so cheap as it is in Ireland.

6219. For what distance do you think it would be possible to carry cheaper by the road than by the railway?—In the first instance when the Northern Counties was opened, people used to come from Ballymena to Belfast by cart, a distance of 36 miles, and even from Ballymurragh, a distance of 70 miles, until the rates were lowered.

6220. (*Capt. Galton.*) Passengers or goods?—Goods.

6221. (*Chairman.*) Has the railway company lowered its fares sufficiently to absorb all that traffic?—That traffic has been completely absorbed now.

6222. With a profitable result to the railway company?—Yes.

6223. (*Capt. Galton.*) What district were you alluding to, when you said you thought there was some traffic still carried by the road?—I say for short distances, for instance, for some of those towns in the neighbourhood of Belfast where the distances are not very great, where the line of railway is longer than the road, there is some cart traffic still in existence, but only for short distances.

6224. Would it be always worth the while of the railway to have a train running to carry that sort of traffic very cheaply?—Yes; goods traffic cannot be carried for a short distance so very cheap, because the terminal expenses are the same. There is a good deal of terminal expense with goods; and whatever the distance is the terminal expenses are the same.

6225. (*Sir R. Hill.*) The goods would have to be carted to the station, and again from the station?—Exactly.

6226. (*Capt. Galton.*) Are passenger cars much used still for travelling in Ireland between any of the places supplied with railways?—I am not aware of there being any great traffic with cars in any of the districts with which I am concerned now where there are railway stations.

6227. (*Chairman.*) Do you think in any instance where traffic comes along the roads for a distance of 30 or 40 miles through a district in which there is a railway communication, that there must be something wrong in the system of management of that railway if it did not take the means to secure that traffic for itself?—I do. I think every railway ought to be in a condition to put down the cartage upon the roads where the distance exceeds 25 or 30 miles.

6228. You think that no traffic ought to go upon roads more than from 25 to 30 miles?—I think the railways ought to take the traffic, decidedly.

6229. (*Mr. Hamilton.*) Do you suppose that there is still a great deal of traffic for distances in excess of that which the railways have not already got?—I cannot speak to any other district than the one with which I am myself connected. In that district the cartage has been almost altogether absorbed by the railways.

6230. (*Mr. M'Clean.*) Do you think there is any necessity for Government interference in Ireland?—I should like to know what the nature of the interference would be before answering the question.

6231. Do you think they are sufficiently advanced now to be able to protect their interests the same as in England; or do they require any assistance from Government, and what?—I do not know of any assistance they would require, unless it be in the way of loans at a lower rate of interest than they are able to obtain them at present.

6232. Do you think that could be justified in any way?—I have always thought that it would be a very fair system to adopt to give loans to railways in Ireland at a less rate of interest than what they could generally get money at in the market.

6233. (*Mr. Horsfall.*) Do you think that that would be just to the English railways, some of which immensely require assistance?—I think the railways in Ireland have not the same advantages as the railways in England, consequent upon the population not being so great; and at the same time I think it a matter of the utmost importance for the development and improvement of Ireland, that these railways should exist and should be worked.

6234. (*Mr. Hamilton.*) Will you point out in what way it would be any assistance to those railways that pay no interest at all, either to their preference shareholders or their debenture shareholders? How would they be benefited?—I do not suppose there is any case in which the debenture shareholders are not paid. The preference stock in some cases is not paid; but I believe in all cases the debenture shareholders receive their interest. It is in that respect I should conceive the benefit would result, inasmuch as, if the debenture holders could be paid off, and that debt taken by the Government, it would to that extent relieve the railway companies. I think that if the railway companies could obtain loans at the Government rate of interest it would then be very reasonable to ask them to reduce their fares to the extent of the saving that would be effected by the saving of the difference in the rate of interest. I think that would be a very reasonable and beneficial arrangement.

6235. (*Mr. M'Clean.*) Would that reduction apply to passengers as well as cattle and minerals?—Yes.

6236. I think you carry large quantities on the Ballymena railway?—Yes.

6237. Do you consider that that is owing to the great facilities you have in connexion with Belfast harbour?—We are very fortunately circumstanced with reference to Belfast harbour, because we have a tramway which runs down to the quays, on which the coal can be shipped from the vessels into our trucks and carried inland upon the railway.

6238. The Ulster railway has no communication with the harbour ?—No.

6239. I suppose that only a very small quantity of coal is carried upon that line ?—Not only that, but the canal runs parallel with the Ulster railway, by means of which a great coal traffic is carried on into the interior of the country.

6240. And upon that canal I believe low rates are charged ?—Very low.

6241. (*Mr. Hamilton.*) Do you know what they are ?—I do not.

6242. (*Mr. Glyn.*) You have advocated the absorption of these small railways into the larger ones ; would you do that by compulsion, or do you think that should be a matter of negotiation ?—I do not think it can ever be done except by compulsion.

6243. In what way would you compel it to be done ?—By Parliamentary power.

6244. Upon what footing or what basis would you propose that that compulsory power should be formed ?—I am not prepared to state exactly how that could be done ; but I should think there would be no difficulty in arranging the matter by arbitration.

6245. You would insist upon arbitration at the average rate of a certain number of previous years' rates ?—Exactly ; and taking certain data for the valuation of the stock and so forth of the railway, I cannot conceive any difficulty in effecting the amalgamation.

6246. Would not the company be entitled to be shown any prospective advantages which might arise from it ?—I think any company would be fairly entitled to that.

6247. (*Sir R. Hill.*) Is not the price of the shares generally an indication of all advantages, present and future also ?—Certainly it is a very fair indication of the market value of the property ; and I think it would to a great extent influence a decision in attaching value to the property.

6248. (*Mr. M'Clean.*) In similar cases in England, where very low dividends are paid, do you think Government should interfere and lend money upon low terms ?—What similar cases do you mean ?

6249. Where very low dividends are paid, such as the Great Eastern, and some of those large agricultural district lines ?—I suppose in point of fairness if it were done in one country it would have to be done in another. I have not considered that point in all its bearings ; but I am merely speaking with reference to the effect upon Irish railways.

6250. (*Mr. Hamilton.*) I understand your object to be, not that Government shall benefit the shareholders, but that it shall benefit the public without damaging the shareholders ?—I speak more of a system that would be mutually beneficial, because the interests of the shareholders cannot be sacrificed to the interests of the public, nor can the public be sacrificed to the interests of the shareholders.

6251. Surely it is beyond the province of the Government to inquire what is for the benefit of the shareholders. They have entered into a speculation, good or bad, and they must stand by it ; but if the Government can show that it is for the benefit of the public without damaging the shareholders, there might be some case for considering the subject ?—Yes, there might.

6252. (*Mr. M'Clean.*) As an engineer, you have several railways on hand in Ireland, have you not ?—I have just finished most of the lines with which I am connected. I allude to the Bangor line, and the Larne and Carrickfergus line.

6253. Was the capital found by the shareholders ?—In the case of the Larne and Carrickfergus it was altogether found by the shareholders.

6254. Is not that an indication that capital will still flow freely into Ireland, and that they are not considered such very bad securities even at the present time ?—Yes. The capital of the Belfast and Bangor line, which is only just opened, was found principally by capitalists in this country.

6255. (*Capt. Galton.*) By the contractor, was it not ?—Yes.

6256. (*Mr. M'Clean.*) Was the line much more expensively constructed in consequence ?—The capital was larger consequently.

6257. (*Capt. Galton.*) To what extent was it larger ? Was it half as much again ?—No.

6258. Was it 20 per cent. more ?—Well, perhaps 20 per cent. would be nearer the mark.

6259. (*Mr. M'Clean.*) The only security the contractor has is in shares ?—In shares. There was about 20,000*l.* subscribed by local parties, but that was all.

6260. (*Mr. Glyn.*) What did that line cost per mile ?—It is one of the most expensive lines that have been made in Ireland. It goes through very valuable land, and the cuttings upon it are very deep, and there is also a long viaduct upon it. It has cost 14,000*l.* or 15,000*l.* per mile.

6261. (*Sir R. Hill.*) What is its length ?—The new part of it, from Hollywood to Bangor, is about eight miles. From Bangor to Belfast it is about five miles—13 miles altogether.

6262. What would be the total cost ?—The total cost of the eight miles I think will be about 150,000*l.* The cost of the original line from Hollywood to Belfast I think is something like 70,000*l.*

6263. Was the whole paid-up subscribed capital the 20,000*l.*, on only the latter portion ?—Only the latter portion. The first portion was made entirely by subscribed capital.

6264. Then an expenditure of 150,000*l.*, I think you said, upon eight miles, has been made upon a capital of 20,000*l.* ?—Yes.

6265. Can you describe the process by which the funds were raised ? I think you said they were chiefly obtained from England ?—From English capitalists.

6266. By what means ? Were the original subscribers English ?—Yes.

6267. What was the inducement to subscribe ?—It is a line which has every prospect of being a very remunerative line.

6268. Was the contract for making the line put up for competition ?—No.

6269. (*Mr. Hamilton.*) I understood you to say that the line cost about 14,000*l.* a mile; how much of that was due to the depreciation of the stock ? If it had been a cash contract, what would have been the cost per mile ?—I do not think that the cost per mile would have been very much less, because a great deal of the cost arose from the great sum which was paid for the land. The land alone cost 40,000*l.* for the line between Hollywood and Bangor. Upon the 40,000*l.* there would be no depreciation ; that was an actual cash payment.

6270. That would make the depreciation on the contractor's bill still greater, would it not ?—No.

6271. If the contractor had to pay 40,000*l.* in cash, and has been able to recoup himself with the market price of the shares, he would lay it on still heavier for his own contract work ?—No ; the whole thing was contracted for at a certain rate, including the purchasing of the land. The purchase of the land came to a great deal more than was anticipated ; and I believe that the contractor has had but a very small margin between the amount of his contract and the actual cost of the line.

6272. (*Mr. Glyn.*) Then in fact it has been a losing contract to the contractor ?—I think it has been.

6273. (*Sir R. Hill.*) Is it a single line or a double line ?—It is a single line.

6274. I think you said that the total cost of the eight miles was 150,000*l.* ?—Yes.

6275. Of which about 40,000*l.* was paid for land ?—Yes.

6276. That would leave about 110,000*l.* for the works?—Yes.

6277. Is not that a high price to pay for eight miles of single line?—It is not a high price with such works as there are upon that line. The cuttings are tre-

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mendously heavy, and there is a very long viaduct 80 or 90 feet in height, which is a very expensive work.

6278. What class of traffic do you have upon it? —Entirely pleasure traffic, sea-bathing traffic. Great numbers of people occupy Bangor as a place of residence all the year round.

6279. Is it a marine suburb of Belfast?—Yes, the same as Kingstown is to Dublin.

6280. (*Mr. M'Clean.*) Have you any suggestion to make as regards the improvement of the railway system of Ireland?—No, I think not; with the exception of the desirability of amalgamation, upon which I have already given evidence. I think that is a very important point for consideration.

6281. (*Chairman.*) You think the shareholders generally would not offer very much opposition to amalgamation?—I think not.

6282. (*Mr. Hamilton.*) Have you known any instance in which Parliament has been asked to pass a measure for compulsory amalgamation?—No.

Adjourned till Wednesday next, at 12 o'clock.

Wednesday, 21st June 1865.

PRESENT :

The Right Hon. the Earl of Donoughmore.	A. S. Ayrton, Esq., M.P.
The Right Hon. Lord Stanley, M.P., F.R.S.	Captain Douglas Galton, R.E., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq.
T. B. Horsfall, Esq., M.P.	J. R. M'Clean, Esq., Pres. Inst. C.E.
Robert Dalglish, Esq. M.P.	William Pole, Esq., F.R.S., *Secretary.*
Geo. Carr Glyn, Esq., M.P.	

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

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The Earl of Clancarty examined.

6283. (*Chairman.*) Your lordship is a director of the Midland Great Western Railway of Ireland?—I have been a director of the Midland Great Western for seven years.

6284. Have you taken an active part on the board of directors?—I have attended the meetings of the board regularly, and I have taken great interest in all their proceedings.

6285. Have you ever made any proposal to your colleagues with regard to a general lowering of the fares and charges?—I have moved resolutions for the purpose of reducing the fares to what they were at the time when I joined the board of directors. In the year 1861 they raised them 10 per cent., and up to that period there had been a steady increase of traffic, in passengers, and in every way, and a growing popularity of the railway system. In the year 1861, very much at variance with my views, the board decided upon raising the fares 10 per cent. I told them at the time that I thought such a step would be injurious to the revenue of the company, and would render the railway company extremely unpopular. The passenger fares were raised 10 per cent..

6286. Upon all classes of passengers?—Yes.

6287. What were the fares per mile before that increase was made?—I cannot say exactly what they were per mile, but that can easily be ascertained by a comparison with the mileage rates of the present day.

6288. What are the fares at the present time?—The present fares are $2\frac{1}{2}d.$ a mile for the first-class passengers.

6289. What are they for the third-class passengers? —They are generally $1d.$ a mile, but sometimes they are higher. For first-class passengers also the fare is sometimes higher than $2\frac{1}{2}d.$ a mile.

6290. What has been the result of the additional 10 per cent., has it been profitable to the company or otherwise?—There has been a decided loss. I had a table prepared showing the figures, with the view of placing it before the directors of the company, and have brought a copy of it here in case the Commission should wish to see it. The result of the change is most apparent in the annual returns of the passenger traffic on the extension line from Athlone to Galway, which, commencing at 8,905*l.* in 1852, steadily rose until they reached 16,395*l.* in 1861, when the fares were raised and the revenue fell off in the first year about 2,000*l.*, and more in subsequent years. The effect was also apparent upon the other parts of the line. The yearly returns of passenger traffic on the remainder of the line were for the first year 79,497*l.*; for the second year, 77,236*l.*; for the third year, 77,708*l.*; for the fourth year, 80,945*l.*; and for the fifth year, the year ending in June 1861 (about the close of which the fares were raised), 83,058*l.* In the following year the revenue fell to 79,127*l.*, and has not improved since.

6291. (*Capt. Galton.*) In 1861 the amount was 83,958*l.*?—Yes, that was up to June, 1861. In the month of May of that year the fares were raised, and from that time downwards there was a visible falling off in the traffic.

6292. (*Chairman.*) Have you been giving the receipts upon the different classes of passengers?—Yes.

6293. Has there been a falling off since that time in the number of the passengers, or in the receipts from the passengers?—There has been a falling off since that time in the number of the first-class passengers; but perhaps an increase in some other classes.

6294. The inference being that the passengers travelled by the second and third class instead of by the first-class?—Yes, the passengers deserted the first-class very much, and in part deserted the second; but the third-class became most productive, although the third-class carriages performed but half the number of journeys in a day that the first and second class carriages do.

6295. Does the return to which you have referred show what the falling off in the second-class passengers was?—Yes, it does.

6296. (*Mr. Horsfall.*) You have given us the falling off in 1862 as compared with 1861; did this continue in 1863 and 1864?—Yes, but the return should be looked at, coupled with the note at the bottom, which indicates that a branch was opened to Sligo in 1863, which of course swelled the traffic returns.

6297. (*Capt. Galton.*) Was there an actual loss in the receipts from the first-class passengers?—Yes, a decided loss.

6298. Does the return show what that loss was in money?—Yes, I will take the first-class passengers from Athlone to Galway in 1861. There were in the half year ending in June of that year 9,474 first-class passengers, and that number fell, in the corresponding period of the following year, to 6,468.

6299. (*Chairman.*) The number has rather increased since that time, has it not?—No, the number of passengers has not increased. It will be observed that these are half-yearly returns, and one half-year is

more productive than another; taking them together you will find that there was a falling off.

6300. (*Capt. Galton.*) Was the 9,474 the number of the passengers, or the money received? — The number of the passengers.

6301. Can you give us the receipts in money for the half-year ending June, 1861?—Yes. In June, 1861 the receipts amounted to 2,055*l.* 5*s.* 1*d.* In the corresponding period of the following year it was 1,691*l.* 5*s.* 10*d.* In the corresponding period of the following year it was 1,792*l.* 12*s.* 3*d.*, showing a slight increase.

6302. Then it has barely recouped itself yet?—No, it has not done that yet; in fact, it has rather a downward tendency than otherwise.

6303. (*Chairman.*) Was there not a general falling off in the receipts on most of the Irish railways at about the same time; that is after 1861?—There was a depression in the country, no doubt.

6304. (*Capt. Galton.*) Has the total receipt from passengers fallen off?—It has also fallen off. In 1861 it was 16,395*l.*; in 1862, 14,400*l.*; in 1863, 12,314 (that might be partly owing to the depression of the time); and in 1864 it was 12,915*l.*

6305. Do you believe that that falling off between 1861 and 1862 was owing partly to the depression of the times?—No, certainly not; the times had not arrived at that state of depression, and I was not able to adduce that as an argument against reducing the fares. There was no threatening deficiency of produce at the time, and therefore I was only able to take the general principle. If I had had a notion that the country would have become so poor as it afterwards did, of course that would have been a very strong argument against raising the fares.

6306. (*Chairman.*) Will you be good enough to state what steps you took in consequence of this state of things?—I several times moved that a change should be made in the fares, but I was always met with the difficulty, which must necessarily exist while the country is divided into a number of separate companies, that they could not lower their fares without interfering with their neighbours, or without their concurrence. There was besides a general feeling on the part of my co-directors that it would be impolitic, that there would be a loss of revenue by so doing. Having thus failed in obtaining any general reduction of fares, I obtained a committee of my board, who consented to recommend that on a portion of the line, the extension from Athlone to Galway (upon which the Baronies guarantee a sufficiency of revenue to meet the interest of the Government loan), the experiment should be made of reducing the passenger fares 10 per cent., I undertaking to guarantee the Company, or rather the Baronies, in which I am a considerable cess payer, against any loss on their passenger revenue for six months from the commencement of January last to the termination of the present month. The offer was recommended to the board as a safe means of making an experiment, which if unsuccessful would be easily abandoned at the end of the six months during which the guarantee was to subsist. However it was refused, and the consequence will be to the Baronies a loss probably not much under 1,000*l.* on that part of the line for the current half year.

6307. So that the Baronies have had to pay 1,000*l.* this year more than they had last year?—Yes. Had my offer been accepted, my belief is that the reduction of 10 per cent. on the passenger fares would have led to a decided improvement in the revenue of the line.

6308. Has there been a great falling off this year as compared with the first six months of last year?—There has been a falling off; I have here a return of the receipts for each week from the commencement of the present year on account of passenger fares, and a corresponding one for the past year, and it is remarkable how very great the falling off has been.

6309. There has been no alteration in the fares between this year and last year?—No.

6310. (*Capt. Galton.*) But there has been a falling off in the traffic?—Yes. The railway system, under existing circumstances, is extremely unpopular, and there is as little done, and as little co-operation on the part of the public with the interests of the railway companies, as it is possible to conceive.

6311. (*Mr. Glyn.*) What was the reason assigned for the rejection of your Lordship's offer of a guarantee?—The only reason that I ever heard assigned was, that there was to be an International Exhibition in Dublin this year, and therefore that it would not be a fair test; that the higher rates of fares might be more productive.

6312. (*Mr. Horsfall.*) Would any further reduction, up to 30, 40, or 50 per cent., do you think, recoup itself in a few years?—I cannot venture to speak beyond what experience fully warrants me in saying. I observed that the rates which we were charging when I first joined the Board of Directors were comparatively moderate, and there was a growing traffic upon the line in every department, but I observed that the reverse was the case when they began to tamper with the fares in the direction of raising them,

6313. (*Lord Stanley.*) Have you already stated how long ago that was?—Yes, in 1861, the change was made in the month of May.

6314. Can you trace the falling off distinctly to that change?—No, not altogether, for I believe that the depression in the country had a very considerable influence upon all the railways. I think at the same time that the very circumstance of the depression existing in the country should have been an argument for lowering the fares then instead of raising them; the depression implied a want of means on the part of the public to avail themselves of railway accommodation.

6315. (*Capt. Galton.*) I thought you stated that in the first year after the reduction the depression in the country had not commenced?—Yes.

6316. And therefore you attributed the falling off in that year directly to the raising of the rates?—Exactly.

6317. (*Mr. Ayrton.*) Is not the west of Ireland that part of it which has been chiefly depopulated by emigration?—I should not say chiefly so. I think it is not more so than other parts of Ireland, but there has been very considerable emigration from the west of Ireland certainly.

6318. (*Mr. Horsfall.*) Although you proposed to reduce the fares by 10 per cent. upon the rate charged in 1861, was your proposal to reduce them by 10 per cent. upon the rate charged in 1862, because, in the one instance it would have been a reduction to the extent of 20 per cent., and in the other of only 10 per cent.?—My proposition was merely to return to the old rate, but I should not have been disinclined to go a little further, because I observed that our rates were even at that time higher than they were on most of the English railways.

6319. (*Sir R. Hill.*) Have the expectations of the directors as to the increase of traffic from the opening of the Exhibition in Dublin been realized?—Decidedly not. The receipts from passenger traffic exhibit a falling off as compared with last year. *A table containing "Abstracts from the half-yearly reports of the Midland Great Western Railway from July* 1851 *to June* 1864," *&c., was handed in* (vide *Appendix* AG).

6320. (*Chairman.*) As I collect from the return there appears to have been a falling off of about 14 per cent. in the first five months of this year in the receipts from passengers?—Yes.

6321. Do you attribute that to the unpopularity of the railway amongst the people in the country?—I think that is one element in it; but it is no doubt an important one.

6322. (*Mr. Horsfall.*) When was the Exhibition opened?—It was opened in the month of May, and May and June were to have been the two months in

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which the receipts were to have been so largely affected, but I do not find that much has resulted.

6323. (*Sir R. Hill.*) But for the Exhibition the loss would have been probably still greater?—I do not think the Exhibition seems to have influenced it very much; there has not been above 100*l.* difference.

6324. (*Mr. Hamilton.*) I think you attributed the difficulty you found in lowering the fares to a want of concert with the neighbouring companies?—It was stated to me that the directors could not without appearing to run in rivalry with the Great Southern and Western Company, which runs nearly parallel to us, do such a thing on the East of Athlone.

6325. Has there been any attempt made to amalgamate the different systems of railways in Ireland?—There has been none to amalgamate those two railways.

6326. Has the proposition never been discussed?—Not as a board question. I have discussed it with many of the directors, and I certainly think that the whole principle of amalgamation would be most desirable, but none so desirable as to have them under the control of the Government, none that could possibly have the same beneficial results.

6327. (*Mr. Ayrton.*) Do you think that putting the Irish railways under the control of the Government would promote and encourage private enterprise in Ireland?—I think that private enterprise is very nearly extinct in Ireland with reference to the railway system. Such ruinous consequences have resulted from railway investments, that people are very cautious indeed in going forward now; some railways in course of construction have been stopped altogether.

6328. Is there no private enterprise in Ireland connected with railway undertakings?—I do not think there is to any great extent. It would very much depend upon the facilities which the railway companies give for the transmission of manufactured goods; but I am not aware of any special manufacturing or other establishments of any kind which have been got up in consequence of the introduction of railways.

6329. Are there no manufactories in Ireland for making and repairing rolling stock?—There was one got up in Dublin, but I am not aware that it led to much.

6330. (*Lord Stanley.*) Will you kindly explain to the Commission a little more fully what the peculiar advantage is which you expect the railway system would derive from being taken into the hands of the Government?—It is a large question, but it is one to which I have given some consideration. I think it unfortunate that the Government did not, in the outset, undertake the control of the whole railway system in Ireland. If that had been done, the construction of ill laid out lines and injudicious extensions would have been prevented, and those alone executed which would have been of public benefit. The Galway line itself would not have been laid out in its present direction; it was adopted by its promoters with a view to a great Transatlantic traffic. Instead of running direct to Galway through a wild and little inhabited country, it ought to have followed the course suggested by the old posting and mail coach communication, as the most convenient to the public, and such a town as Loughrea would not have been left out, as it now is. Lines of railway would probably have been, in general, well laid out, with suitable junctions, forming a complete network over the whole country. But even now the Government might execise a wholesome control over the further development of the railway system.

6331. To whom should you look to prevent the multiplication of lines which from want of traffic cannot pay?—The object would be to prevent the formation of injudicious lines or any lines of railway that would not pay; my belief is that the network of railways would be very extensive, and that a well regulated system would pay well and cause an enormous amount of traffic to be developed. The next benefit would be a considerable saving of expenditure. The present system of railway management by separate boards is insecure, and has in some cases been disastrous in its consequences The Commission may be aware that the Irish North-western Railway is in a state of utter insolvency, even with respect to its preference shares, and some other lines are altogether stopped. This state of things arises partly from the want of a properly responsible body to regulate the accounts, for the object of the railway directors has commonly been to raise a dividend at almost any sacrifice, little considering ulterior consequences. The auditors as at present established are of no use in controlling the expenditure or in certifying the correct state of the accounts. The Acts of Parliament limit their investigations to the papers which are submitted to them by the railway directors themselves.

6332. (*Capt. Galton.*) Are you speaking of the auditors appointed on behalf of the Baronies?—I mean the auditors who are appointed by the shareholders; they are no security whatever to the shareholders.

6333. But the shareholders have it in their power to require an efficient audit to be made?—Yes; but the shareholders are very well pleased if at the half-yearly meetings a good dividend is announced, and they are not at all curious to ascertain whether the auditors have exercised a sufficient control. The auditors cannot do that because they have not the power to call for all the papers that they may want, and it is no part of their duty to determine what is for capital and what is for revenue. The result is that a great deal of expenditure is charged to capital which ought to be charged to revenue.

6334. (*Lord Stanley.*) You put it in this way, that many of the Irish railway boards are incompetent or are unwilling to conduct the affairs of their company in a business-like manner?—I think, from the circumstance of their constitution, they are almost compelled to study how to create a dividend, in order to raise the price of the shares in the market.

6335. (*Lord Donoughmore.*) To keep the shareholders in good humour?—Yes.

6336. (*Mr. Ayrton.*) May we infer from this that they conduct the business in the most profitable manner?—I do not wish to impugn the conduct of the directors. I believe that they have been appointed to perform a certain duty, and they have to consult what they think are the interests of their constituents.

6337. Do you think that they are deficient in intelligence in arriving at the proper mode of doing it?—I think that they are not under due control, and not under the control they ought to be to make these establishments permanently beneficial; there is a continual increase of charges upon capital which there ought not to be.

6338. (*Lord Donoughmore.*) Is there not also this to be taken into consideration, that a board of directors which is not very prosperous in the way of earning revenue is very much tempted to starve a line, and to postpone necessary repairs and expenditure of that sort, which ought to be current expenditure, to be carried on every year in order to increase the revenue?—I believe that to be so. The company that I am connected with has suffered severely, whether rightly or wrongly, from the imputation that such was the case; a melancholy accident occurred, involving loss of life, owing, it was said, to the line having been, in some degree, starved; undoubtedly the line did require more repairs than it had received, and those repairs now occasion a very heavy expenditure.

6339. (*Mr. Ayrton.*) It is your belief that an advantage from the change would result from the superior intelligence that would be shown by the Government managers as compared with those who now manage the line?—Not alone from that, but I think there should be responsible management, that is a responsibility to the public.

6340. If the present managers are responsible to the shareholders for a dividend, how would the responsibility of the Government directors be greater than that?—The directors are responsible to the shareholders, but the shareholders, I think, make

them more responsible for the amount of the dividend than anything else.

6341. Do you mean that the Government directors are to be put under the control of the shareholders ?—No, but if a transfer of the Irish railways was made to the Government, undoubtedly the management must be upon a different principle. There are two ways in which it has been proposed that Government should aid Irish railways. It was only yesterday that I formed one of a deputation to the Chancellor of the Exchequer, in consequence of some words which fell from him in the early part of the session as to his willingness to assist these railway companies. We proposed that about a million of money should be advanced at 3½ per cent., which, replacing our present debentures, which bear interest at 5 per cent., would yield 20,000*l.*, and that, we proposed, should go entirely towards a reduction of the fares, and not to increase the dividend; just as an experiment for the purpose of reducing the fares. The Chancellor of the Exchequer declined to comply with the proposal, but he manifested great interest in the whole subject. I thought that our proposal was not the way in which the Government could best assist the railway systems in Ireland. It would be far better to leave the debentures as they are, and acting on the principle of the Act of 1844, for the share capital to be taken up by the Government. By that means the present shareholders would be stockholders and become creditors of the nation.

6342. And the Government would become the absolute owners of the railways ?—Yes ; I do not see any other solution of the matter. I do not see how, by possibility, the railway companies could be brought to administer the business of the railways otherwise than they do as long as the present principle of railway management continues ; for a desire for high dividends will always operate with the directors; they will thus endeavour to keep themselves in office.

6343. (*Lord Stanley.*) Are you not rather proving too much ; does not that motive operate in the case of every railway, whether it be in England, Ireland, or Scotland ?—I am not much acquainted with the English or Scotch railways, but I believe that they are better managed than ours are, but it might be much for their advantage if the experiment of Government management were tried in Ireland, where it could easily be introduced. I am satisfied that it would not only be beneficial as an experiment, but that it would be of the utmost value in developing the resources of Ireland, which are becoming more and more necessary for the growing wants of this country. A Government Railway Board could do much that existing boards of directors cannot do, and if a great deal of what directors now do was left undone, it would be perhaps better. Such a board, presided over by a member of the administration, but otherwise permanent in its constitution, with two subordinate boards of inspectors, one for the north and the other for the south, would be an organization which, in my opinion, would be perfect for the purpose of carrying out all that the present directors are required to do, and all that would be necessary.

6344. Would you give to the inspectors the same power which the directors now have of administering the affairs of the railways ?—I would give to those two boards of inspectors the same powers, subject to the orders of the central board.

6345. The boards collectively and distributively would possess and exercise all the powers which the directors now exercise as to the railways ?—Yes ; they should have all the necessary powers to carry on the business of the railways, but they should do nothing that was not sanctioned by the central board.

6346. (*Lord Donoughmore.*) Should they have the appointment and dismissal of the officers ?—These are minor details which I think might be very easily regulated,—the higher officers being selected perhaps by the central railway board, and the more subordinate officers being selected by the boards of inspectors. In point of fact there is a distribution of patronage now among the superior officers of the railways ; the clerks are generally appointed by the heads of the departments to which they are to belong.

6347. Do you see no objection to giving so large an amount of patronage into the hands of a governing board, which patronage would be exercised to carry out political objects ?—I think there would be less danger of any abuse if such patronage were placed in the hands of a board of the kind I have mentioned, presided over by a member of the administration.

6348. What is your Lordship's experience of the distribution of patronage in Ireland now in the hands of the Government. Is it not uniformly distributed for political objects ?—Political objects have their weight no doubt, but I do not think that the higher objects of public duty are altogether overlooked.

6349. (*Mr. Ayrton.*) Does not your Lordship's scheme come back to this, that it would be the substitution of a board supposed to possess greater intelligence than the boards of directors which now exist ?—It would be a board necessarily more intelligent for its purposes ; it would be permanent, it would be selected from the whole country, and constituted for every purpose of a few members instead of a large number.

6350. That is really the benefit which you think Ireland would derive from the change, that it would have superior instead of inferior intelligence in the management ?—That would be a benefit, but the great benefit would be that they would be able to harmonize the whole system and network of railways over Ireland so as to enable people to travel from one part of the country to another without perpetual interruptions arising from having to cross the lines and invade the boundaries of discordant companies.

6351 Have you not had in Ireland boards which have undertaken other great industrial works, such as improving the drainage of the river Shannon, and has not that excited universal discontent on the part of all those for whom it was intended to be a benefit ?—That was a work that was very expensively carried out. I am a member of a committee of the House of Lords which is inquiring into that subject. The inquiry, I hope, may result in the recommendation of works that may be remedial of what was ill done, and may provide for the drainage and reclamation of about 100,000 acres that ought to be turned to profitable account. To that end I consider, and I wish now to impress this upon the Commission, that a proper regulation of the railway system in Ireland would be largely conducive.

6352. Still that work was originally undertaken on the precise basis which you have proposed for the railway companies, a board which was to possess very superior intelligence, to have very superior officers, and to conduct everything in the best possible way ?—The parties who were charged with carrying the work out were engineers of eminence ; but they found that the work was partly impracticable under the plans which they had laid out, and I believe that a great deal of money was squandered.

6353. It was a great failure, was it not ?—It was.

6354. (*Lord Donoughmore.*) Half of the money that was expended upon the Shannon drainage was extracted from the landholders, was it not ?—Yes ; a moiety was charged upon the adjacent counties.

6355. (*Mr. Horsfall.*) Looking to the fact that many of the Irish railways pay no dividend, and that some of them are not likely to do so, do you think that this scheme of the Government taking over the Irish railways could ever be sanctioned by the legislature?—I can hardly conceive, if the subject is properly looked into by the legislature, that it would not be. So important a work as perfecting the communications of the country could not be regarded with indifference by Parliament. If the experiment can now be made in Ireland, it would be, I conceive, for the interest of England as well as Ireland that it should be. The opportunity appears favourable for putting

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the whole railway system of Ireland into good order, and I venture to hope it will not be overlooked.

6356. (*Lord Stanley.*) In the event of the Government assuming the conduct of the Irish railways as you propose, involving a temporary loss, should you see any objection to the deficit, be it small or great, being made up by a special rate levied over the whole of Ireland?—That question has never occurred to me, but it does appear to me to be a solution of the difficulty as to any jealousy that might exist with regard to extending any assistance to the sister country. I think it would be better that Ireland should be alone taxed for it than to be left alone.

6357. This being a matter purely of Irish improvement, with which England or Scotland has nothing to do, you think it would be worth while to meet the cost out of Irish funds rather than not have it done at all?—Decidedly.

6358. (*Mr. Ayrton.*) Speaking of purchasing the Irish railways, have you considered the basis or the principle upon which the purchase should be made?—That, I think, is laid down in the Act of 1844, according to which, upon an estimate of the average value of railway shares for the previous three years, 25 years' purchase is to be offered, with the option to the shareholders, if dissatisfied, of referring the matter to arbitration. I think the proposition equitable, and that a reference in some cases to arbitration would secure to the shareholders of any railway under a temporary depression such higher price for their shares as the circumstances might justify. It is of the utmost importance that the large investments that have been made in railway share property in Ireland, amounting to about 20,000,000*l.*, should be better secured than at present. In one railway company with which I am connected, the Irish North-western, the entire of the preference shares, for some years regarded as offering a security equal to the public funds of England, sufficient to justify the investment of charity funds, became of a sudden, through mismanagement and want of a proper system of audit, perfectly insolvent, and ceased altogether to pay any dividend.

6359. (*Sir R. Hill.*) The Act of 1844 provides that in the event of the Government purchasing the railways, it should pay 25 years' purchase on an average of the dividends for the three previons years?—Yes.

6360. Seeing that the dividends have been falling, and that a further fall is anticipated, would not the Government, in purchasing the railways upon those terms, pay too high a price for them?—I think that an equitable arrangement might be made. I cannot conceive that what is equitable should injuriously affect any party. Undoubtedly 25 per cent. upon the present rates, in some instances, would be very low, but it might be ascertained by arbitration whether there was any claim to have anything more.

6361. Your Lordship has said that that rate of payment would be low; would it not rather be high, the dividends are now falling, they have fallen, and they are expected to fall still further?—I do not know what the grounds are for expecting them to fall further. I rather think that, even under the present unfavourable circumstances and the present management, railway property will rise, because it has pleased God to restore something like plenty to the land, and there is the promise now of a very fine harvest, and it is commonly observable that after a series of bad harvests there is a cycle of good years with corresponding prosperity. I do not think that there is any ground for supposing that shares will fall lower than they are now.

6362. I believe that the essential part of your Lordship's plan is, that the Government shall become the owners of the Irish railways, but there are other points which probably you consider matters of detail, as to the mode of managing the railways, and so on?—Just so. One matter for consideration, of great importance to the public, would be the lowering of railway charges, so as to develop the resources of the country, which is not done under the existing system. For example, cattle rates are so high that for the most part cattle are driven along the high roads. Railway boards being afraid of lowering their charges, lest they should by so doing incur a loss, and might be unable to return to the high rates, no single company will venture to make the experiment.

6363. These arrangements might be left to the owners of the railways, but do you propose that the Government should purchase the railways subject to conditions as to lowering the rates?—Certainly not. But I believe that the Government becoming sole owner, and acquiring an entire control over the railways, would see its way to what might be done. I am satisfied that the experiment of lowered fares might be safely made, and as the effect of it would be to open up the resources of the country, the Government would no doubt, in the public interest, exercise the powers it would acquire in that direction.

6364. Supposing the Government to purchase the railways, you would leave those arrangements in the hands of the Government?—Yes. I would observe that, under better regulations, very considerable reductions might be made in almost every branch of railway traffic. Take, for instance, the carriage of parcels. If a person travels, he is charged with no end of commissions, in the way of carrying parcels for his neighbours, for the rates are too high to send them in the regular way. If these rates were lowered, and if that department of traffic were brought in some degree under the regulations of the post-office, the parcels would be sent direct, and delivered at cheap rates. I believe, too, that the post office would derive very considerable profit from the Government having the entire control of the Irish railways. At present the Government pays for special trains for the carriage of mails, whereas, if they had the railways all in their own hands, they would regulate the trains so as to suit themselves, and avoid having, as they have now, recourse to cars and foot messengers.

6365. (*Mr. Ayrton.*) Would you put the money to be laid out in the purchase of the Irish railways on the same footing as other public money which is advanced for other public undertakings, making it a *sine qua non* that the first charge upon the income of the railways should be a return of 4 per cent. for the money so advanced?—I should rather think that a national guarantee would undoubtedly be accepted in lieu of the less certain guarantee which those railways now present.

6366. What I mean is this: if the nation purchased all those railways it would of course advance the money in the same way as it advanced money for drainage and other purposes, and would you put that on precisely the same footing, namely, that the first charge upon the income of the railways should be 4 per cent. to the Government for the interest of the money so advanced, as in the case of money advanced by the Government upon land or upon docks?—I think it would not be strictly the Government borrowing the money for the purpose, it would be merely a conversion of the railway shares into Government stock.

6367. The Government, upon certain terms, varying according to the value of the railway in which a shareholder had his stock, would have to pay an annual charge to the persons with whom they dealt?—The annual charge would be upon the nation.

6368. Do you mean that there is to be no return for the money, but that the nation is to pay the whole charge for the capital to be employed, and then work the railways without regard to any return?—I think that the nation would be much more than recouped by the returns made from the railways.

6369. Is it not to be a part of the scheme that what the National Exchequer would pay to the owners of the stock should be a first charge upon railways, to be paid out of the annual income derived from them?—It would not make much difference, I think; the railway resources would become public revenue at once.

6370. But would those resources be made equal to the charge upon the public on account of the railways having been purchased?—Those resources or the railway returns might be cultivated for the advantage of obtaining a certain revenue, or they might be sacrificed for the greater convenience of the public; that would rest in the minds of the Government.

6371. What is the principle which you think ought to be acted upon in this matter; is the proposed board to administer the Irish railways without making any profitable return to the Exchequer, or without any view to a profitable return to meet the annual charge that the public would incur?—It would be the duty of the railway board to take care that the expenditure involved in the railway system was not in excess of their receipts, taking care at the same time to maintain those receipts.

6372. Apart from the annual charge for the interest upon the capital advanced?—That would be necessarily considered as one of the ingredients in the charge upon the railways.

6373. Then you would have an arrangement by which the annual charge as to the capital should be a charge upon the railway receipts?—Undoubtedly it should be considered that there was an investment made by the Government to the extent of whatever the sum of money was.

6374. (*Sir R. Hill.*) Your plan is that the Government should become possessed of the railways by some means or other, but that the conditions should be such that the Government should not lose by the arrangement?—Undoubtedly.

6375. You think that this might be done with benefit to the present shareholders, and with benefit to the public, and you anticipate that it would lead to a reduction in the rates and charges?—I do, decidedly.

6376. Whether the Government worked the railways by boards which it might appoint, or whether the Government granted leases of the lines to companies or to individuals, is a matter regarding which you have probably not formed any opinion?—No. I beg, with reference to the evidence I have given regarding the falling off in the passenger traffic between Athlone and Galway in the present year compared with the corresponding period of 1864, to hand in this memorandum, also a like comparative return of the weekly receipts for the carriage of cattle upon the whole line. (*The same were handed in as follows*):

Comparative Statement of Weekly Receipts from Passenger Traffic on the Midland Great Western Railway Company's line, west of Athlone, from the periods commencing January 1864 and January 1865.

	1864. £	*s.*	*d.*		1865. £	*s.*	*d.*
January							
1st week .	224	9	11	...	205	6	8
2nd „	283	1	3	...	259	5	2
3rd „	264	4	7	...	255	15	6
4th „	277	15	8	...	208	8	1
February .	251	7	11	...	232	9	6
„	275	1	9	...	230	6	7
„	245	4	11	...	227	9	4
„	269	15	1	...	248	14	3
March . .	390	4	4	...	237	2	2
„	351	0	8	...	341	19	7
„	372	12	8	...	309	7	7
„	350	17	1	...	219	4	2
April . . .	437	13	9	...	305	8	1
„	462	0	9	...	310	14	4
„	315	14	9	...	482	14	6
„	327	3	11	...	345	10	5
May . . .	387	17	6	...	293	5	10
„	470	9	3	...	507	0	11
„	401	1	4	...	299	4	9
„	506	18	3	...	336	15	9
„	418	9	2	...	319	18	11
June . . .	357	13	6	...	427	0	8

Whole Line.

Weekly Receipts for Cattle from 13th January 1865, Comparative Statement.

	1864. £	*s.*	*d.*		1865. £	*s.*	*d.*
January . .	985	12	8	...	735	5	6
„	555	13	10	...	842	18	6
„	758	15	10	...	1,027	16	8
February . .	688	18	5	...	790	3	11
„	678	4	11	...	610	6	10
„	664	10	2	...	932	13	3
„	471	12	7	...	511	0	7
March . .	672	17	11	...	863	0	10
„	695	14	2	...	819	14	8
„	712	13	2	...	721	4	1
„	632	2	6	...	673	4	1
April . . .	526	10	5	...	576	1	3
„	338	18	6	...	442	17	9
„	422	7	1	...	573	9	0
„	697	8	2	...	960	16	10
May . . .	697	3	8	...	621	1	9
„	1,062	4	2	...	938	6	10
„	477	17	0	...	427	3	1
„	538	11	5	...	446	4	4
„	411	7	5	...	606	1	9
June . . .	276	9	6	...	326	12	6

I have handed in the foregoing paper because there was a small reduction made this year in the charge for the carriage of cattle, and the effect of that small reduction was to produce a steady improvement in the amount of the cattle traffic.

6377. (*Mr. Glyn.*) What was the amount of the reduction made?—The difference was this, that the charge was 6*d.* a box containing, I think, eight head of cattle, per mile; a reduction to the extent of a $\frac{1}{2}$*d.* a mile, if the distance was more than 50 miles, and another $\frac{1}{2}$*d.* if it was more than 75 miles was made at the end of January of this year, the effect of which was to produce an increase in the receipts for cattle, showing the elasticity of that branch of railway traffic.

6378. (*Mr. Ayrton.*) Do you mean that it was $\frac{1}{2}$*d.* less for any additional miles between 50 and 75?—For the first 50 miles it was 6*d.* a mile as before, for the next 25 miles it was 5$\frac{1}{2}$*d.*, and so on after 75 miles. We found that there was a decided improvement.

6379. Has the rate of wages increased in the west of Ireland during the last five years?—It has, but chiefly in consequence of the emigration that has taken place, a circumstance not, I think, to be regretted, inasmuch as now scarcely any person able to work need ever be unemployed. At certain times wages rise considerably; they are still low, but they are higher in comparison with what they used to be.

6380. During the last five years has there been any increase in the rate of wages?—They have been rather on the increase than otherwise.

6381. Has there been no perceptible increase in the rate of wages during the last five years?—I should say that there has been; not very much but still there has been an increase of from 1*d.* to 2*d.* a day.

A table headed "Abstracts from the half-yearly reports of the Midland Great Western Railway," &c. was handed in (vide *Appendix* AG.)

Mr. William Shaw examined.

6382. (*Chairman.*) You have lived, I believe, for many years in the neighbourhood of Bandon?—Yes; I now reside near Cork.

6383. Will you state what your occupation is?—I am a director of a bank, and also a director of a flax spinning company.

6384. Have you had abundant opportunities of forming an opinion as to the system under which the

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Cork and Bandon railway has been managed ?—Yes, for years.

6385. Will you state your opinion to the Commission as to whether that railway has been managed in a manner either most profitable to the shareholders, or most advantageous to the public ?—My opinion is that it has not been so managed, which has been very much owing to the great original cost of the railway. The shareholders have no direct interest, and they feel that they have none in the line. It has consequently got into the hands, I believe, of the preference shareholders, who cannot increase their profits from it beyond a certain point. I believe that that is the cause very much of the inefficient manner in which the railway is worked.

6386. Do you think that the directors have no interest whatever in endeavouring to increase the traffic beyond its present amount ?—No, I think that they have no interest and no hope of getting more on their original shares, which are a 5 per cent. security, and they have no object in working it up beyond that very much.

6387. Is it your opinion that there are sources of traffic which are undeveloped and which traffic might be brought into that railway ?—I think so.

6388. Of what character is it ?—General agricultural produce. The town of Bandon is within 20 miles of Cork, and it is a very common practice for the farmers there to send their farm produce by their own conveyances to Cork, and I feel certain that if there was a better system of management a great deal of that produce could be brought on to the railway.

6389. Are complaints made that the charges for the carriage of agricultural produce on the Cork and Bandon line are so high as to prevent the farmers from sending their produce to market ?—Certainly. They want a system in Cork for the purpose of conveying agricultural produce to the markets, and there should be an organized system for bringing the produce to the markets from the railway station. The railway company have not a good system at work; they have for the butter, but I do not think they have for the corn; and even with the butter it is a general complaint that it is rather late in the market.

6390. Have you ever considered whether, if that railway were in the hands of parties who leased it, they could work it with advantage and profit, and whether there are means by which the traffic upon the line could be largely increased ?—I have not the slightest doubt of it.

6391. (*Lord Donoughmore.*) There are some extension lines, I believe, in the course of construction from the Cork and Bandon line towards the western counties ?—Yes.

6392. Can you give any evidence as to the effect which the condition of the Cork and Bandon Company has had upon those extensions, or is it the fact that the condition of the Cork and Bandon Company has had the effect of impeding the construction of further extensions towards the western counties ?—I have no doubt of it; they have not entered heartily into those extensions as they would do if their interest was directly in the line.

6393. Are the shareholders quite content to leave the management of the line in the hands of those representing only the preference shares ?—I suppose that they have no hope of getting anything for their shares, as they are unsaleable in the market, and there is very little hope of their getting anything like a dividend on the original shares, and they therefore take no interest in the thing.

6394. (*Mr. Hamilton.*) Do you think that the directors derive their qualification from the preference shares only?—No, I do not think that; I suppose that they are qualified by being holders of original shares, although they are so worked that a gentleman holding 1,000*l.* worth of them can qualify any person he pleases.

6395. You are aware that the preference shareholders have no power of voting ?—I suppose not, but I suppose they hold original shares quite sufficient to enable them to vote.

6396. They have no *locus standi* as owners of preference stock ?—No.

6397. (*Mr. Horsfall.*) You have spoken of the original cost of the line as being very heavy, can you state what it was per mile ?—I cannot say, but I believe it was between 17,000*l.* and 20,000*l.* a mile for a single line, and carried through a country giving hardly any business, as between Cork and Bandon.

6398. (*Lord Stanley.*) Is it not the fact that this is a line of railway that never ought to have been made, and for which there was not sufficient traffic to maintain it ?—I can hardly say that, but if it were made now, I believe that it could be made for 6,000*l.* or 8,000*l.* a mile.

6399. (*Lord Donoughmore.*) If the line had been taken down the river, and up the —— valley, could it not have been made cheaper even then ?—It is not much of a level through the country. It is a very difficult question to answer whether it would have been a more profitable line to work or not, for it is a great way round that way, and would bring in no town of any consequence except Monkstown.

6400. Would it not have brought in all the villa property along the river ?—If you went round by that town you would have the business of Bandon, going in by coaches and cars.

6401. (*Sir R. Hill.*) What was the cause of the excessive expenditure upon the line ?—It is taken over a mountain, and they had an immense deal of cutting and viaducts, and all sorts of tunnels, and it was a very expensive line to make.

6402. Was there any waste of money beyond that which arose from taking an improper route ?—There were two or three competing lines, and there was much money wasted in engineering and law expenses.

6403. (*Lord Donoughmore.*) Was not the engineer a very incompetent man ?—I believe so. He had had no experience in railway work.

6404. (*Sir R. Hill.*) What is the interest paid to the preference shareholders ?—I believe it is $5\frac{1}{2}$ per cent.

6405. That is according to the bargain made between the parties ?—Yes.

6406. Is that interest always paid in full ?—On some of the shares I believe it is; but they have number one and number two preference shares. I believe on one class of those shares it is paid regularly, and on the other it is generally a year due, or something of that kind.

6407. Then there appears to be some motive for managing the railway better, although it is in the hands of the preference shareholders ?—Yes; there is in some degree.

6408. From what you have stated, I suppose the ordinary shareholders have abandoned all effort to put the railway on a better footing ?—They have no hope of getting much out of the line.

6409. Could the ordinary shares be purchased at a low price ?—Yes.

6410. Would it not be a good speculation to buy up a large number of the ordinary shares, turn out the directors, and get an efficient set of men to manage the railway profitably ?—We have not quite the speculative spirit in our country that is necessary to do that, and we might find it difficult perhaps to do it.

6411. (*Mr. Ayrton.*) There appears to have been a large spirit of speculation when several parties were competing for a line that it was not profitable to make ?—Yes, a great deal; but that was speculation on the part of the solicitors and the engineers, and a few others; that is not healthy business speculation.

6412. (*Mr. Horsfall.*) Do you think that the rates might be considerably reduced with advantage to the company ?—I think so, but not to a very great extent, I consider that they are not extravagantly high, but I think that there might be a better system of return tickets, and excursion trains, and matters of that sort, that would develop business upon the line.

6413. Do you think that a reduction might be made to the extent of 20 per cent. ?—I think it would be a great experiment. I think that the business of the country is not so great as that it would bring any very great addition of traffic on to the line. There is a great difference in this country where you have large towns and a large population, so that when you reduce the fares the business increases very largely ; that is not so in Ireland, we have there no great travelling public.

6414. (*Chairman.*) You would look for an increase of traffic more to a better system of looking after the sources of traffic than to any actual reduction in the charges ?—Yes ; it is a kind of business that you must push and cultivate, which the railway directors have not done, they have a monoply, and they rest upon the monopoly.

6415. (*Lord Donoughmore.*) Is there not a very rich agricultural district lying to the West of Bandon ?—It is a very good country, and very well cultivated.

6416. The natural port of export for all the produce of that district is Cork ?—Yes, for butter and corn.

6417. There is next to none exported from Kinsale and Clonakilty ?—Very little. Cork is the great market.

6418. If the charges were reasonable would not a great deal of that produce go into Cork by the Cork and Bandon Railway ?—Yes.

6419. (*Mr. Hamilton.*) Where does it go to now ? —A great deal of it is carried by small vessels round the coast, and a good deal of it is carried by carts into Cork. I used to live on the main road from Cork to Skibbereen, and there was a ceaseless traffic carried on by carts.

6420. Do you think that the railway loses a great deal, in consequence of the excessive charges made by the company ?—I think they lose more than half through their rather high charges, and not pushing the business.

6421. (*Mr. Horsfall.*) Are you aware that an experiment for making a great reduction in the charges has been successfully tried on the Coleraine and Londonderry line ?—I did not know that ; but that is a different country from ours. I have no doubt that a moderate reduction would tell both in goods and passengers.

6422. (*Sir R. Hill.*) What is the length of the line ?—About 18 or 20 miles.

6423. There is a body of directors to manage it ?— The are three directors in Cork, and several in Dublin. There is a divided directory, and they have divided powers. There is not that concentration of power that I think is necessary in working up a business like that.

6424. Is there a secretary ?—Yes, in Dublin.

6425. And a manager ?—Yes, in Cork.

6426. Are there any other officers ?—There are the general superintendents of the stations.

6427. And all these for the management of a line of 20 miles ?—Yes ; and there is no end of correspondence and circumlocution between Dublin and Cork if you want anything done.

6428. (*Lord Donoughmore.*) The Bandon Railway Company I believe work a little branch line to Kinsale ?—Yes.

6429. Upon what terms do they work it ? — I believe they get 30 per cent. of the gross receipts for three years.

6430. (*Sir R. Hill.*) Has the question of amalgamating the Cork and Bandon railway with some larger railway in the neighbourhood ever been considered ?—There is hardly any railway west of Cork. As to amalgamating it with any other railway, there might be advantages in amalgamating it with the Great Southern and Western line, for probably we should then have the trains arranged in a proper manner for the conveyance of the goods traffic.

6431. Has that matter ever been considered by the directors of this company ?— I do not know.

6432. Do you think there would be any economy in such an amalgamation ? — Yes, economy in the management.

6433. (*Chairman.*) They have different stations, have they not, at Cork ?—Yes. They could not have one station, because the river runs between them. I may mention that I sent a considerable quantity of flax at one time from Bandon to Belfast, and I had invariably to send it by Liverpool, and then to re-ship it to Belfast ; the fares were high, and the difficulties were so great in having to write to Dublin to ascertain the different charges, and the delays in Dublin were so great, that it was cheaper to send it by steamer to Liverpool and re-ship it there for Belfast.

6434. (*Chairman.*) Do you believe that traffic is lost upon other lines of railway from the want of a proper system ?—Yes.

6435. On the Great Southern and Western Railway, for instance ?—I have no doubt of it.

6436. (*Mr. Hamilton.*) What freight did you pay from the south of Ireland to Belfast ?—I think I paid at that time 30*s.* a ton from Cork, the through freight to Belfast.

6437. What would be the direct distance by railway ?—164 miles to Dublin and about 100 to Belfast.

6438. (*Capt. Galton.*) Is there a large quantity of flax sent from that part of Ireland to Belfast ?—Ten years ago there was rather a large supply, and there will be again I expect. We are erecting a large spinning mill in Cork, and if we do not send the flax it will be sent as yarn or as linens.

6439. Do you think that that would be a remunerative traffic for the railway company ?—Yes.

6440. Would it be sent in sufficiently large quantities to make it remunerative ?—It will be, I think, in time ; it has not been hitherto.

6441. When you say that large quantities were sent some time ago, have you any idea of the actual quantities ? Can you give in tons the quantity sent per annum ?—No, I cannot ; but I sent myself the produce of about 500 or 600 acres.

6442. To what would that amount in tons ?—I suppose over 100 tons. It was the Scutched flax. I cannot say exactly. I was merely one. There were several other mills working at the same time.

6443. Do you think that flax will continue to be grown to a large extent in the south of Ireland ?—I hope so.

6444. It is a remunerative trade ?—Yes, a great number of persons grew it last year. Some were disappointed who did not understand it, but a great number were satisfied.

6445. Does the rain affect it ?—Yes, it does. It cannot get too much rain in the growing time from May to June ; and in that way we have great advantages, for we have plenty of rain.

6446. (*Lord Donoughmore.*) In what part of the county of Cork is the flax grown ?—Generally in the west part of the county of Cork.

6447. (*Mr. Hamilton.*) If you could send the flax to Belfast by railway at the same rate as round by sea, would it not be a great convenience to you ?— Yes, decidedly.

6448. It is only the excessive charge that prevents you ?—Yes ; when I was doing it, there was great inconvenience in corresponding with parties in Dublin and Belfast.

6449. Do you know what the mileage rate is in that part of Ireland for goods of that description ?— Not now ; but I think the present rate by water is only 25*s.* ; that is from Liverpool, for flax from Cork.

6450. Do you know the present mileage rate upon the railways for goods of that description ?—I cannot say exactly.

6451. (*Mr. Ayrton.*) Do vessels ever go from Cork to Belfast ?—Never direct.

6452. Do you suppose that there is not enough traffic in that way to load them ?—Not wholly.

6453. (*Mr. M'Clean.*) Is there a continuous rail-

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way communication between Cork and Belfast?—Yes; except the break at Dublin.

6454. (*Capt. Galton.*) There is no through communication at Dublin?—No.

6455. You do not know whether they send goods by way of Tullamore and Mullingar?—I do not think they do; that would be a very intricate way.

6456. You have no through communication from Bandon to Dublin by that route?—We have a transshipment and carriage across the city.

6457. That would, of course, add to the expense?—Yes; but the railways should regulate that; they should have one charge including that carriage.

6458. (*Lord Donoughmore.*) Would it not be possible, as the stations are nearly exactly opposite each other, to establish a ferry of some sort by which the goods could be transhipped?—I think so. It is done in other places, in America very extensively. The river is narrow there; but there is a very large shipping traffic up and down the river. I see no insuperable obstacle in the way of doing it.

6459. It would be cheaper to do it in that way, would it not, than to cart the goods round?—You would have to put them on a cart to bring them to the ferry.

6460. Could not the rails be brought down to the ferry?—The Commissioners of Cork have not allowed them to do that yet; but I am sure they would do so if any well-considered plan was proposed.

The witness withdrew.

Adjourned to Friday next at 12 o'clock.

Friday, 23rd June 1865.

PRESENT:

THE RIGHT HON. ROBERT LOWE, M.P
SIR ROWLAND HILL, K.C.B., F.R.S
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
WM. POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. THE EARL OF DONOUGHMORE IN THE CHAIR.

Mr. WILLIAM BENCE JONES examined.

Mr. W. B. Jones.
23rd June 1865.

6461. (*Chairman.*) You are a landed proprietor in the county of Cork?—Yes.

6462. You have resided there for more than 20 years?—Yes.

6463. Can you give the Commission any information as to the railways running into the south-west part of the county, or the Cork and Bandon Railway?—Yes. The whole of the traffic of the West Riding of the county of Cork, with a small exception in the northern part, depends upon one line of communication. We are so shut in between the sea and the mountainous country which separates Cork from Kerry, that there is but one line of communication for the whole West Riding of the county of Cork, and the whole of the trade of the West Riding exclusively depends upon Cork; everything that is brought into the country, manufactured goods of all kinds, are landed at Cork, and brought along that line of communication; every kind of export, whether it be butter, cattle, or anything else, has to go the same way. Except coals and corn, and those things which come by small vessels into the little ports, we are exclusively dependent upon the communication with Cork.

6464. The main line of communication, I think, is from Cork to Bandon?—Yes.

6465. How long has that line been made?—Part of has been opened for 16 years, and the whole of it has been opened for 14 years.

6466. What was the original cost of the line?—The whole cost of the line was about 325,000*l.* for 20 miles of railway, and that was about 18,000*l.* a mile.

6467. For a single line?—Yes; that was the amount of share capital that was made away with. But it was in endless difficulties before it was opened. It was for many years almost an insolvent concern. The chairman committed suicide, and the shareholders gave it up, and it was at last taken up by the preference shareholders only, who obtained some exclusive powers enabling them to appoint directors, and they contrived to get the line opened.

6468. The railway is at present managed by persons who are preference shareholders?—By the first preference shareholders, who hold 48,000*l.* of capital. They have the entire management of the whole thing.

6469. Where do the directors reside?—They reside in Dublin chiefly. Mr. Valentine O'Connor, one of the directors of the Great Southern and Western Railway, is the chairman, and Mr. Greere, I think, is vice chairman; but none of them are local people. I believe there are one or two local directors in Cork, but it is only as directors appointed by the preference shareholders that they manage things as they are managed.

6470. I suppose these directors must have a qualification by holding original shares?—I do not think that they are necessarily required to hold any original shares, but I am not certain upon that point.

6471. Do the preference shareholders receive their dividends?—The first preference shareholders have always received their dividends at the rate of 5½ per cent., and the second preference shareholders, who hold less than 30,000*l.*, have sometimes got their dividends; but there is a considerable amount of bonded debt, as well as mortgage loans, as they are called, 71,000*l.* of which consists partly, I believe, of money which was advanced by the Exchequer Loan Commissioners, and the interest upon that is paid.

6472. The interest upon the loan of 71,000*l.* is paid?—Yes. The loan capital is 71,663*l.*; the first preference stock 48,000*l.*, and there is a small sum that they got out, somehow or other, 8,310*l.*, which they call perpetual 4 per cent. debentures, to be added also. I believe interest is paid upon that.

6473. What is the amount represented by the second preference shares?—The second preference shares are 29,667*l.*

6474. What do you say is the total loan share capital of the company?—The whole comes to about 160,000*l.*; that interest has occasionally been paid upon. The original shares represent 175,241*l.*

6475. Upon which no dividend has been paid?—No, except in the first year before the line was opened, when they paid it out of capital; they had power to do so then. Since the line has been opened, they have not received a penny upon the 175,000*l.*

6476. I suppose those shares representing 175,000*l.* of original capital have no price in the market?—Only about 10*l.* for a 50*l.* share, the want of any extensions very much influencing the value of them. I believe that the greater part of them are now held by persons who have bought them at the rate of from 10*l.* to 12*l.* for a 50*l.* share, and very few original shareholders remain in the company at all.

6477. Is the district which this line serves, the Bandon district, capable of producing a considerable

amount of traffic?—It is; in fact, the traffic upon these 20 miles of railway produces 20,000*l.* a year, which is over 20*l.* per mile per week; that is a very good traffic, and the whole of it is derived from that district.

6478. If the fares and charges were lowered, and further facilities were given to the public, do you think it is capable of greater development?—I cannot very well say that; we are necessarily so dependent upon Cork that everything we get must pass over that line, whatever the fares may be. I have no doubt that lower fares would be a great advantage to the country, but at the present time, the distance being so short—only 20 miles—a small increase in the amount of the fares, or on the charge for goods, would not come to any very large sum upon the 20 miles alone.

6479. You think that a reduction of the fares might be beneficial to the public; but you doubt whether it would be profitable to the shareholders and the company?—I do not know enough of the matter to be able to express an opinion upon that point, so far as the company is concerned.

6480. Your complaint, I understand, is this; that the present managers of this railway, from the fact of being interested only in 48,000*l.* of preference capital, upon which they receive a dividend, have no interest in developing the traffic?—That is the real source of our difficulty in the western parts of the county. If there was a solvent company, having the management in its hands, inasmuch as the whole of the traffic from additional extensions must pass over the line, they would promote extensions to a much greater extent for that purpose.

6481. Has the policy of the present managers been to prevent, or stand in the way of, extensions?—Not at all; it is only because they are in a dead lock; they say, "we have no money;" that is the regular answer that is given.

6482. Attempts have been made, I believe, to extend that line further westward?—There is an extension which is partially finished now, and which is called the West Cork Railway.

6483. Can you give the Commission any particulars as to that railway?—Yes; I have the details of that also. It was originally intended to go 32 miles, to Skibbereen, and the capital that they took for that, and which was believed to be far in excess of what was required, was 266,600*l.* It is the most level line, probably, in the world, and it gets into one of those great geological troughs which cuts that country from the south-west to the north-east; there is hardly a hillock to be gone through, except near to Bandon, and in order to avoid going through the ornamental ground of Lord Bandon's park they went a little out of their way, at a cost of some 3,000*l.* or 4,000*l.* We have had several proposals made for extensions in that district, and the highest estimate that was made was 6,000*l.* a mile.

6484. Was that for a single line?—Yes; they have partially completed 18 miles of it; that is to say, they have completed 18 miles of it, except the last half mile, to form a junction with the Cork and Bandon Railway, and they have stuck at that last half mile with a manager's staff, and engines actually standing in the middle of the fields, from inability to raise the money to make that last half mile into Bandon, where they come across a quantity of small property for which ready money is required, having already spent no smaller a sum than 266,600*l.* upon the other 17½ miles. They have applied to Parliament now for fresh powers to raise 160,000*l.* more; the Bill has not actually passed the House of Commons yet, but I believe it is nearly through.

6485. The line will cost how much per mile?—Considerably over 20,000*l.* a mile. I have had an opportunity of knowing what the *bonâ fide* estimate of the working engineer in cash was, and it appeared from that that it could be done for under 4,000*l.* a mile, the line was so extraordinarily level.

6486. How is it supposed that this enormous increase of cost has been occasioned?—Because there has been no *bonâ fide* money embarked in it, except 10,000*l.* or 12,000*l.* that was raised by the gentlemen about Skibbereen. The whole thing has been done by taking the shares into the market, and getting rid of them for whatever money could be raised upon them. Everybody except the labourers has been paid in shares. To the engineer and people connected with it they have issued shares; shares have been given to them in exchange for their work instead of money to an extent that has been something frightful.

6487. (*Mr. Horsfall.*) Were the shares given at the original cost price or at a reduced price?—The Act was originally obtained by a few gentlemen living about Skibbereen; they tried for two years to get a *bonâ fide* contractor to undertake the work, but they could not; then they got into the hands of a set of people who carried on lines upon credit through Ireland. I do not like to mention their names, but they had to do with the Cork and Youghal line, and the Kinsale Junction. They handed the whole thing over to them with what little ready money was left after paying the parliamentary expenses; they took the shares, and did what they pleased with them.

6488. In any distribution of the shares in payment to the engineer, were the shares allotted to them at the original price?—I cannot tell you, but we know that they were put into their hands. The shares have been made away with, and this sum of 266,000*l.* is gone, and here is this half mile of line, for the purpose of which they could not get 5,000*l.* to pay for the land. Some of it was in the Court of Chancery, and the money had to be lodged in cash. The whole thing has been done in a most superficial way, for instance, they have wooden viaducts, little slight wire fences, and everything as trumpery as it could be.

6489. (*Mr. Glyn.*) Have the preference shareholders always received their dividends?—The first preference shareholders on the Cork and Brandon have. Their amount is only 48,000*l.*

6490. I perceive in an account rendered from the Exchequer Loan Commissioners that the company is in arrear to them, both with regard to principal and interest. Do they not take care to have the first charge paid?—I have watched the accounts for many years, and I have never observed that the first preference shareholders have not got their dividends. The second preference shareholders have been many times without them.

6491. (*Mr. Horsfall.*) Do not the Exchequer Loan Commissioners take precedence of the preference shareholders?—I think the Exchequer Loan Commissioners have got their interest.

6492. (*Mr. Glyn.*) According to the return I have before me, they certainly appear to be in arrear. The total advance made by the Exchequer Loan Commissioners to the Cork and Bandon Company amounts to 35,000*l.*; the company have repaid part of that amount, but there is a balance outstanding, and there is an arrear upon the principal and also upon the interest. I therefore cannot understand how the preference shareholders could have received their dividends?—I can state as a fact that I have watched the accounts very closely, and that there has never been for years past any statement that the first preference shareholders did not receive their interest somehow; the second, or number two, preference shareholders have continually gone without their interest. In the account that I obtained, it did not distinguish between the amount owing to the Exchequer Loan Commissioners and what they called mortgage loans, they were all put together, and they amounted to 71,000*l.*

6493. Has the interest upon the mortgage loans been regularly paid?—That has been certainly the case, because that would be a first charge before the preference shares; the preference at 5½ per cent. on 48,000*l.*, would only be 2,640*l.*, and they received 20,000*l.* per annum on the traffic.

6494. Who elects the directors?—I believe the preference shareholders exclusively.

Mr. W. B. Jones.

3rd June 1865.

6495. (*Lord Donoughmore.*) Do you think that if the West Cork Railway, the extension of the Cork and Bandon line, had been made for the amount per mile that was estimated by the engineer, it would have offered a reasonable chance of paying a fair dividend?—The 18 miles that are partially completed certainly would, for that distance it is like a trunk line, as the Cork and Bandon does the first 18 miles; the remaining 14 stand on a different ground, that is, or the greater part of it, on a branch; that would pay something, but what amount I am not able to state clearly.

6496. These 18 miles having cost over 20,000*l.* a mile, there is very little probability of the shareholders receiving any dividend?—I think not. I have a copy of the Bill, which is now before the House, in my pocket, and it is pretty clear, from the arrangements which they are making as to the shares, that they never expect to get any dividend upon the ordinary shares, and it must come to the same state of things as in the case of the Cork and Bandon, that the preference shareholders will get some dividend, and the others none.

6497. Such a system is of course very discouraging to the local parties, who wish *bonâ fide* to get railways constructed for the benefit of the country?—Just so, but in the district with which I am connected, the Clonakilty Union, which is one of the best districts about the country, we cannot get any help whatever from these people, and that naturally discourages people, and renders it improbable that any *bonâ fide* persons will be found to engage in it.

6498. How far are you from the station at Bandon?—Cork is 13 miles from Bandon, and all the produce has to be carted that distance to Cork. The bulk of my property is nearer in fact than my house is, and I am less vitally interested than most people, except in the general prosperity of the district. I have some property near Cork that would be benefited by a railway being opened.

6499. Do you think that branch lines from those trunk lines you have spoken of to Cork and to Bandon would be a benefit to the country?—An immense benefit to the country. There is nothing that seems so to civilize us and to bring things forward as the opening of railways; and bad as this Bandon line has been, it has nevertheless been of the most incalculable benefit to the district.

6500. Do you know whether any agricultural produce is carried into Cork by road?—There is a little carried by what we call carmen; those people who come in from Skibbereen and distant places; they do not think it worth while to put their loads on to the railway for a distance of 20 miles, and they still continue to carry on the road, but I think that practice is decreasing.

6501. If there was a moderate reduction of the rates charged on the Cork and Bandon line, do you think that that would induce parties to take the traffic off the road and put it on the railway?—I have no doubt of it; the most accurate calculation is made by the people as to what it will cost to do a certain thing; that is to say, whether it is carried by cart or by railway. Formerly they often took their butter to Cork in their own carts, and now from my district they commonly start at night.

6502. In order to be present in the market when the butter is sold?—Yes; but I think, if the railway would carry them and their goods cheaply, they would go by it; but any man with four, or five, or six firkins of butter may now take it down in his own cart.

6503. (*Capt. Galton.*) For what distance would he carry it?—The railway is 20 miles long, and the country it comes from is about 30 miles distant.

6504. I am alluding to the farmers who you said started overnight; how far do they travel?—They travel 30 miles from their own homes; they would save 20 miles by the railway, but they must take the butter 10 miles to the railway, and leave their cart and horse there, and go on by the train; but not valuing their own time nor their horse's labour, they travel the whole distance of 20 miles, and sell their butter and come back again. I would submit to the Commission that the existing traffic on the Cork and Bandon Railway is a perfect gauge of what the traffic from that whole district would be. The existing traffic almost conclusively proves what the traffic on these extensions would be, because the whole of it is to be derived from this very district, the west riding of the county, and making allowance for the difference in distance of the extensions, we can almost certainly guess at what the traffic would be upon any of the extension lines.

6505. Are you now speaking of the class of traffic or of the quantity?—Of the quantity. I have already stated that the whole traffic from the West Riding of the county comes into this one neck between Cork and Bandon, and being shut in by the sea on one side and by the Kerry mountains on the other, there is no other communication whatever.

6506. I thought you stated that a certain quantity of traffic still went by the road?—Yes, the road is parallel to the railway.

6507. If the railway is extended, you think it is likely that more traffic will go by the railway?—Yes, it would increase. The 20,000*l.* received on the Cork and Bandon line I think represents the minimum traffic of the district. It is the non-paying condition of the Cork and Bandon that causes the whole difficulty through our district.

6508. (*Mr. Glyn.*) What have you to suggest, in order to cure this state of things?—The only suggestion I could make, would be an extension of the powers of the Exchequer Loan Commissioners to advance money wherever there was *bonâ fide* traffic available.

6509. You would deal with the preference shareholders?—Yes, exclusively. If it was a landed proprietor's estate which had had a first mortgage upon it for 15 years, it would be wound up.

6510. You mean, that you must buy them up?—No doubt.

6511. You must pay them off or deal with them at the price at which they will sell?—Yes; but I imagine that they have never been well pleased with their bargain, and I do not think that it has been looked upon as a very valuable security.

6512. And you would improve the security by the fact of paying them off?—Yes.

6513. (*Chairman.*) What price do the preference shares fetch in the market?—I do not know; they are so seldom sold, being in so few hands, and representing so small an amount, 48,000*l.*

6514. (*Mr. Glyn.*) Are the directors selected exclusively from the preference shareholders?—I believe so. I wish to add that the present actual traffic on the Cork and Bandon of 20,000*l.* per annum, proves clearly that the traffic of the West Riding would be sufficient to pay a fair interest on all extensions that are required to give full railway accommodation to the whole district; if such extensions were made at a moderate cost, say 6,000*l.* per mile, and if the incubus of the extravagant cost of the existing lines could be arranged.

The witness withdrew.

Mr. H. J. Macfarlane.

Mr. Henry James Macfarlane examined.

6515. (*Chairman.*) I believe you are a magistrate of the county of Dublin?—Yes.

6516. And a member of the Council of the Royal Agricultural Society?—Yes.

6517. Have you had any experience in the management of Irish railways?—I have been brought very much in contact with the authorities on various railway boards in Ireland, from being one of the managing committee of that Council.

6518. Principally in connexion with the annual shows, and the conveyance of stock and agricultural implements of all kinds?—Yes; we have tried to

induce the implement makers in all parts of the United Kingdom to send their most improved machinery to our annual shows, and we vary the places at which these annual shows are held, so that they are held in all parts of the country. I have assisted to arrange for exhibitions held in Cork, Derry, Dublin, Galway, Killarney, Dundalk, Athlone, Carlow, Belfast, Waterford, Armagh, Kilkenny, and Sligo.

6519. They are held in each province alternately, are they not?—Yes.

6520. Have you had any difficulty in making arrangements with the managers of the Irish railways in obtaining facilities for these purposes?—We have not experienced so much difficulty latterly as we used to do. Formerly they did not at all see that it was for their interest to encourage both the bringing of stock from the various parts of the United Kingdom to the distant parts of Ireland, and the bringing of passengers to see the shows; but a few years ago Sir Edward Macdonald, who was Chairman of the Great Southern and Western Railway, happened to be on our committee, when he took the subject up with his own board, and inaugurated a state of things that has had a very advantageous effect upon other boards since.

6521. Will you describe to the Commission the nature of the facilities that were afforded to you?—Arrangements were made for the taking of stock and implements from Dublin or from the port where they may happen to be landed from England, or from any of the manufacturing towns in Ireland, Belfast or Cork, to the place of exhibition, free, and for taking back those which were unsold also free.

6522. Has that arrangement been continued since that time?—Yes; it has, as a rule, been continued, but in some instances it has been very much departed from. We have had a difficulty sometimes with the chairman of a board, who did not see his way in it; at other times the directors individually have stated that they were willing and anxious that such an arrangement should be made, but that they could not prevail upon the traffic manager; and then, again, they have stated that their shareholders would not be pleased. But the facilities which have been afforded have enabled us to hold shows in places at which otherwise we should not have held them; for instance, we held a show once at Killarney, which was not a very good place, but it was supposed that it would give encouragement for taking a line of railway there, for there was no railway then to that place, and there was an undertaking given that if we held our show in Killarney the railway would be completed at a given time by Mr. Dargan.

6523. I suppose as to these annual shows that there is a very great desire on the part of many people to go and see them?—Yes.

6524. Do you think that a liberal reduction of the fares on those occasions would have the effect of increasing largely the passenger traffic?—Very much so, and also, I think, it would encourage towns where shows have not yet been held to hold them. They complain that they are not told what the railway arrangements will be, and therefore the funds they would collect depending very much upon the number of persons who would flock into the towns, they are afraid to run the risk; for instance, we have never had a show at Enniskillen, and that is one of the reasons given, not knowing what facilities would be afforded by the railway companies to bring passengers to the show.

6525. The place you have mentioned is on the line of the Irish North-western?—Yes.

6526. I suppose you consider that these annual shows are of great use to the country?—We think it is a matter of great importance that the newest inventions in machinery from all parts of the United Kingdom should be carried into the most remote parts of Ireland. We held our show last year in Sligo, and there were threshing machines and steam engines brought there that perhaps for an age would not reach the place were it not for our annual show.

6527. Very likely the farmers had never seen machines of the same kind before?—A great number of them had not, and some of them had never heard of them before. As chairman of the North Dublin Union, I am brought very much in contact with persons representing the commercial interests in the city. Dublin, as the Commission are aware, is the point where nearly all the systems of railway concentrate, and there is a general complaint (I speak from hearsay) of the arrangements made and the difficulties they find in sending their goods to different country towns in Ireland. They state that the people in England can send their goods from any port; for instance, from Liverpool, there is greater facility for sending goods from Liverpool to one of the country towns in Ireland than there is from Dublin. The through traffic is so arranged that the cost from Dublin to Sligo, or Galway, or Mullingar, or Athlone, is less from Liverpool than it is from Dublin; and they do not understand, that if it pays them to take things at a small cost from Dublin to Galway for those goods or persons coming from Liverpool to Dublin, why they should not have the same facilities.

6528. With regard to goods, taking them separately, is it not the fact that there is steam navigation between Liverpool and Sligo?—Yes.

6529. Would not the competition by steam navigation, as against the railway route, have some effect in lowering the charges, as between Liverpool and Sligo, which would not apply to the charges between Dublin and Sligo?—Quite so; but Sligo is not the only case. There is not the same steam navigation to Galway, nor to Enniskillen, nor to Athlone. I can give an illustration with regard to the passenger traffic. I was coming over to this country last week. I am connected by property with the north-western part of Ireland, and I could have gone and seen my property in the north of Ireland, and have gone from thence to London, and from London back again, and have spent a week there, and again have come back to my house in Dublin for less than it would have cost me to go from Dublin direct and back again, and this in consequence of the facilities which are given for through traffic from, say, all places north of Dundalk; I could have taken a ticket from Omagh, which is about eight miles from my place—I have a house in that part of the country—to London and back again first-class for three guineas, and I could get a return ticket to go to Omagh by the Giant's Causeway, for a month, and back to Dublin, for two guineas, making together five guineas. I could have gone back again to that place, and then have come on with the rest of my ticket to Dublin. This shows the great facilities which are given by the North-western Company to go direct to England, and the impediments on the other hand which are thrown in the way of travelling from Dublin to the northern districts, and the heavy cost of the journey.

6530. Is the fare that you pay for a return ticket from Omagh to London, three guineas, the ordinary fare, or only the fare paid for a summer excursion?—It is the ordinary fare. I believe you can get it at any time of the year. I was lately in the county of Derry, and I was talking of coming to London, and my friend said, "You had better get your ticket here, go to Strabane, come back again, and pay us another visit, instead of going to Dublin, and you will save a few pounds."

6531. (*Capt. Galton.*) But that would have been by a longer sea passage than the other way?—Yes.

6532. In consequence of the longer sea passage, passengers might be induced to go that way by charging them smaller fares?—I suppose that is an element in the matter.

6533. Is not this an analogous case. A passenger may go from London to Paris by two routes; if he goes by Newhaven and Dieppe he will pay 30*s.*; but if he wishes to go by the shorter sea passage, he will have to pay twice as much?—There is something in that, no doubt; but I think the case I have put is a

Mr. H. J. Macfarlane.

23rd June 1865.

stronger one, although I admit the principle is somewhat the same.

6534. (*Chairman.*) To go back to the question of goods, a merchant at Liverpool who received an order to send goods to Omagh would bring them to Omagh on cheaper terms than a merchant in Dublin?—Yes.

6535. Which no doubt the Dublin merchants consider very unfair?—Yes, they think so. The facilities afforded to travellers from the north-west parts of Ireland to Dublin are very bad. I reached Omagh some time ago about half-past three o'clock in the day, and unless I should sleep a night on my way to Dublin, I could not get to Dublin until five o'clock in the afternoon on the following day.

6536. Will you be good enough to explain that?—There is no train from Omagh after about half-past three o'clock in the day. I reached Omagh after the train had departed that would have taken me to Dublin, but then no other train would reach Dublin before about half-past five o'clock on the following day.

6537. Is there not a night mail train?—No, nothing goes through. You must sleep on the road.

6538. Is that by the Portadown route or by the Enniskillen route?—By either route.

6539. Although there is competition?—Yes. You cannot go from Omagh to Dublin and spend a day in Dublin without being three days absent from Omagh. One of the directors on the Irish North-western line told me that if there was a facility for going from Omagh to Dublin, which is only a distance of 86 Irish miles north of Dublin, there would be six times the traffic in passengers, he thought upon that line, for people would continually go up to Dublin; but having to spend two nights in Dublin is so expensive that they are obliged to consider how they shall avoid that expense, and they will wait for a fortnight or even three weeks in order to do their business on one trip instead of going up more frequently.

6540. Did that director tell you the reason why the railway company did not grant proper facilities to the public?—Although a director, he told me that he could not understand it. He stated that he had advocated it, but that he was outvoted in the direction; and more than that, he stated that he was a director on the line *viâ* Enniskillen to Omagh from Dundalk, and he said that a train ran into Dungannon in the after part of the day which might go on to Omagh, and come back again the next morning; and he also said that if that train came on he would continually go by it, although he had a free passage on the other line. He has been anxious about that, seeing that the advantage from it would be so great.

6541. I am afraid that the Irish North-western line is the great difficulty just now?—It is the general impression that the directors are attending more to financial questions than to the development of the traffic. I may mention what I think is rather a curious illustration showing how they do not develop the traffic. I have been asked whether I could not get on at night to London. I was in company with a noble lord who wished to get on, and I said to him: "I suppose your lordship will not do what I shall "do; I shall take a post car to Monaghan, and I shall "get on the steam engine, and so get on to Porta-"down." They would not take me in a carriage, and I cannot find out what the reason is. I got on to the steam engine; it was important to me to get to Dublin that night, and there was no other mode; I therefore got on to the engine which took me to Portadown. I then got into the mail train from Belfast, and so on to Dublin. It appears strange that they should employ an engine to carry the mails and not to carry the passengers; this has been going on for some time; it is not an accidental thing.

6542. Is that engine despatched at such an hour that if there were a train it is not likely passengers would go by it?—When there was a mail coach on that line it was used very much; but when the railway was opened it had the effect of doing away with the mail coach. They try to induce all the passengers to travel by the day mail, in order that they may have a greater number going in the day time instead of dividing them between the day and the night.

6543. Then since the opening of the railway the amount of accommodation given to the public has been diminished?—It is very much less, because before they had coaches both in the day time and at night, and now they have only conveyances in the day, which would not reach Dublin at a sufficiently early hour to enable them to transact the ordinary business that arises. The earliest train from that country to Dublin does not reach the city until about half-past five.

6544. Have you some property in the neighbourhood of Omagh?—About six or seven miles from it.

6545. Do you think that if a considerable reduction in the rates and fares were made, and if the railway companies afforded more general facilities to the public, there would be any considerable increase of traffic in your district?—I am sure that there would be a very great increase both of passenger traffic and also of goods traffic. I may mention, that I wished to get up some seed potatoes to Dublin, and I got my steward in the country to send up a ton; this occurred about two months ago. I did not know what they would cost; he sent me up a ton, and the cost of carrying them, the value there being about 2*l.*, was 1*l.* 9*s.*

6546. A price which was prohibitory of any profit?—Yes, my steward was going to send up some more, but he wrote to me to say that he thought I could buy the potatoes in my own neighbourhood cheaper. In that way the metropolis suffers, from not being able to get agricultural produce brought in cheaper. These potatoes in the market at Omagh would only have sold for about 2*s.* a cwt., while the people in Dublin paid double that amount.

6547. What fuel is used in the neighbourhood of Omagh?—Both coal and turf; the humbler classes use turf. They generally get coal from Londonderry by railway.

6548. Are the rates charged for the carriage of coal high or low?—I believe they are rather satisfactory.

6549. Do you think that if coal could be brought into the interior of Ireland at very low rates it would supersede the use of turf to any considerable extent?—Not very much. Turf is the fuel of the poor; they can light a turf fire, and reduce it at once. Fires are not used for warming purposes, they are used more for cooking purposes. I am speaking now of a district where they have great facilities for getting coal. Upon the whole they think it more economical to use turf as general fuel.

6550. Probably because it is produced by their own labour?—That is an item in the matter, but also because with that fuel they can more readily light their fires when they come home from work for the purpose of cooking, and when they have done with them they go out without consumption.

6551. Are there any other facts which you wish to state to the Commission?—It has occurred to me that there is not that supervision over the railways which I think there ought to be. I felt this very much lately in consequence of an accident that occurred on the Midland Railway, when the late Mr. Senior was killed; when it was proposed that the Navan line should have running powers over the Midland. I stated before a Committee of this House that I feared very much that accidents would occur from their obtaining running powers over that line, on account of the level crossings there were immediately upon leaving Dublin, and I am very sorry to say that at each level crossing that I named there has been a fatal accident; there have been two or three at Blanchard's Town.

6552. Does not that rather point to the imprudence of Parliament in having granted those powers than the want of proper supervision?—That is one reason why I think that Parliament now are rather concerned

in seeing that there should be some safeguard introduced, and that some surveillance should be exercised over them.

6553. Do you not think that Lord Campbell's Act which imposes unlimited pecuniary liability upon the shareholders in railway companies in case of fatal accidents is a sufficient safeguard or inducement for the directors to take great care to protect the lives of the public?—Yes, to a great extent it is. But I attended at the inquest that was held on the unfortunate gentleman whom I have referred to, and it struck me then that the public were not represented. The personal friends of the deceased gentleman did not wish to appear by counsel at the inquest, but the railway company appeared, and were represented by very eminent counsel; but the public were unrepresented, and the result, as it occurred to me as a magistrate sitting at that inquest, was, that the examination and the cross-examination of the witnesses was altogether in favour of the railway company.

6554. You think, probably, that the facts of the case were not properly brought out?—Yes. I can quite understand the circumstances. I believe that the death of that gentleman resulted from mistakes. First of all he understood that the train that should have passed half an hour before he crossed, had passed, and that train killed him. There was a train going out which indicated the hour that the train generally went out after the other train had gone. It happened that that train was just going out and that the other was just passing in. There is a great curve there, and Mr. Senior did not see the other train coming in. It snowed at the time, and I believe he did not receive any warning. A man crossed the line immediately before him, and the man on guard stated that he did not see that man crossing the line. The man that crossed the line met Mr. Senior at the gate, and he stated to the jury that he saw one train coming up, and he heard the whistle and the other coming down. The gate-keeper stated, on the other hand, that he did not see that man coming or crossing the line at all.

6555. How would you propose to remedy that inconvenience?—At that particular point the company have to pay the wages of two keepers. It was a most awkward crossing, and two or three years ago this same gentleman, Mr. Senior, assisted in making the crossing better at an expense of 300*l.* or 400*l.* If a tunnel could have been put under the line there, which the present engineer of the line stated would only have cost 1,500*l.*, the 1,500*l.* capitalized at 5 per cent. would not come to so much as the cost of the two keepers; it would only be about 75*l.* a year, which I believe would hardly pay the two gatekeepers. Again, at Blanchard's Town, they might have an over crossing at about the same cost.

6556. You are of opinion that either the Board of Trade or some Government authority should have a general power to oblige railway companies to make alterations in their works if they were considered necessary for the safety of the public?—I am. I believe that at the present time their financial difficulties stand very much in the way of what they themselves see ought to be done. There is hardly a railway now that has not fallen into a state of financial difficulty, the Midland line particularly. I was on the line myself about a fortnight ago, going from Mullingar towards Cavan, and there was a gentleman in the train, a friend of mine, going to the North-western, and he said, "It is too bad; this train "will be just too late for the Cavan train, so that "I may be detained, and not get to my destination to-"night." I said, "How can you remedy this?" He said, "If I can get the engine driver to put on the "steam, I shall be in time for the Cavan train," that is, the train going to the North-western.

Mr. H. J. Macfarlane. 23rd June 1865.

6557. Did he get the engine driver to put on the steam, and did he reach the Cavan train?—Yes, he was in time; but I do not think that these things ought to be done.

6558. Do you know that the little line from Cavan to Clones belongs to the Irish North-western Company?—I think it is the Ulster Company. I think that the Ulster line meets the Irish North-western line at Clones. In this morning's paper I observed a letter which alludes to the very thing which occurred to myself about three weeks ago, and which is quite illustrative of the arrangements in the part of the country to which it refers, and which I will, with the permission of the Commission, read:—

"Through traffic between the West and North of Ireland. Sir, I arrived at Cavan on Monday last from Westmeath *viâ* Midland Great Western Railway at 4.50 P.M., fully expecting to be taken, as heretofore, by the Irish North-western line to Dundalk. This company had, however, without any public notice that I could discover, (except some placards hastily posted at northern stations,) a few days previously altered their train to start from Cavan 15 minutes before the arrival of the Midland Great Western train, and (as one of the latter company's officials stated to me) without giving them more than a day's notice or so of the intended change. I was obliged to remain in Cavan until 11.15 A.M. next day. Was brought to Clones junction 20 minutes behind time, and five minutes late for the train to Dundalk, which they profess to meet, and was obliged to remain there two hours. Such treatment of the public is disgraceful.

"I remain your obedient servant,

"THOMAS W. WEST.

"Rath, 16th June 1865."

The witness withdrew.

Adjourned to Tuesday next at 12 o'clock.

Tuesday, 27th June 1865.

PRESENT:

THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPTAIN DOUGLAS GALTON, R.E., F.R.S.
J. R. M'CLEAN, ESQ., Pres. Inst. C.E.
W. POLE, ESQ., F.R.S., *Secretary*.

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. EDWARD FOX examined.

Mr. E. Fox. 27th June 1865.

6559. (*Chairman.*) You are a stockbroker in Dublin?—Yes.

6560. And you have been engaged in that capacity for many years?—For 20 years.

6561. Have you had many opportunities of becoming acquainted with the value of Irish railway property?—Yes, I have had extensive opportunities.

6562. A large number of the Irish railways pay no dividend on their ordinary shares?—There are 26 railways in Ireland; there are 14 of them which pay an average dividend of about 3¼ per cent., and there are 12 railways in Ireland which pay no dividend.

6563. (*Lord Stanley.*) Do you mean upon the ordinary stock or upon the preference shares also?—

Mr. E. Fox.
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Upon the original shares. The dividend of $3\frac{1}{4}$ per cent., if spread over the whole of the railways, would be equal to a dividend of $1\frac{3}{4}$ per cent.

6564. (*Chairman.*) Upon the whole of the ordinary stock of all the Irish railways?—Yes, it comes out at that average.

6565. (*Lord Stanley.*) You have given us certain figures; can you extend the calculation a little further including all the debentures and preference shares, and tell us what return the total capital which is invested in Irish railways yields?—I think I can. According to the Board of Trade return for 1863, the net receipts of the railways in Ireland amounted to 770,000*l.*

6566. That was upon a total of something like 24,000,000*l.*?—On about 26,000,000*l.*

6567. According to the figures you have given, the total return upon the capital invested in Irish railways, making no distinction between preference and ordinary stock, is about 3 per cent?—About that on ordinary stock only.

6568. (*Chairman.*) Is that including debentures?—No.

6569. (*Mr. Glyn.*) Does it include the Government loan and all charges as well?—No; it is irrespective of the Government loan, which is a prior charge.

6570. That would reduce the average considerably, would it not?—This is the surplus after paying dividends on debenture and preference stock.

6571. (*Chairman.*) Do you know the extent of the Government loans?—I am not prepared to state the precise amount, but it is about 6,000,000*l.* including advances by Government and the public.

6572. Are you able to form an opinion in regard to the wish of shareholders in Irish railways to dispose of them to the Government in the event of the Government being inclined to purchase them?—I think there is a strong desire for that.

6573. On the part of the shareholders?—Yes, I think so; and I should say also on the part of the public generally, weighing the advantages which are likely to spring out of it to the country.

6574. Have you formed any opinion as to the best means of settling the terms of purchase, supposing the Government were inclined to purchase the railways?—I should say that it would be proper and perhaps necessary to appoint Commissioners to negotiate with the governing bodies or directors of the railways.

6575. How would you deal with the railways from which the shareholders receive no dividend?—I think that that would require to be a matter of negotiation.

6576. Do you think that the negotiation should take place with individual shareholders, or that a certain number of the shareholders should have the power to bind the rest?—I think that a negotiation should be opened with the board of directors; as a matter of course the board would not have power unless they received it from the proprietors to carry out any negotiation which they might enter into. If a majority of the shareholders should approve the proposal of Government, I would make that binding on the minority.

6577. Would the boards of directors in general be willing to dispose of the railways?—I think so, certainly.

6578. (*Capt. Galton.*) Do you feel certain that they would be willing?—Yes, I do, on equitable terms.

6579. (*Lord Stanley.*) You say that you think that the boards would be willing to negotiate?—Yes, on equitable terms every desire would be manifested.

6580. I suppose that those companies who would be most willing to sell would be exactly those which the Government would derive the least advantage from purchasing?—Of course, as to the non-dividend paying companies, I dare say you would receive the warmest support from them.

6581. Do you think it would be easy to estimate the value of the property that is yielding no return whatever, and is it not a matter upon which the seller and the intending purchaser would be likely to entertain extremely different opinions?—There is a market value for most railway shares, however reduced the value may be, and that would form some index to the price, and I think upon that you might lay the foundation of a value.

6582. Taking what are called unsaleable shares, for which there is no demand whatever in the market, which lie upon people's hands, and which, when they are sold, are sold at a merely nominal value?—Yes, quite so, it was upon that nominal value that my previous answer was based.

6583. Is there not a very large number of persons who hold on to property of that class, thinking that although they may get nothing for it now it may improve hereafter?—Yes.

6584. Do not you think that anything in the nature of a compulsory sale would be much objected to by holders of that kind of stock?—I do not think that a compulsory sale could be carried out at all. I think that that would be an unfair infringement upon the rights of property. I feel strongly that an equitable proposal might be made to those non-paying companies, that something like from 25 to 50 per cent. of the original capital invested in them, or terms analogous to those, might be offered.

6585. From 25 to 50 per cent. of the original capital invested in those lines which have been spoken of as yielding no return?—Yes, from 25 to 50 per cent.

6586. Taking such companies as you have spoken of, do you think that their shares are likely in any reasonable time to rise to that value in the market?—I do not think so under the present system, or without a large revival of commerce in Ireland.

6587. Or under any system that the shareholders would have it in their power to see enforced?—I think not.

6588. The offer of such a sum as you would propose would be infinitely better than the shareholders could possibly obtain in any other manner?—I think so. By a system of very low charges the industrial resources of Ireland would undergo large development.

6589. And under those circumstances you think they would be willing to sell?—Yes.

6590. (*Mr. M'Clean.*) Do the public complain of the bad working of the railways in Ireland?—Very much indeed.

6591. With regard to passengers or goods?—There is a general feeling of dissatisfaction over the entire country as to the management of the railways.

6592. (*Sir R. Hill.*) Are the sales of shares sufficiently frequent to enable you to say that the market price of any of the shares is so and so?—As a rule I would say so; there are a few of them as to which the intervals are long between the transactions taking place, those especially which yield no dividends.

6593. With regard to those lines which pay no dividend, could you say that the average price of the shares, say, in the year 1864, was so and so, or have you the means of determining what the average price has been?—Yes.

6594. Could you give also the average price of the debentures?—I can, but in some cases the quotation would be nominal, from, perhaps, the fact of there being a very long interval without a dealing.

6595. In most cases could you give the average price of debentures for a particular year?—I think so.

6596. If you could not do that, there would probably be no great difficulty in estimating the value from the interest actually paid upon them?—I think not.

6597. (*Mr. Horsfall.*) Can you give the value of the shares in the particular lines which do not pay a

dividend at the present moment; the Cork and Kinsale line for instance?—They never had a market value; the shares were never dealt in to my knowledge.

6598. Take the Limerick and Waterford Railway, is there a dividend paid in that case?—The Limerick and Waterford is paying no more than half per cent. upon its original capital.

6599. What is the present price of the shares of that company?—The present price is about 16*l*; that was the last transaction.

6600. (*Capt. Galton.*) Upon a 100*l*. share?—No; upon a 50*l*. share.

6601. (*Sir R. Hill.*) Do they produce only half per cent.?—Yes.

6602. That is 10*s*. a share?—Yes, 10*s*. a share per annum.

6603. Does the chance of obtaining 10*s*. a share per annum enable them to be sold for 16*l*. in the market?—That is exactly the present state of things.

6604. Then it is 5*s*. a share that they produce?—No; it is 10*s*. a year for each 50*l*.

6605. That is one per cent.?—Yes.

6606. Is the annual dividend one per cent. or half per cent?—The last half-yearly dividend was at the rate of half per cent. per annum only. The last dividend was only 2*s*. 6*d*. I find.

6607. Five shillings a year was the rate of the dividend?—Yes.

6608. That is half per cent.?—Yes.

6609. Is the right or the expectation of receiving 5*s*. per annum saleable for 16*l*.?—That is so, but there are contingencies supposed to arise, for instance, as to that company, I was engaged in negotiations for the sale of it about four years ago, and there was an offer equal to about 2½ per cent. for it from the Great Southern and Western Company of Ireland, which I took an active part to have carried out, but a preponderance of the votes of Limerick and Waterford shareholders defeated my object.

6610. What you have given is the present price?—Yes.

6611. (*Mr. Glyn.*) In fact they hope for amalgamation with the Great Southern and Western line?—Yes, they anticipate that a sale or amalgamation of the property is probable.

6612. (*Chairman.*) Can you give the Commission any other instances of the selling price of shares, either paying a very low dividend or paying none at all. Are the Cork and Bandon original shares saleable?—Yes. The Cork and Bandon original shares are 50*l*. shares, and the last price was 14*l*.

6613. They have never paid any dividend, have they?—Never; the original shares have never paid a dividend.

6614. (*Capt. Galton.*) Your suggestion is that if the Government purchased the shares they should pay 25 to 50 per cent. of the original money paid up upon them?—Yes, I deem this a reasonable basis of value to negotiate upon.

6615. Are they 50*l*. shares or 100*l*. shares that sell for 14*l*.?—50*l*. shares.

6616. In that case then the Government would pay for those shares 25*l*. a share?—Yes, it would be analogous to that if purchased at 50 per cent.

6617. That would be an increase of about 80 per cent. upon the quoted price?—Yes, it would.

6618. You would apply the same rule to companies like the Great Southern and Western Company, which pays 4 per cent., and whose shares are nearly at par, and give them an increase of 80 per cent. upon the quoted value of the shares?—There is only one railway in Ireland at a premium, viz., the "Dublin and "Kingstown," and with two or three exceptions all the others could be purchased considerably under first cost.

6619. Would not those companies be very much dissatisfied with receiving comparatively so little advance upon their shares, if so very large a premium was given upon shares which were of much inferior value?—There might be some feelings of jealousy, but I think if a Great Southern and Western shareholder got par for his shares, selling at 80*l*. in the market, I do not think it would constitute a reasonable ground for objection because a shareholder in another company got 25 or 50 per cent. of his original capital.

6620. (*Mr. Glyn.*) Must not the buying and selling value depend upon whether it is a dividend paying company, or a non-dividend paying company?—It should be so, but speculative considerations influence value.

6621. You would appear to apply a different system to a non-dividend paying line from that which you would apply to a dividend paying line?—Dealings in non-dividend paying lines are purely speculative; people anticipate that some improvement will take place in the country, and there is speculation about them. Other lines are based more upon the interest on money which they yield.

6622. Would they not have in selling the same right to a prospective value as the non-paying line?—I think not; the paying lines yield a moderate return for investment, whilst the non-paying lines, although of small present value, may much improve hereafter.

6623. (*Chairman.*) Are there large transactions in the shares of the non-paying lines?—Latterly the transactions have dwindled down to small proportions.

6624. (*Lord Stanley.*) Would not great objection be made on the part of those controlling the national expenditure to the purchase of this unsaleable stock at a value which by your statement must greatly exceed its market value?—I think that the proposition could be worked out without any risk to the public revenue at all by a large development of the resources of Ireland.

6625. Waiving that question, if I can go into the market and purchase this unsaleable stock for 10 per cent. of its original value, why should I be expected on the part of the Government to give 25 or 50 per cent.?—I think that the price at which you might go into the market and buy 10 or 20 shares would scarcely constitute a fair standard of value for the entire property of a company. These low prices arise from a disinclination on the part of the public to invest in railways in Ireland. You cannot purchase any quantity at these low prices, neither can you sell.

6626. Are you not starting a little from a theory that in some way or other the State is responsible for the bad condition of the railways in Ireland, and that it is bound to give the holders of this property an opportunity of improving it?—I am of opinion that some schemes of a perfectly worthless character have received the sanction of Parliament, and in that way I do believe it.

6627. (*Capt. Galton.*) You say that there is a great disinclination to invest money in Irish railways?—I think there is a growing disinclination to do so.

6628. Then how is it that both last session and in this session of Parliament so many schemes for new railways in Ireland have been brought forward and been sanctioned by the legislature?—The only explanation that I can give is this; the disinclination to invest in railway property in Ireland I put forward as indicating the taste of the masses of the country. The fact of railways receiving the sanction of Parliament in most cases only indicates enterprize and speculation on the part of solicitors, engineers, and perhaps some few others.

6629. But how is the money obtained?—Latterly I believe that all efforts have failed to induce the public in Ireland to absorb the capital of these companies. I think that in later years they have had a very sickly existence indeed, and they have been entirely worked out through the instrumentality of railway contractors, who, tempted by very remunerative prices for the works to be executed, entered into financial operations.

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6630. Where did they sell the shares which they received in payment for the work they performed?—I believe that these schemes are for the most part financed in the City of London, and that they have failed to sell them. I think they have not found a market for them with the public.

6631. (*Sir R. Hill.*) Have they not parted with the bonds at a great discount?—Yes, sales of bonds have taken place at very large discounts.

6632. I think you said that they have paid high prices to the contractors?—I think they have paid much higher prices than if they had been placed in possession of a capital and the company had been free agents to enter into contracts on open public competition.

6633. (*Capt. Galton.*) Have the contractors been paid in shares and bonds?—Yes, in both I believe.

6634. Not in money?—No. They were not able to work out an operation of that sort in the same beneficial way as if they had got the public to take up the capital and had advertised for contracts.

6635. (*Sir R. Hill.*) Then the joint operation of these two causes must have been greatly to enhance the cost of the railway?—Yes, greatly, in my opinion.

6636. Can you give us any instance of injudicious expenditure of that kind?—I think that that applies to several of the railways of recent origin.

6637. Has it not happened that in some instances the apparent cost of the railway has been two or three times as great as the real cost would have been if the parties had been paid in the first instance in cash, and contractors had competed for the work?—I am not prepared to declare to the amount of the extravagance that has been committed, but I believe it has been very considerable.

6638. Still you would appear to recommend that the nominal cost of each railway should be made the groundwork for determining the price which the Government should pay for the railways?—Not for all the railways. I draw a wide distinction between dividend-paying railways where the current market price gives a fair criterion of the value, and that class of railways paying no dividends, where the quotations are in many cases nominal, where prospective value is merely speculative, and can only be dealt with by giving a certain per-centage on original cost.

6639. In some cases the Government would pay very extravagantly indeed, would it not?—I do not propose that in any case of these non-dividend paying railways; in fact, I propose that there should be a purchase at less than half the capital paid in, and in some cases not more than the quarter, according to the special circumstances of each company.

6640. Evidence has been given before this Commission showing that some lines of railway have cost more than double the fair cost, or the cost which would have been incurred if the directors had invited competition, and had been prepared to pay the contractors in cash?—I have no doubt that that has been the case to a large extent. I cannot say double, because I think every succeeding railway derives some increased advantage by the progress of science and increased familiarity with the prosecution of railways, and that they are made cheaper.

6641. (*Mr. M'Clean.*) Have not the railways been beneficial to Ireland?—I should be sorry to think they had not, but lower charges would confer larger benefits on Ireland.

6642. Each new railway?—I think, as a rule, that railways must produce beneficial results.

6643. (*Chairman.*) Have many of the railway companies in Ireland had recourse to what are called Lloyd's bonds?—I think so.

6644. How does the money that has been obtained upon Lloyd's bonds appear in the railway accounts; is it entered as shares paid up, or in what way do they appear in the half-yearly accounts and reports of the railway companies?—They are specially declared as Lloyd's bonds.

6645. Do you reckon them amongst the debentures?—Yes, I think so. Bonds and debentures.

6646. (*Mr. Glyn.*) Are they not rather described as money borrowed, and kept quite distinct from the debenture debt?—Certainly; the debenture debt is under an Act of Parliament.

6647. These new securities are issued and kept by themselves, but I think in the accounts they are called money borrowed on Lloyd's bonds?—I think so; they are principally given to the contractors.

6648. (*Mr. Horsfall.*) You have spoken of the purchase of the Irish railways by the Government. Are you prepared to suggest any other way by which relief could be given to the depressed state of the railway system in Ireland?—The Government could give relief, of course, by assisting in financing upon the higher credit of the Government, and there would be an advantage in that way.

6649. Have you considered the principle of the Government leasing the lines?—I have thought over the matter, and what has occurred to me is this—there are about 26,000,000*l.* of money invested in Irish railways, and I think that 19,000,000*l.* would place the Government in possession of the whole of the railway interests of the country, giving that as a rough calculation; and I believe that the money could be borrowed by the Government at 3½ per cent.; that would place the Government under an obligation in the way of interest upon money to the extent of 665,000*l.* per annum, and according to the Board of Trade returns of 1863 the net receipts were 770,000*l.*; that would leave the Government a profit of 105,000*l.* per annum.

6650. You are referring now to the purchase of the railways. I asked you, with special reference to leasing the railways, whether you had considered any plan by which the Government could lease the railways?—I am coming to that question now. My idea is that the railways should be leased out to a public company.

6651 Do you think it would be desirable to have one company or more?—I am of opinion that one company would be sufficient, because I do not think it would be too large an operation for one company, and might be deemed too small to command attention from two companies. There are companies in this country which have nearly as much mileage to look after as the whole Irish link.

6652. Which should you consider the more desirable principle to act upon, that the railways should be leased or purchased by the Government?—I look upon the leasing as a necessary consequence of the purchase, because I do not suppose for a moment that the Government would buy up the railways in Ireland and manage them. I mean that they should have perfect control in dictating such arrangements to a company from time to time as would be conducive to the public service and to the general interests and growth of trade in Ireland.

6653. (*Mr. Glyn.*) Your plan is not an advance of money by the Government for the reduction of the rate of interest upon the debentures, but it goes to the extent of buying up all the railways as well?—I stated, in reply to a question, that short of purchasing them up, of course some assistance could be given by the introduction of the credit of the Government, and so assisting in the way of finance.

6654. That would be by a reduction of the rate of interest upon the bonds?—Yes.

6655. Do you make any provision in your plan for the purchase of the railways by the Government out of the present receipts?—Certainly. There appears on the figures I submit to be a profit of 105,000*l.*, besides other advantages that would spring out of it, concentration of management for instance.

6556. After you had paid off the original capital?—Yes; the difference of Government credit would give that profit if they were purchased on the terms I have stated, and the receipts and working expenses still continued the same; but in addition there would be a large saving on the working expenses.

6657. (*Capt. Galton.*) How do you make up the 19,000,000*l.*; what does that amount consist of?—There are about 12,000,000*l.* of preference and debenture stock, I think, in Ireland.

6658. Have you taken it at par?—Yes; I think you must take it at par. Then there are about 12,000,000*l.* of original stock, which, I think, will about make up the money.

6659. Making together 24,000,000*l.*?—Yes.

6660. That would be the value?—That would be the value at par.

6661. Would the Government pay that amount for the stock?—No. I am of opinion that about 19,000,000*l.* would be sufficient to purchase the whole, that is 11,000,000*l.* for the debenture and preference stock, which would be par, and 8,000,000*l.* for the 15,000,000*l.* of original stock, which would I believe be ample.

6662. (*Mr. Horsfall.*) Do you believe that the shareholders and the companies would be prepared to accept that offer, if made to them by the Government?—I do. I consider it a liberal offer, and they would be willing to close with it.

6663. (*Chairman.*) Do you propose to give 50 per cent. to the non-dividend paying lines?—No, I would take that as a *maximum.*

6664. Would you be able in that case to purchase both those that paid dividends and those that did not pay dividends for 50 per cent. of the original value of the shares?—No; I take 11,000,000*l.* in the first instance, for the preference and debenture stock, which are yielding interest. I deal with them at par, and then I provide 8,000,000*l.* for the original share capital, which amounts to 15,000,000*l.* at par, and this sum would nearly average 50 per cent.

6665. A considerable part of the stock represented by that amount of 11,000,000*l.* is dividend paying?—Yes, it represents preference stock and debentures.

6666. Even if any one of the lines included in those 15,000,000*l.* is paying no interest, you would propose to give at least 50 per cent., and therefore if none of them paid a dividend you would propose to give 8,000,000*l.* for the purchase of them?—Not exactly so. I have already stated that to some lines I would only give 25 per cent. on their cost. I propose to give to the holders of the original stock to the amount of 15,000,000*l.* at par. I would propose, as a general average, to deal with them by giving them 8,000,000*l.*, or about 50 per cent.

6667. On the average?—Yes, on the average.

6668. (*Sir R. Hill.*) If you paid some more than the average you must pay others less?—Yes, as the particular merits of each case required.

6669. (*Chairman.*) You must buy a considerable portion of the 15,000,000*l.* representing the ordinary shares for less than 50 per cent.?—Yes, but the average would be about 10*s.* in the pound.

6670. In some cases you would hope to purchase them for much less; but I think that upon the average you would pay $1\frac{3}{4}$ per cent.?—Yes; thereabouts.

6671. I understood you to say that 11,000,000*l.* represented the preference and debenture stock, and the 15,000,000*l.* represented the original shares, of which a considerable part was dividend paying?—Yes; the 11,000,000*l.* are for preference and debenture stock, which I consider to be dividend paying.

6672. Does that include any ordinary stock?—None. Then there remains 15,000,000*l.*, representing the original stock, and paying dividend in part.

6673. Where is the ordinary stock that does pay a dividend?—The ordinary stock that pays a dividend is included in the 15,000,000*l.*

6674. (*Lord Stanley.*) Taking the 15,000,000*l.* of which you speak, as paying partly no dividend at all, by what process can you show that it is worth 50 per cent. Would not 20 per cent be nearer its market value than 50 per cent.?—I thought that it would not be quite equitable to take as a standard of value the market quotation of the shares at the time when, the railway interests of Ireland were more depressed than they had been before. I think that that would be looked upon as a harsh measure, and that is why I started upon 50 per cent. average for purchase of all the lines.

6675. (*Mr. Glyn.*) How do you proceed in your calculations as to the actual capital of the railways, for instance, do you include the Great Southern and Western, which represents 5,500,000*l.*, their shares being at par?—They are at 86*l.*

6676. Do you include the Great Southern and Western?—Yes, in the first 11,000,000*l.* which I propose to give par for I include debentures and preference stock only.

6677. As if it was entirely preference stock?—I include debentures, and and preference stock in the first 11,000,000*l.*

6678. Do you also include the common stock of the Great Southern and Western?—No, that is included in the 15,000,000*l.*

6679. They have preference stock?—Yes.

6680. Then it is not preference stock, but it is ordinary capital?—Yes.

6681. You have included that in the first 11,000,000*l.*?—Yes.

6682. (*Chairman.*) Is the preference stock generally redeemable?—It is usually perpetual; the largest preference stock in Ireland belongs to the Great Southern and Western, and that is 4 per cent perpetual, amounting to 1,329,000*l.*

6683. What is that selling at now?—94*l.*

6684. (*Capt. Galton.*) You do not think that 10 per cent. offered upon the price as quoted would be a sufficient inducement to the different railway companies to sell their lines?—I do not think you would work out the problem upon that. In the case of the Limerick and Waterford shares, which stand at 16*l.*, you would add 32*s.* to that, and that would make 17*l.* 12*s.*, but I am sure you could not work out the proposition upon that basis of calculation.

6685. You stated that you thought it would be an unfair interference with the rights of property to purchase the Irish railways compulsorily?—Yes, I think so. I think it would require the free action of the owners of the property.

6686. You do not think that the purchase of shares bears any analogy to the purchase of a house which is bought compulsorily in order to make a railway?—Looking at it in that point of view, you could no doubt have an Act of Parliament passed, if the public interests required it, to make it compulsory. I would be in favour of it.

6687. (*Sir R. Hill.*) I understand you to say that it is the wish of the railway proprietors that the Government should purchase the railways?—Quite so. I think that every desire exists.

6688. I presume, in order to give effect to that wish, that the owners of the railways would be willing to sell the railways upon terms somewhat about their real value; have they a right to expect anything more?—It is just upon that question of the real value that difficulty might arise. I think Government should treat the question in a spirit of liberality.

6689. (*Lord Stanley.*) You contend that the present value is not the real value but a value which is exceptionally and temporarily low?—I think that it would not be a liberal thing to actually take that as the fair price to offer.

6690. (*Sir R. Hill.*) And yet in a particular instance you give as the market value of the shares 16*l.*, which shares produce a dividend of 5*s.* each per annum. Should you say that the 16*l.* in that particular case was below the real value of the share?—I think that, looking at the price of the share, and the dividend it pays, it perhaps seems an excessive price, but then there are contingent advantages, and speculative features entitled to consideration.

6691. The shareholders in the railways in Ireland have no privileges in travelling, have they?—None whatever, and very little in any way.

6692. The only advantage which they obtain, or

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which they expect to obtain, is the dividend ?—Quite so.

6693. And yet a share to which a dividend of 5*s.* per annum is attached is selling for 16*l.* ?—Yes, that is so.

6694. Do you think that shareholders would consent to an arrangement of this kind. Suppose care to be taken to ascertain what had been the average for a certain time of the dividends paid to the ordinary shareholders; the interest paid to the preference shareholders, and the interest paid to the debenture holders; and then that the Government said to the companies generally, we will relieve you from all these obligations, we will take your place, and pay to each of the three parties of stockholders in future an income somewhat in excess of that which they have hitherto received. Would that, in your opinion be an acceptable offer ?—I think that the shareholders in the railways would be exceedingly glad to part with their right to an uncertain and fluctuating dividend for a fixed Government rate of interest, even lower than what they might have been receiving.

6695. Then as the data upon which to determine these average dividends must, I presume, be accessible, and it would be easier to determine the average payments in past years than to determine the market value of the shares ? — There would be no difficulty in ascertaining the payment in past years at all; there are statistical records which are available. The difficult question is the railways which pay no dividend, and receive little recognition in the market in latter years as public securities.

6696. They would not be satisfied, I presume, with an engagement which gave them no dividend ?—You could not apply the question of dividend there, for there is none to form a basis upon.

6697. Putting those aside, to be dealt with by some exceptional means, what do you think of that mode of determining the price to be paid by the Government if they should become the purchasers of the Irish railways, viz., that they should continue to pay to the several classes of shareholders an income about equal to that which they had previously received ?—The dividends hitherto paid would form the groundwork of an arrangement between Government and proprietors of this class of railway property. Lines not paying dividend should be matters of arrangement.

6698. Would they not be satisfied with some very small annual payment ?—I think they would and that proposals from the Government would be met in spirit of liberality.

6699. (*Lord Stanley.*) Do you think they would consent to take an average of what they have received for the last five or ten years upon that capital, and then if the purchase were compulsory, to add from 5 to 10 per cent. upon that value ?—Yes.

6700. I asked you whether you thought they would consent to take as a basis for the valuation of their property the average receipts upon it during the last five or ten years ?—The prostration of Ireland in latter years admitted of no dividend on 12 railways. So that the capital invested in them should be taken as forming a guide to purchase.

6701. Does it not in short come to this, that here are persons holding property which is utterly worthless, and who want to sell it to the Government upon terms better than they can get from any one else. Does not your proposition come to that ?—I do not exactly go that length, because if the Government turn the railways to such valuable use for the country that would so work up its large resources as to amply make up for any possible pecuniary loss.

6702. (*Chairman.*) In what class do you include the lines that are paying small dividends; the Waterford and Limerick, for instance, are paying half per cent., do you include that in the first 11,000,000*l.* or in the 15,000,000*l.* ?—I include that in the 15,000,000*l.* of original stock.

6703. (*Sir R. Hill.*) Have not the dividends been gradually diminishing for several years past ?—Yes, tending downwards.

6704. If you took the receipts for an average term of years, and the Government engaged to pay an amount equivalent to that hereafter, they would be paying to the shareholders a much larger dividend than they are now receiving, would they not ?—Yes. The Great Southern and Western line paid 6 per cent. for a certain period of time; they have gone down 25 per cent. in their dividends, and they are only now paying 4½ per cent. The Midland Great Western of Ireland paid 5 per cent., and they have gone down I think to 4 per cent., and other lines reduced in dividends.

6705. But those are not the only railways that pay dividends, are they ?—No; the Belfast Junction is also paying a dividend, as also the Dublin, Wicklow, and Enniscorthy, Belfast and Northern Counties, Ulster, Dublin and Drogheda, Dublin and Kingstown, and Cork and Passage.

6706. Is it not the case, generally speaking, that the dividends have been decreasing year by year ?—Yes, latterly.

6707. If so, does it not follow that if the Government engaged to pay a sum equal to the average receipts for any term of past years, they would be paying a larger dividend than that which the shareholders now receive ?—I think so.

6708. Would not that of itself be a sufficient, and perhaps, more than a sufficient bonus ?—I think it would be an equitable thing on the dividend paying lines.

6709. (*Chairman.*) If the Irish railways were purchased by the Government and leased out, do you think that the Company that leased them should be put under any restrictions as to the fares and charges for passengers and goods ?—I think there should be very stringent conditions laid down with a view to a full measure of public benefit.

6710. Will you state what restrictions you think would be desirable ?—I think, in the first place, that the railways should be placed under the control of the Government, that they should be worked with greater regard to the public requirements, and with reference to postal arrangements, than they are at present. I also think that there should be a fixed rate both for merchandise and for passengers, as between the Government and the company.

6711. At the present time all companies are authorized to charge certain maximum fares; would you reduce those ?—Certainly; I should reduce them most considerably. I should propose to make a reduction of 50 per cent.

6712. Upon charges of all kinds ?—Yes.

6713. What do you think would be the effect of that reduction ?—I think that the question assumes very much this form; whether arbitrary charges should be made for carrying a few, or a considerable reduction, say 50 per cent., should be made upon the present charges for carrying the masses. I think that that would work out a better financial result.

6714. (*Sir R. Hill.*) You think that there would be a greater traffic from carrying at half fares than at whole fares ?—I think there would; that the country would be immensely benefited, and I also think that the Government would be amply guaranteed as to any possible risk arising from diminished traffic, looking at the figures which I bring out in the finances, and which I have given you.

6715. Is there anything to prevent the present directors adopting such an arrangement if it would be more profitable to them ?—There is nothing to prevent them; but the directors of the railway companies will not enter upon such sweeping reforms unless they are aided by the Government.

6716. (*Capt. Galton.*) Would not the receipts in the first place be diminished by 50 per cent. by such an arrangement ?—Certainly not, because traffic would largely increase.

6717. And do you think that the company would be able to recoup themselves again ?—I think they

would ultimately, and that great public benefits would result from such a change in the railway system.

6718. How long do you think it would take?—That is a difficult question to answer; but I should think that three to five years would produce a very marked improvement in the country.

6719. (*Sir R. Hill.*) Are you confining your attention to the profits upon the railway, or do you include the advantages which would indirectly result?—I am including the advantages which, I think, would indirectly grow out of it, and the large benefit certain to accrue to Ireland.

6720. Which portion of the inhabitants of Ireland do you think would be indirectly benefited?—I think that such a change would give an impetus to trade and to manufactures, which the country badly wants, and that every interest in the country would feel its beneficial results.

6721. In your opinion all parties would be benefited?—Yes, the people and the Government too.

6722. An advantage would be derived in addition to that which is obtained from carrying passengers and forwarding goods at half the rate which is usually charged?—Yes, I think so. New life and vigour would be given to the whole face of the country.

6723. Would there be anything unreasonable in calling upon the Irish public to guarantee the Government against any loss, should that loss unexpectedly arise?—I do not think there would. I think it would be a fair thing to ask the Irish public for an indemnity by some indirect taxation in the event of the experiment not working out as beneficially as might be expected; for instance a penny income tax would guarantee 100,000*l.* a year.

6724. (*Chairman.*) For what time do you think a company ought to lease the lines, supposing a plan of the kind which has been suggested was carried into effect?—That would, of course, be a matter for negotiation between the Government and the company. I should say that probably a term of 21 years would be required by the company. If a shorter term could be agreed on I would prefer it.

6725. (*Sir R. Hill.*) But that is a matter which would be left to the Government?—It should be matter of negotiation between the Government and the company. I do not think that in any one year during the lease the Government should surrender its right of supervision in seeing that the public requirements were fully attended to.

6726. (*Chairman.*) Do you think that any good could be done, without resorting to a scheme so extensive as that proposed, by the amalgamation of any of the small companies with larger ones?—I think not. No important benefit would grow out of that.

6727. Are there any other points upon which you can furnish the Commission with any information?—I am not at this moment aware of any.

6728. (*Sir R. Hill.*) You appear to be of opinion that in the event of the Irish public having to make good any loss, it might be done by increasing the income tax?—I think that that would be a fair way to meet it. I think that, in consideration of the Government making so large an experiment, it would be but a fair thing to ask for an indemnity, by making an addition to the income tax, from the country. The Government, on the one hand, undertaking a great responsibility, I think the country that is to be benefited on the other should take upon itself a responsibility also; but I strongly incline to the opinion that the risk is imaginary, that no loss would arise, that large public benefits are certain to follow.

6729. Do you not anticipate that there would be a loss for the first few years?—No; I would expect immediate advantages.

6730. Do you think that the traffic would *more* than double itself, for of course there would be some increase of expense?—Yes, I think so; but there would be a large indemnity fund to start with. You would have an indemnity fund of 105,000*l.* per annum to start with. There is also another element of profit which I have not before touched upon, namely, that in carrying out such an arrangement you will dissolve from 30 to 40 boards of directors in Ireland, and in that way a large expenditure will be got rid of.

6731. There would be that saving of expenditure which generally results from the amalgamation of lines?—Yes, from a concentration of management.

The witness withdrew.

Mr. James Dillon Meldon examined.

6732. (*Chairman.*) You are a solicitor in Dublin?—I am.

6733. And in Galway also?—Yes; my property is there but I practice in Dublin.

6734. You are a landowner in Galway?—Yes, a large one.

6735. Have you considered the question of the system of management adopted on the Irish railways?—Yes, I have. I am solicitor to two of them myself, and I have had a good deal of experience in forwarding cattle and matters of that kind in connexion with the railways. I am a very warm advocate for Government taking all the railways and working them by a board of commissioners, and thus amalgamating them. I find that there are 56 lines of railways authorized by Act of Parliament in Ireland, most of them working; their average length is about 48 miles, for although the Great Southern and Western is 387 miles long, and the Midland Great Western 242 miles long, yet very many of the others do not exceed 10 miles. Most of these 56 lines have a separate board of directors, separate solicitors, engineers and secretaries; thus there are 430 directors, 56 solicitors, 56 secretaries, and upwards of 70 engineers, who absorb a large portion of the receipts of the lines. Each line has a separate directory, and, as I have stated, separate solicitors and separate secretaries. It strikes me most forcibly that a board sitting in Dublin, consisting of three intelligent business-like men, selected of course for their ability and their capacity, would be able to do the entire business which the 430 directors do, and do it very much better than such a large number of gentlemen who only go occasionally to attend their boards. I am satisfied that if those 56 lines were under one management, a vast saving of expense would be the result, and harmonic action would ensure a thorough through connexion when established, which is much repaired, and the traffic would be fairly developed. Then there is the expense of 56 staffs. In some instances the same solicitor will act for two railway companies, as for instance, I am solicitor for two lines, and perhaps if I said 50 solicitors for 56 lines of railway I should be nearer the mark.

6736. (*Capt. Galton.*) But the solicitor who acts for two railways I presume gets double profits?—He does, no doubt, and therefore it strikes me that one or two solicitors, paid liberally, who should give their whole time to the work, under a commission similar to one that I would suggest, and which I hope eventually to see, would do all the work of the 56, and do it better, as they would have their whole minds devoted to it. As I have before said, there are 56 secretaries, and upwards of a 70 engineers. Some of them have but one, but some have three. There is the engineer in chief and the managing engineer, and of course, if the Government worked them under a commission, they would require a staff of engineers, but only as many as were essential to keeping up the lines. I cannot give you the amounts received by directors, engineers, and secretaries, but they could easily be ascertained, and I think the Commission would find that an enormously large sum of money is disposed of; of course it is taken out of the receipts of the railways before the proprietors come to be paid any dividend. It follows, as a matter

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of course, that these people must all be paid, and I believe you will find that a very large amount of the receipts go in that way, and that is one reason for saying that I am satisfied, if the 56 railways were under the management of one board, a vast saving of expense would be the result, and harmonious action would ensue. The railway companies do not pull very agreeably together; for instance, between Galway in the west and Belfast there are three distinct lines of railways, and last season I grew a large quantity of flax, and got my tenants to grow a good deal, and I found it almost impossible to get it forwarded direct to Belfast. I could find no market for it in Galway, and I applied to the Midland Company to know what rate they would charge me per ton to Belfast, and although the lines are united, as far as having junctions with each other, from some misunderstanding the Midland Company could only book the flax as far as Cavan, where their line stopped, and to Cavan I had to send my steward to get it booked from Clones on to Belfast. There are two or three lines between Cavan and Belfast, and I am told it often happens that the train leaves Cavan for Clones on the Belfast line a few minutes before the arrival of the Midland train, and the passengers have to stop at Cavan for the night, and this arises from the want of unity of action between the companies.

6737. (*Lord Stanley.*) Does that arise from any proceedings on the part of persons locally interested in the town?—It is a misunderstanding between the two companies; they do not afford accommodation to each other. The lines are, however, united, and they might, if they pleased, very easily work in unison. The result of this state of things is that the Galway people actually go to Dublin, and then out of their way to Belfast from Dublin, a distance of upwards of 50 miles, although they have a direct communication. There is a want of thorough through traffic arrangements between the companies. Between Belfast and Dublin there is a very large traffic indeed, and yet there are three companies separate and distinct upon that part of the line. All this would be avoided if the whole of the lines were worked under one management. Then with regard to agricultural produce: I am a farmer, and I can speak to that. I believe that if proper arrangements were made between the companies, so as to reduce the price charged for the carriage of farm produce, it would greatly benefit the railway interests, and no doubt increase the traffic upon the railways, I would say, at the very least, treble it. I farm about 1,500 acres of my own land in Galway, and I am unable to send any of its produce to the Dublin markets owing to the high rates. Potatoes are, I am told, sent to the London market from Cornwall, owing to the arrangements which the railway companies make to bring them at moderate charges. From Galway I could send a very large amount, say, from 3,000 to 4,000 tons of farm produce in a year, if we had moderate rates, but the rates are exclusive. I grow potatoes on a very large scale, turnips, mangolds, and carrots. I grow these as a matter of necessity in preparing the land for laying down, but I cannot send one of them to Dublin market, and therefore I turn them into meat. I buy cattle and turn them in and let them eat them. I sell the potatoes, if I can, in the country, and I give the turnips to the stall-fed cattle; but if there was a moderate rate only charged I could send the whole to Dublin. I think I could send 3,000 tons a year to Dublin, and the farmers in the west of Ireland would soon follow the example. We could take manure back by the return trucks.

6738. (*Mr. Glyn.*) What reduction in the rates charged would answer your purpose?—One half from their present rates would, or even less than half, would just open the market for us. I use a good deal of hay in Dublin, where I live, and I have a small portion of land. I have endeavoured to get the hay up from Galway, but the rates are too high, although I purchased machinery for the purpose of compressing it into a small compass; but the rates were so high that I had to give it up, and the pressing machinery is unused.

6739. (*Chairman.*) You would not expect, however low the charges were, to send turnips and mangolds wholesale to Dublin?—Indeed, I would.

6740. What necessity would there be to send large quantities of turnips and mangolds to Dublin?—We could dispose of very large quantities in Dublin to cow-feeders and that class of persons; if we could get them from where they grow they would buy them. They pay as high as 1*l.* a ton in Dublin for turnips, and I am very well satisfied if my steward realizes by stallfeeding, 6*s.* 8*d.* per ton. If the rates were moderate, say, 5*s.*, or even 6*s.* a ton, I could send them to Dublin and dispose of them. I would propose, in connexion with that, to take manure back by the return trucks from Dublin; that is selling at from 3*s.* a ton to 3*s.* 6*d.* there; the cow-keepers dispose of it, but we cannot get a particle of it west of the Shannon. The waggons bringing up farm-produce could bring back manures, and a large revenue would thereby be created. The railway companies fix a rate at 14*s.* 6*d.* a ton to my station, but they make no difference between manure worth 3*s.* 6*d.* a ton in Dublin, and guano which is worth 12*l.* a ton; their charges are equal for the one and for the other. I have pressed this upon the railway traffic managers, and I have said "you bring your "trucks up full;" but instead of bringing them back "empty, do bring them down filled with manure, "and charge a low and moderate rate." I would give them 5*s.* or 6*s.* a ton. But this is not done. Then, with regard to fairs, we have in the west of Ireland, as no doubt the members of this Commission have all heard, the fair of Ballinasloe, which is probably the largest fair in Europe. At the last fair held at Ballinasloe I do not suppose that one-twentieth part of the cattle was brought to the fair by railways, because the rates charged are so high; and there is another difficulty in the way. The rolling stock, particularly the cattle waggons, is insufficient for large fairs, and the result is that they sent their trucks empty to Ballinasloe fair to be in readiness to carry away the cattle when purchased by the Leinster men, and very many of the buyers do not send their cattle by rail, owing to the high rates charged. Whereas if they had a moderate tariff they could carry the cattle to Ballinasloe fair, and carry them away when sold. I believe that the true reason why railway companies will not reduce the rates is that if they did they would be obliged to find fresh rolling stock, and this, in my opinion, is another reason why the railways should be placed under one management, because the surplus rolling stock of one company could be used for other lines; for instance, at the fair of Ballinasloe the rolling stock of the Great Southern and Western Railway could be all used there and at the Limerick fair, and the Munster fair, which is a very large one, on the Great Southern and Western line, the rolling stock of the Midland Company could be used. At present at Ballinasloe fair we want rolling stock, and there are hundreds of trucks lying idle in the neighbouring county, because the lines belong to different companies. If they were all worked under one management great convenience would result, and a great saving would be effected.

6741. (*Capt. Galton.*) Might not one railway company borrow rolling stock from another?—I am sorry to say that they do not do so; there is not that feeling existing between them that there ought to be and they do not borrow from each other. The Great Southern and Western line is connected at Athlone with the Midland, and they could if they pleased supply to Ballinasloe a superabundance of trucks, and if they did that, and carried the cattle a shade cheaper, all the cattle bought and sold at Ballinasloe would be brought to and taken from Ballinasloe by railway.

6742. Do you send your cattle by railway to that fair?—No; I am 25 miles from it, and they will not carry the cattle without charging what I consider an enormous rate.

6743. What rate would induce you to send your cattle to Ballinasloe fair ?—About half the rate which they at present charge. If they reduced it one-half they would have all the cattle of the country to carry, but they will not do it ; they send their trucks up empty sooner than take their cattle to the fair at a reasonable rate.

6744. (*Mr. Glyn.*) Are yours lean cattle ?—Yes ; they seldom send fat cattle to Ballinasloe.

6745. (*Capt. Galton.*) Lean cattle are sent to Ballinasloe fair, and they are then taken elsewhere to be fattened ?—Yes, they are taken to Leinster and to England.

6746. Would you not always prefer to drive lean cattle a distance of 25 miles ?—No, and for many reasons ; for instance, at fair times it is difficult to get standing room for them ; it is not easy to get a place for them, and then it takes up two or three days, and a number of drovers are required; whereas we could send them the evening before by railway if the rate charged was a moderate one.

6747. (*Mr. Horsfall.*) You have spoken of there being 430 directors in Ireland, are all those directors paid ?—Yes, they are all paid ; each company allows a certain amount of money yearly to their directors, and they divide it amongst themselves according to a scale that they have amongst themselves, and whoever attends most frequently, gets the larger proportion of the per-centage. Each of the two small railway companies that I am concerned for allow 300*l.* a year among six directors.

6748. And the larger railway companies I suppose in proportion ?—Yes, the larger railway companies allow 2,000*l.* or 3,000*l.* a year.

6749. (*Sir R. Hill.*) Do the directors take their shares of the allowance when the company pays no dividend ?—I believe they do ; I rather think they do if there be funds.

6750. (*Chairman.*) Among how many directors do you divide the 300*l.* a year which you have mentioned? —We have six directors on each board.

6751. Each board is allowed by the company 300*l.* a year ?—Yes, but that is very moderate ; it is unusually low, the lines are short ones, and not very good paying ones.

6752. (*Lord Stanley.*) Fully admitting and entirely agreeing in the objections that exist to these railway companies, what is the objection in the way of their doing what many small companies that formerly existed in England have done, viz., amalgamating with others ?—It has been tried over and over again, and has proved entirely unsuccessful. I cannot tell you the reason why, but I think one cause arises from the fact that if two companies meet together, having 12 directors, and they are amalgamated, they will have but six; and six of them should retire, but recollect that the six who are to retire, have to give their vote whether they will amalgamate or not, I do not say that that is the cause, but I think it is an element in the matter that would suggest a cause.

6753. There is a corrupt interest operating against it, or there is an amount of patronage that would be destroyed by it ?—I do not say corrupt, but if we are to do it voluntarily, there is no doubt that self interest will sometimes operate upon men's minds.

6754. Do you look upon it as a thing entirely hopeless if it is to be done voluntarily ?—There is not the slightest chance, in my opinion, of getting the companies all to unite. Between Dublin and Belfast, for instance, the most serious inconvenience arises from their not amalgamating ; great efforts have been made to bring it about by proprietors outside the directory ; they have been for years trying to get it done, and they have not done it yet. I remember travelling on that line some years ago at night time, and we were suddenly left in darkness, and upon making inquiries as to the reason, it was said, "we "are coming upon the territories of a new com- "pany; the companies cannot agree about the lamps, "although they do about the carriages." The train was kept waiting whilst the lamps were taken out by one to be supplied by new lamps by the other.

6755. (*Sir R. Hill.*) Would not those same interests be opposed to any proposition for selling the railways to the Government ?—No ; that is a matter more in the hands of the proprietors ; and although the directors would, no doubt, some of them, have an interest in not having the lines disposed of, the proprietors would prevent the possibility of such an intention being carried out.

6756. (*Lord Stanley.*) With regard to the large number of companies that exist in Ireland whose preference stock is yielding no return, and whose ordinary stock yields none; do you think that the proprietors of that ordinary stock would be willing to sell it at prices which fairly represent its depreciative value ?—I have no doubt they would be delighted to do so ; some of the original proprietors would be delighted to sell it under its value, and I think that it could be done by the Government without costing them a single farthing ; for instance, if they created a railway stock and gave, say, 3½ per cent. instead of 3 per cent., I think the entire of it would be taken up by the present proprietors. I believe that they would take payment for their shares in railway stock that would carry 3½ per cent., and that the whole operation could be worked out without disarranging the finances at all, or asking the Chancellor of the Exchequer to increase his budget.

6757. If I understand you rightly, you intend that the new railway stock should be given in exchange for the existing stock. But take the case of the stock of a company which is yielding no return, and which is therefore worth perhaps only 5*l.*, or at the most 10*l.*, for every 100*l.* of original stock, do you think that the proprietors would be willing to sell it at its present market value, which would be 5*l.* or 10*l.* for every 100*l.* ?—I am a proprietor in one small railway which passes near my property. I took a few thousand pounds worth of stock in it, and I have no doubt that with the view of getting 3½ per cent. for their money the proprietors would sell their entire shares at one half the price of their 10*l.* shares, that is, that they would be satisfied to take 5*l.* a share and take the railway stock, as I call it, that is a Government security paying them 3½ per cent. for their money ; it would be marketable to them. I do not say that the Government should give them what their shares cost them, but what they are now valued at, or I think a shade beyond their market value. People holding stock of that kind still hope against hope that things will mend.

6758. Supposing that there is nothing compulsory in the process of purchasing, but leaving it to be a matter of bargain between the Government and the individuals, would not the effect of the transaction be very much to run up the value of that stock as against the Government, as the shareholders would hold on, knowing that sooner or later the Government must purchase it from them on whatever terms they might ask ?—It would never do if it required the assent of all the shareholders. I think it might be necessary to pass a short Act to say that a majority of the shareholders convened at a public meeting under the provisions of the Companies' Clauses Act, the meeting being called in a regular way, giving every shareholder notice of the object of the meeting, the majority should bind the minority. I think that that would be a fair provision, and one that would be acceptable.

6759. You would deal with the proprietors as a single body in each case ?—Yes.

6760. Do you think that the proprietors as a single body should negotiate with the Government as to the price they should obtain ?—I would send the proprietors notice that they should receive a proposition from the Government upon a meeting being called for the purpose ; unless that proposition was accepted nearly unanimously, then a meeting could be called under this Act, and if a resolution was passed adopting the proposition by a majority of the

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shareholders present, then the minority would be bound by that resolution.

6761. Supposing that the majority were agreed as to the selling, who, then, should fix the price?—The proposition would come from the Government before the meeting was called. The Government, having looked into what the shareholders had been receiving or likely to receive, might then say, "We will give you "*5l.* a share for your shares; call a meeting under "the Act, and if this offer is assented to it shall be "carried out; if not, the Government will not inter-"fere in the matter at all."

6762. Do you think that under that system there would be a good deal of jealousy between different companies, one company thinking that another company had got a higher value for their shares than they had?—The dividends payable for, say a period of the last five years (taking the last five years as the average), would be the criterion by which the Government would be guided; but I expect that Government would, if they adopted such a course, be rather liberal, for instance, I would give 25 years' purchase instead of 20. The 20 years' purchase gives them 5 per cent., but I would give them 25 years' purchase upon the abated amount. I think you would not find any difficulty in coming to a reasonable understanding, for the proprietors are not satisfied with the management of railway property at all.

6763. Suppose of these 40 working companies 35 have assented, but there are five who have not come in, and those five are scattered up and down throughout the country, will not those who stand out to the last find that their opposition gives them a great advantage in dealing with the Government, because the Government having bought so many must make a purchase of the whole?—They may think so, but it would not follow by any means that the Government would be bound to do any such thing. The lines only that they purchased would come in under their management; they are by no means bound to purchase the whole. The other lines would soon find that their dividend would go very low, in fact, their refusal of the Government proposition would very much reduce the value of their shares in the market. Perhaps half-a-dozen of the small companies would be foolish enough in the first instance to do it, but if the Government were firm and steady in their proposition the result would be that all would come in to it, provided it were liberal and reasonably fair.

6764. You think they would not argue in this way: Government began with the option of purchasing, but they will have to end with compulsory purchase?—I do not think they would. A good deal would depend on the nature of the proposition that was made. I say that it should be taken on a liberal scale, and I think that the receipts of the railways under one united management would create a fund more than sufficient to pay the 3½ per cent. that I have proposed to pay on railway stock. Having regard to the enormous saving which would be effected in getting rid of this vast number of directors and professionals, I think the Chancellor of the Exchequer would have a surplus, and a very large and considerable one, at the end of the year, even out of the present receipts, but I should expect under the new management the receipts would be doubled.

6765. You would save something in the first place by the lower rate of interest which you would have to pay for money?—Certainly.

6766. And you would save something for dispensing with the service of those 390 gentlemen who are receiving salaries and not doing much work?—Yes; but the directors' salaries are very little compared with the official and *attachés* to each company.

6767. (*Mr. Glyn.*) How would you propose to deal with a company, say, for instance, between Dublin and Belfast, who refused to come into the Government proposal, and threw impediments in the way of the traffic?—I have not considered that, but it would be a serious difficulty, and one which would require to be carefully considered. A compulsory clause could be put into the Act of Parliament, but it is not wise to legislate compulsorily against parties. There would be a difficulty there, I admit.

6768. Would not that give that company a great advantage in its objection if it stood out?—I think it would. I think there would be a serious difficulty in that case. You are aware that there is an Act of Parliament that compels every railway company to forward the traffic brought to them by another company. The Government would not be so totally dependent upon the company owning the centre line, and could be done very little injury to. Mr. Cardwell's Act compels them to forward the traffic.

6769. They are obliged to forward the traffic, but they may charge the extreme rates for it?—They have the power of charging the rates appointed by their special Act. No doubt they might refuse to come into the arrangement for reducing their rates.

6770. Would it not in point of fact require special legislation to meet this difficulty?—It would. If the Government announced that they would pass this Act of Parliament, and allow the railways to call their meetings, and if they were unanimous or nearly so in accepting the proposal of the Government that they would carry it out, but if they were not unanimous or nearly so, that they would decline, I think that might be done.

6771. (*Sir R. Hill.*) You propose to leave the acceptance or rejection of the Government proposal as regards each company to the votes of the proprietors?—Yes.

6772. But are there not three classes of proprietors, that is to say, three different interests connected with each company; namely, the ordinary shareholders, the preference shareholders, and the debenture holders?—As regard the debenture holders they are a class which could not well be asked or required to agree to the proposal, because they have a special lien upon the line, and they would have to be recouped in a very different mode, namely, out of the specific money of the shareholders generally.

6773. Does that include ordinary and preference shareholders?—The preference shareholders would require to be paid on a larger scale, and of course that would have to be at the expense of the ordinary shareholders.

6774. But would you bring them together to vote or allow them to vote separately?—I have not considered that sufficiently to venture to express an opinion. That is a suggestion that would require some little consideration.

6775. (*Mr. Glyn.*) Is not the power of voting now in the ordinary shareholders?—I am speaking now of the ordinary shareholders. That is my impression, because the preference shareholders have the priority over them.

6776. The preference shareholders have no power of voting at all?—No.

6777. (*Sir R. Hill.*) If a proposition were made to sell the line, I presume the consent of the preference shareholders must be obtained?—I think the consent of the preference shareholders and the bondholders should be obtained, and that they should have special payment; but that special payment would come out of the pockets of the ordinary shareholders.

6778. You do not propose to hand over their interests to the ordinary shareholders?—That would be most unjust; that could not be done.

6779. (*Mr. Glyn.*) But would not the power of accepting the offer of Government be entirely with the ordinary shareholders, because they are the voting power in every company; the preference shareholders have no voting power?—If they vote and say "we "will sell to the Government," there should be some arrangement as to what proportion of the purchase money the debenture holders should receive. The residue only would be divisible among the ordinary shareholders.

6780. I am merely now referring to the question of the power of accepting the offer of Government or

not, that is with the ordinary shareholders and not the preference shareholders; the division of the money is a different thing?—The Act should provide for that, because there are some companies whose funds are insufficient to pay the preference shareholders.

6781. (*Sir R. Hill.*) That is the difficulty I have in view. If the Government were willing to pay the preference shareholders as well as the bondholders in full, then the decision might, I presume, be safely left with the ordinary shareholders; but seeing that there are some companies who are unable to pay the interest of their preference shareholders, Government would probably refuse to enter into engagements to pay the preference shareholders in full; and if so, then the consent of the preference shareholders would be required, would it not?—Certainly. If you ask the preference shareholder to take less than 20*s.* for his pound, you must have his consent, assuming there is no compulsory legislation. I think very few companies are not able to pay their preference shareholders. That is a matter that I have not given full consideration to; but that is a question, and a very important one, which Government will have to look at in all its bearings.

6782. (*Lord Stanley.*) Have you at all considered, assuming the system to be complete, and the whole of Ireland to be in the hands of one company, what be the position of the projectors of any new lines seeking for extensions?—At present it is next to impossible to get a new line successfully floated, because the old lines having monopolised the larger portion of the traffic, there is no encouragement to project new ones. There would be some little difficulty as to new companies.

6783. I am putting the difficulty in this way, supposing that you have got all the Irish railways into the hands of a single company, it would, of course, not be desirable to allow their work to be undone again. It would therefore follow that any new lines which were made would require to be made by that company, or after being made to be connected with them?—Of course no line of railway can be made without the sanction of Parliament. The Board of Trade are always consulted, and the plans of new railways submitted to them; and if they think a proposed line of railway an injudicious one, that line would not pass. But if a new company started and proposed to make a new line of railway from one point to another, and Parliament assented to that, I see no reason why that company should not be permitted to go on, if they please, as a separate and distinct company; and when their dividends amounted to 3 or 4 per cent., they should be at liberty to apply to Government to buy them up, the Government not being bound to do so if they did not think proper. I think some little provision of that kind might be introduced, but no doubt it would be a little complex.

6784. With regard to those lines which are at present in a bad way, but which hold out hopes for the future, do you think that the market value of the ordinary stock should be taken as the basis of valuation for the purpose of purchase by the State?—I said I thought not. The ordinary market value of anything at present in Ireland is, say, 5 per cent.; that would be 20 years' purchase. I premised by saying, that I thought that seeing that this is a compulsory purchase, and that there is no chance of its ever increasing in value to the shareholders, that the Government might go so far as to make it as high as 25 years' purchase.

6785. If I understood you rightly, you said it was not intended to be compulsory purchase?—It must necessarily be compulsory upon the minority. It would not be compulsory, no doubt, in one sense, but in another it would: for instance, if a dozen men meet and nine out of that dozen say "we ought to "accept the Government proposal," the minority of three are bound, it is in some respects compulsory upon them, and it is in that sense I use the expression.

6786. (*Capt. Galton.*) In the case of the lines which pay no dividend at all, how would you fix the value?—We would throw ourselves on the mercy of the Government and ask them to consider what its real value should be. It would be the easier to purchase; and I would say to the Government that they ought to give us something for that line, because, although it has not paid the particular company, I have no doubt it would pay as soon as the Government took it into its own hands.

6787. A line like the Cork and Bandon, for instance?—I have no doubt that if the Cork and Bandon was united with all the other railways in the south of Ireland, and worked without the expenses of management, it would pay.

6788. (*Mr. Glyn.*) You would allow something for prospective value, in fact?—I would. I am sure when the Government came to look at it they would act fairly and liberally with the shareholders. I have no doubt shareholders so circumstanced would be delighted to get anything that was offered them.

6789. (*Chairman.*) Have you formed any opinion as to the terms upon which shareholders would be willing to dispose of their shares?—A great deal would depend upon the prospective value of a line of that kind. If they have tried it fairly and it has no prospective value, and in fact that it is barely able to pay its own working expenses, I should say then that the shareholders would be delighted to get one-fourth of their original purchase-money. I have very little doubt it would then make a return to the Government.

6790. (*Sir R. Hill.*) Would not that be a very high price for a line which had gained no dividend?—It would have gained a Government dividend because the earnings have been eaten away by the salaries which have been paid to the officials and directors, which would be done away with the moment it was united with the other railways.

6791. Can you explain how it is that shareholders do not force such arrangements upon the directors if they think that would be profitable?—They have not the power of forcing them upon the directors. There is a certain amount of traffic in the locality, and expenses absorb the earnings, but the shareholders cannot expect directors to give their time and attention to managing even an unfortunate company without payment. No men will give their time without remuneration.

6792. Where there are two contiguous companies, both very small, a great advantage would arise to the shareholders by their being united under one management, how is it that the shareholders do not meet and force such an arrangement upon the directors?—I do not think they have the power. I do not think there is any Act of Parliament in force in this country which enables them to do so. But a very simple act might be introduced to invest shareholders with the power of enforcing amalgamation in spite of their directors.

6793. (*Chairman.*) Could they not, if they pleased, turn out the present directors and elect new directors, who might be willing to amalgamate those companies?—They might do that if they pleased, and they have tried to do so in one or two instances.

6794. (*Mr. Glyn.*) The proprietors have never stopped the directors' money?—No.

6795. Such things are found in England, but not in Ireland?—The shareholders have not exercised that power, and I will state why. Every year two directors only go out, so that it would take four or five years, or at all events three years, to turn the whole of the directors out. The shareholders might at once pass a vote of censure, and if the directors are honourable enough to withdraw upon a vote of censure being passed they would do so.

6796. (*Mr. Horsfall.*) Would it not be tantamount to dismissing the directors if their salaries were stopped?—I think it would very soon cause them to retire.

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6797. (*Mr. Glyn.*) But it has never entered the minds of the proprietors to do such a thing?—I do not recollect a case in which it has been tried.

6798. (*Sir R. Hill.*) I presume the shareholders hold their usually half-yearly meeting, do they not?—They do; but somehow or other the directors always manage to get a sufficient number of proxies to control almost any meeting of the kind. It has not been found that there is any unity of feeling among the proprietors.

6799. (*Mr. Glyn.*) Is much of the Irish railway stock held by English capitalists?—A great deal of the Great Southern and Western, and also a great deal of the Midland.

6800. But is any of the stock of the smaller lines held in England?—I do not think the English people will invest in the small lines at all. Of the two main lines in Ireland, a very great proportion of the stock is held in England.

6801. (*Mr. Horsfall.*) You spoke of a hundred engineers being employed on these various lines, do you know their salaries?—I do not. That would require a return of the incomes of the directors, engineers, and other paid officers derived from railways. It would be a most important element for the Government to take into their serious consideration in taking the railways. A return of that kind could be easily obtained.

The witness withdrew.

Mr. J. G. Boileau.

Mr. John George Boileau called in and examined.

6802. (*Chairman.*) You are a wholesale merchant of Dublin?—I am.

6803. Has your attention been directed to the system pursued upon the Irish railways, with respect to rates and charges?—It has for a considerable time.

6804. Have you formed any opinion with regard to the possible improvement of that system?—The opinion I have formed for a considerable time has been, that the proper development of the commerce of the country can only be effected by cheap rates, both for passengers and goods traffic. Railways, as the great highways of the country, are necessarily the great monopolists of passenger and goods traffic; and as such should in every possible way give every facility for cheap, safe, and expeditious travelling, whereby the trade of the country would be extended, and the resources developed. In this country the very opposite is the policy pursued, and the interests of the poor are not considered; and the rich, although heavily taxed, and even willing to pay, are seriously inconvenienced when travelling from any distant part. The very germ of success to commerce is facility, and if facilities are not afforded, it then amounts to an obstacle which is exceedingly disheartening when the very opposite should be afforded. In illustration, one of the articles of commerce we largely deal in and manufacture is white paint. This article is most extensively used; but our trade is seriously curtailed by the high rate of carriage by the Great Southern and Western line charging 20*s.* per ton to Cork, whereas the same article can be brought by steamer from Liverpool and Bristol at the rate of 10*s.* per ton. It is perfectly plain that we must either forfeit 10*s.* per ton in our price or get the trader to pay us 10*s.* per ton more, which is not at all likely he will do. The present through rate system organized by the London and North-western line, and co-operated with by our railways, has proved most detrimental to the traders of Dublin doing a trade throughout the country; for instance, a firm in Liverpool of large extent, carrying on an immense trade in oil and linseed cake and other articles fit for feeding cattle, are anxious to introduce these articles into Ireland, and consequently looks out for a respectable agent, a man of means and position. The transactions being likely to be large they would not appoint any other. Mr. Boyd is appointed their agent, and a gentleman from Bagenalstown orders a ton of linseed cake, but he finds that Mr. Boyd has charged him 12*s.* 6*d.* at least too much. Mr. Boyd merely added the freight from Liverpool to Dublin, whereas under the through freight the whole quantity would have gone from Liverpool to Bagenalstown for 12*s.* 8*d.* per ton. This clearly shows that the person who bought it saved the railway fare from Dublin to Bagenalstown, and the cartage from the steamer here to the railway station. It is unnecessary to state that Mr. Boyd's agency is of little profit to him. The northern railways exhibit a strange system. Leaving Dublin for Belfast, before you arrive at your destination you will have travelled over three if not four different lines, each conducted under three different boards of directors, whose interests ought to be identical, but whose operations are antagonistic, and consequently traffic in very way suffers. The express train leaves Dublin at 5 o'clock p.m., you arrive in Belfast at 9 o'clock just one hour too late to catch the steamer which each evening sails for Scotland. This is the route for all Scotch letters, so this will show how letters take nearly two days to go from Dublin to Scotland. If you want to obviate this delay you must post your letter for Scotland at 11 o'clock a.m. or 12 o'clock a.m. in the General Post Office, in order to catch the 1 o'clock p.m. train from Dublin; the same example applies to letters coming to Dublin from Scotland. Another difficulty the Dublin trader has to contend with is, that in such towns as Armagh, Enniskillen, &c., the carriage from Dublin is so high the shopkeeper cannot afford to deal in Dublin, but is confined to his selection to Belfast. This does not exhibit with the railway companies unity of action. Also the freight on the railways to Belfast, Derry, &c. completely precludes any Dublin manufacturer sending his produce to the northern towns. The steamers afford such facilities from Scotch and English ports. The Midland and Great Western Company, which runs from Dublin to Galway, and travels through the poorest district in the country, and from which part hundreds of reapers travel to England for the purpose of reaping the corn, this line in particular ought to afford cheap transit, and also to traders who would wish to come up to the metropolis to make their purchases. Yet this is the line most complained of by passengers and goods traffic. It is of frequent occurrence that the large farmers and those deeply interested in all farming operations are obliged to walk their cattle to Dublin market, owing to the high rate charged on the railway. This in itself is exceedingly deteriorating to the cattle, and must reduce them in value. Then those who do not so sell their stock in local markets are deprived of the metropolitan market where a better price can be obtained, I am credibly informed, and also know it of myself, that Dublin merchants in sending goods to the West of Ireland very frequently ship their goods by steamer to Liverpool and thence by steamer to Sligo and Westport. By so doing they save considerably to what they would have to pay by railway. As another instance of the want of liberality of a great company, the Dublin and Kingstown Railway Company have been compelled to reduce their fares owing to the opposition caused by the river steamers, and by the omnibus which leaves Dublin every hour and runs to Kingstown alongside the railway. The company were frequently solicited to extend their liberality, and did not do so until the opposition was firmly established. The frequent changing of the time-table on the Dublin and Wicklow line has been loudly complained of, inasmuch as people who have taken property along the line have done so on the good faith of every facility being afforded, and if a morning or evening train is taken off it must prove a serious inconvenience to many whose arrangements may have been formed. We have in our large business to very frequently make a rateable deduction off the carriage

paid by our correspondent, otherwise he would transfer his dealings to where he could get them at less expense in transit, and this at the end of the year presents a serious amount. We have had frequent assurance that if traders could get their goods as cheap from Dublin as from English outports, they would send much of their business to Dublin. In illustration of the difficulties the Dublin trader has to contend with, we introduce a letter from Mr. Alcock, of Cork.

" 75, Patrick Street, Cork,
" June 27, 1865.

" Messrs. Boileau & Boyd.

" Gentlemen,

" Please say are the railway charges on the enclosed bill correct.

" I may remark, I could bring similar goods from London at considerably less money."

" Yours obediently,
" Bernard Alcock."

It is perfectly clear to me that the present most expensive mode of conducting railways in this country, the number of directors who have to be paid, and the great difficulty the directors have in paying a dividend to the shareholders, puts it completely out of their power to venture such an experiment as the reduction of passenger or goods traffic, and it could only be effected under the care of Government aid. I have prepared a short tabular statement showing the charges on articles in large daily consumption, and which in my opinion are excessive.

Tabular statement of sundry freights to four principal towns in the south of Ireland.—June 24, 1865.

——	Waterford.		Limerick.		Tralee.		Cork.	
	Per ton.		Per ton.		Per ton.		Per ton.	
	s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*
Blacking	23	9	23	0	29	6	20	0
Confectionery	35	6	34	3	44	3	30	0
Drugs in cases	35	6	34	3	44	3	30	0
„ „ casks	23	9	23	0	29	6	20	0
Heavy Goods, not named	35	6	34	3	44	3	30	0
Goods, light, „	59	3	57	3	73	9	50	0
Waggon Grease	23	9	23	0	29	6	20	0
Indigo	59	3	57	3	73	9	50	0
Linseed, Cake	17	9	17	3	22	3	15	0
„ Meal	17	9	17	3	22	3	15	0
Logwood	23	9	23	0	29	6	20	0
Mineral Waters	23	9	23	0	29	6	20	0
Mustard	23	9	23	0	29	6	20	0
Oil in wood	23	9	23	0	29	6	20	0
„ tins	35	6	34	3	44	3	30	0
Paints	23	9	23	0	29	6	20	0
Perfumery	59	3	57	3	73	9	50	0
Pitch	23	9	23	0	29	6	20	0
Putty	23	9	23	0	29	6	20	0
Red Lead	23	9	23	0	29	6	20	0
Resin	23	9	23	0	29	6	20	0
Rice	23	9	23	0	29	6	20	0
Soap	23	9	23	0	29	6	20	0
Spirits of Wine	59	3	57	3	73	9	50	0
Tar	23	9	23	0	29	6	20	0
Treacle	23	9	23	0	29	6	20	0
Turpentine	35	6	34	3	44	3	30	0
Vitriol, less than a truck	94	9	64	0	118	0	80	0
„ less than a truck load	35	6	24	0	44	3	30	0
White Lead	23	9	23	0	29	6	20	0

This tabular statement is merely intended to show that the charges for conveying many articles of commerce is excessive, and in most cases considerably in excess of freights from any English port, in some cases double, thereby precluding the possibility of trading, owing to the high rates. I now give the evidence I obtained from the firm of Alexanders and Co., wholesale druggists, Great Strand Street, Dublin, they say :—" We are obliged to allow half " carriage on goods to towns in the county Cork, in " order to compete with English and Scotch houses. " Owing to the high rates on goods to towns in the " north of Ireland, such as Enniskillen, Armagh, Ban- " bridge, &c., we have been obliged to give up calling, " being unable to do business to a profit. The high " rates charged on small parcels of about 28 lbs. also " interferes with business. Such are carried on the " English lines much more moderately. The charges " also on returned empty packages we thick ought " also to be modified." On the Midland and Great Western line only one goods train leaves daily in three divisions, 1st, to Galway at 12.30 a.m., 2nd, to Sligo at 6 a.m., and 3rd, northern route at 10 o'clock a.m. All goods must be delivered before 6 o'clock the previous day, in one case 12 hours before the train starts, in another four hours. The lowest weight carried is ¼ lb. Parcels exceeding 56 lbs. in weight are forwarded by passenger train at 25 per cent. over goods rate. When directed " van parcel," and delivered 30 minutes before the train starts, 1*s.* is the least charge for any parcel to Cork, and large packages are charged 5*s.* per cwt., and 6*d.* for every 14 lbs. exceeding 1 lb. This want of accommodation we complain of.

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6805. Can you state anything as to the reduction of fares on the Midland and Great Western Railway ?—I cannot ; the only thing I can say is that in going down to Galway the fares are very excessive, and are continually complained of.

6806. (*Lord Stanley.*) The question is whether a reduction of fares to the extent of one-third or one-half would bring such an increased traffic as to cover the loss which would be created in the first instance. Taking any of the principal lines of Ireland with which you are acquainted, have you formed and opinion on that point ?—I have been of that opinion for some years.

6807. You do not entertain that opinion indiscriminately with regard to all the lines ?—I do not. I principally allude to the Midland line, upon which a great number of poor people come ; facilities are not afforded them, the charge is too high, and they cannot afford to pay it.

6808. (*Capt. Galton.*) You mean the poorer classes do not travel by the railway ?—I do. I mean to say they prefer walking on account of the high rate of charge.

6809. (*Mr. Horsfall.*) What reduction do you think will induce them to travel by railway ?—If the fares were reduced to one-third of their present rate. The third-class fare is 11*s.* 8*d.*, the poor people cannot afford to pay that ; but they can afford to pay one-third of that.

6810. Do you think that such a reduction as that would pay the railway companies ?—I am perfectly satisfied that it would, because at present they do not derive any benefit at all, for they do not carry the traffic.

6811. (*Mr. Glyn.*) How many miles is that ?—It is 126 English miles.

6812. (*Chairman.*) Are there not low fares on that line for what they call the harvest men ?—Very seldom ; they gave them only when they were compelled to do so.

6813. Do you say that from your own knowledge ?—I do ; for many years the harvest men used to walk to Dublin.

6814. But not lately in any great numbers ?—Not in any great numbers, because the Midland Company have been more liberal since this movement has been set on foot.

6815. They have made a special rate for the harvest men ?—Yes.

6816. (*Sir R. Hill.*) What is the distance for which the third-class passengers pay 11*s.* 8*d.* ?—It is from Dublin to Galway, which is 126 English miles. I find that the fourth-class fare is 10*s.* 6*d.*

The witness withdrew.

Mr. H. R. Perry.

27th June 1865.

Mr. HENRY ROBERT PERRY called in and examined.

6817. (*Chairman.*) You are a grain merchant in Dublin?—Yes.

6818. Have you considered the effect of the present system pursued upon the Irish railways with respect to fares and charges?—I have very fully.

6819. Are you prepared to make any statements upon the subject?—I am intimately acquainted with the corn and flour trade of Ireland. As the means of transport is essential to the carrying on of this branch of trade profitably, I have given the railway system of Ireland, its rates, charges, and facilities of transit, my especial consideration. I have found each and every company I came in contact with disposed to exact the extreme rate of remuneration for the services they perform, and it was only by having the means of transit by the Grand Canal kept open that they were prevented from advancing their rates of freight still further, and thus materially interfering with the trade and commerce of the interior. That was with reference to a Bill that was promoted by the two principal companies, the Midland Great Western and the Great Southern and Western, in the year 1860, for the purchase of the Grand Canal, with the view of buying it up as a competitive means of communication. They ultimately failed, and the canal reverted to its original owners, and is now worked by them with great advantage to the districts that it serves. The result of a combination between the Great Southern and Western and Midland Great Western entered into some years since, by which the rates and fares are fixed and healthy competition is precluded, is, in my opinion, prejudicial to the development of the natural traffic and trade of the country, and calculated to retard materially commercial enterprise. The further extension of the railway system into districts unaccommodated already is postponed inevitably; and it is a part of the agreement entered into that no encouragement, even so far as the haulage of traffic by either of these two companies, be given to branch lines in a certain territory understood to be the property or right of the other company. That agreement was confirmed by an award.

6820. (*Mr. Glyn.*) How did the award arise?—There were two arbitrators chosen and an umpire. There had been a great deal of competition going on between them for some years.

6821. Then the conditions of that agreement were settled by an arbitration?—Yes; they both work the traffic under that agreement, and are bound to observe the conditions of it. The rates being fixed is obviously detrimental to the interests of the districts. That award is signed by "Edward Watkin" and "Mark Huish."

6822. (*Chairman.*) Will you call attention to the material points of that award?—It recites the circumstances of the case under which the arbitrators were chosen, the differences which had arisen, and that they had been chosen to settle the matters at issue.

6823. (*Mr. Glyn.*) What were the matters at issue?—Competition of rates at points at which they touched. What set it going more particularly was this, the Grand Canal had been leased by the Midland Great Western, one of the lines, for a series of years, whereby the Great Southern and Western felt themselves aggrieved. A considerable degree of competition was carried on by means of the Grand Canal, which was the bone of contention between them, therefore it was a matter of serious consideration by the arbitrators. This is their award upon the subject, "And we further award and adjudge that in anticipation of and until the authority of Parliament shall be obtained for such purchase, and with a view to the objects thereof, and in order that the benefits to the public and the said companies expected to be derived therefrom may at once be obtained, so far as an harmonious system of working and arrangement of the undertaking of the said canal and railways can effect the same, an interim agreement for the joint working and management of the said canal by the said two railway companies shall be entered into between them and the said Grand Canal Company; and that the said canal shall, as far as practicable, be conducted and managed as part of the undertaking of the said two railway companies by the joint committee herein-after mentioned, as and from the 2nd day of July, 1860."

6824. Did you not say that the Grand Canal is quite independent now?—That was the result of the opposition on the part of the public. So far as regards the canal the bill was before Parliament, and it was passed with such a rate of toll as the railway companies did not deem it their interest to accept, therefore they objected to the bill. So far as the canal is concerned it comes out of the arrangement altogether, and the remainder of it only stands good. Perhaps it will be as well not to refer to that part of it any further. Then they go on, "And we further award and adjudge that after an Act of Parliament shall have been obtained containing the necessary powers to the said two railway companies respectively, they shall enter into such agreement or agreements as may be necessary to carry out and render legally binding the provisions of this award, or any of them; and the form of such agreement or agreements shall, in case of difference, be settled by arbitration, under the provisions of the said Act; and that such agreement shall be made to take effect in perpetuity, if so authorized by the said recited Act; and in order to settle and define the district of country within which the system of railways and canals belonging or attached to or worked for the benefit of the said companies respectively shall be considered as between themselves, and having regard to the permanent advantage of the public, and the objects of the said submission and this award to belong, we have laid down upon a map or plan of Ireland attached to this our award, and signed by us and our umpire, the said Geoge Leeman, such a division line of the country traversed by or to which the said railways respectively and the canal or water communications contiguous thereto, either directly or remotely, afforded accommodation, as, in our judgment, to represent the district served, or which ought to be hereafter served, by means of each of the said two railway companies, or parties in connexion with them, or promoting branches to or from their respective lines, or to or from the said canal. And we further award and adjudge that neither company shall make, promote, assist, or encourage, any lines of railway to any point beyond the boundary line now awarded or intended to join a portion of a line in contravention of such boundary; nor in the event of any lines being made by other parties shall either of the railway companies, directly or indirectly, enter into any alliance or arrangement with such parties to or from any point which can fairly be considered and declared by an arbitrator, if disputed, as within the scope and intention of this our award." It was to that particular point that I wish to direct attention in order to show that they have parcelled out the country, as I may say, between them, and allowed of no interference on the part of any branch lines, or any traffic coming from them. Of course they had the country completely under their control, each in their own territory.

6825. (*Chairman.*) Without going through the whole of that award is not the result this, that in consequence of an agreement between the two parties they agreed not to compete with each other, but to divide the traffic in certain proportions?—Yes.

6826. (*Mr. Horsfall.*) Was the object of the two railway companies to do away with the opposition of the canal?—Yes, that was the principal object.

6827. In which they failed?—Yes, they had the object of dividing the rates at the two places at which they came into competition, namely Clara and Athlone.

At those two places they put the receipts into one common purse and divided them.

6828. But still they have the competition of the canal against the two railways?—They have. The principal point that I wish to draw attention to is that according to that agreement no branch lines were to be promoted in a district which each considered as their own. The rates for freight are unequal, and in my opinion considerably higher than the trade can afford; and I am satisfied that a moderate reduction would speedily induce an increased traffic over the lines of the greater part of Ireland. I am acquainted with the system of low rates and fares in operation on the continent, more particularly in Westphalia, where a large trade in coal has been developed of late years, principally owing to the rates conceded for the carriage, which enable it to be sent immense distances. Such rates as are in existence would be deemed by our authorities here on railways to be ruinously unremunerative. Yet there they have proved the contrary, and have developed a considerable source of national wealth and largely increased the profits of the railways, which are paying from 8 to 10 per cent. I know that from my own knowledge, from being connected with a colliery there, which is worked altogether by English capital.

6829. (*Mr. M'Clean.*) What is the low rate you refer to?—The rate is about $\frac{1}{2}d.$ per ton per mile. The rates for passengers and facilities afforded are by no means such as to induce travelling to an extent remunerative to the companies; the poorer classes rarely use the railway for this reason to attend markets, fairs, or for other necessary locomotion. On this point the Midland have set a good example by issuing market tickets to third-class passengers to go and return at a single fare on market days, and the experiment so far has been attended with good results. This may be taken as an instance of what would be effected by a general reduction of fares and increased facilities. I may also mention that there is hardly any point to which a third-class passenger can go and return in the day; at some points he cannot make even the direct distance in one day. Facilities are not granted; branch lines worked by small companies prove a serious obstruction to traffic by want of unity of management and antagonistic interests conflicting. They are consequently frequently used as block lines and to impede the traffic, as, for instance, the Clones and Cavan line, which was passed by Parliament with the view of carrying the through central traffic between Belfast and the south, and, in consequence, now it is very rarely used for that purpose, because the trains are so timed that the passengers cannot use them at all. When they get to Cavan they find that the train from Cavan has just left. I am of opinion that any arrangement which could be effected whereby the railways of Ireland could be worked as one general comprehensive system, and the rates and fares lowered to a point analogous to those of Belgium and the continent, would more speedily develop the resources of the country, and induce the investment of capital in trade and manufactures than any other measure that has yet been put forward, and that it would speedily result in increasing the receipts derived from the Irish system of railways, making 20,000,000*l.* of capital at present invested yield a fair and reasonable return instead of the miserable dividend at present paid upon the average of Irish railways. I am strongly of opinion that, in order to make railways fully remunerative, you must fix the rates they receive in proportion exactly to what the circumstances of the country are in which they are situate. This has never been done in Ireland yet on any extended scale, and yet the railway authorities complain that there is no traffic, and their receipts gradually dwindle down and the rates are kept up to fully, if not beyond, the English maximum. The existing traffic is thus literally passed by and not fostered, while trains run comparatively empty, and as a consequence shareholders receive no dividend. Railway companies must be satisfied to take for their remuneration the amount that is forthcoming, and not demand what cannot be complied with.

6830. (*Chairman.*) Are you able to state that your own trade in grain could be materially increased if the charges were lowered?—Decidedly.

6831. (*Mr. Glyn.*) It would move more up and down the country with a reduction of charge?—Yes; we should cover a greater district of country; for instance, the rates in our particular case have been advanced since the canal competition has actively ceased. I should have mentioned that one result of the canal reverting to its original proprietors has been that they have now made an arrangement by which they compete at certain rates without conflicting, and the rates of the railways have been raised nearly 25 per cent. in many particular instances since that occurred.

6832. (*Chairman.*) The rates upon the canal have been raised?—Yes; both the canal and the railways have advanced their rates nearly 25 per cent. Three or four years after the canal had reverted to the canal proprietors, they worked in fair competition only.

6833. (*Mr. Horsfall.*) Then the directors of the railways and the canal have arrived at a right understanding?—Yes.

6834. (*Mr. Glyn.*) Do you think that the high rate upon grain prevents speculation in that article, that is to say, where a party buys grain at one port at a low price he cannot forward it to another part where the price is higher, on account of the high rate of carriage?—I do not think it has that effect; it does not stop speculation.

6835. It does not stop bargaining, in fact?—No, but it prevents an equalization of price to the fullest extent which there might be. It is high in some districts and low in others.

6836. (*Mr. Horsfall.*) What per-centage of reduction of the rates upon grain would you consider necessary to confer any appreciable benefit upon the trade?—I think from one half to one third would be a very fair reduction.

6837. Do you think that that would pay the railways equally well through the increased traffic that there would be?—Not for some time certainly not; for perhaps two years, or a sufficient time to allow of the development of the traffic that would be created by the lower rates. There must be sufficient time to put the new system upon its trial, not immediately, certainly.

6838. Do you think it would after a lapse of two or three years?—I should say so.

6839. (*Mr. Glyn.*) You say a reduction of one third; what would be the actual figures?—The present rate of grain is about $1\frac{1}{2}d.$ per ton per mile. That is the lowest rate on any quantity.

6840. You wish it to be fixed at that?—I think one penny per ton per mile would be a very fair rate.

6841. (*Mr. Ayrton.*) Where is the increase of traffic to come from; from what source?—I do not know that in grain there would be so much increase created by the lower rates, but in other articles there certainly would, such as manures and many other goods, and in grain to a certain extent, but not to the same extent as other articles.

6842. The diminution of the charge would be at the rate of $\frac{1}{2}d.$ per ton per mile, you say; that would be, on the average of 50 miles, 2*s.* 1*d.* on the ton?—Yes.

6843. That would be about 6*d.* on the quarter?—5*d.*

6844. Do you think that the economy of 5*d.* on the quarter would lead to any increased growth of grain in Ireland?—I am certain that it would; to what extent I cannot say, but I am certain that it would lead to some. I know many mills which are at this moment idle by reason of the rates of freight rendering them not able to be worked profitably.

6845. You think that the difference of 5*d.* per quarter would set them into activity?—5*d.* a quarter would be a very great consideration to men of business.

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6846. Do you think that an additional charge of 5*d.* per quarter is the cause of their inactivity ?—In some instances decidedly so.

6847. Can you mention one ?—There is a mill at Athlone, and another at Clara, to which that remark applies.

6848. Take the Athlone mill ; in what way does the additional charge of 5*d.* per quarter prevent that mill from working ?—A miller situated at Athlone must buy his grain either at Galway or Dublin. Home-grown wheat is almost out of cultivation, at least in the district about Athlone, and in all districts with the exception of Cork, Kilkenny, Carlow, and the south. As regards Athlone, home-grown wheat is hardly known. Therefore, a miller must buy his wheat in either of those ports and bring it down to Athlone, and grind it there, and supply the markets in the immediate vicinity. Therefore, it must be patent that any saving whatever is of material assistance to him.

6849. If he must bring his grain, how does the 5*d.* per quarter prevent his bringing it, if there is grain in the country to compete with him ?—But the country is supplied with mills which are on the seaboard ; for instance, Galway and Dublin supply the market, and they have an advantage in supplying the markets because they are able to send more directly. They only send the exact quantity of flour that is required. Whereas the miller at Athlone might bring the whole of the wheat down, and perhaps be able to sell one portion to an advantage and another portion not to an advantage ; and therefore there is that against him.

6850. Do you not think that the injury to the Athlone miller results from the fact that he comes in competition with the miller of Dublin, which is the place of import ?—No doubt; but then he would be much better able to compete with a moderate rate of freight than with this rate of freight. The rates I have given have been increased materially.

6851. The only result would be that the trade would be transferred from one part of the country to another ?—That would be one result, and I would say that a larger trade would be done to some extent.

6852. If the corn went the flour would not go ?—No.

6853. Therefore the railway company would not have any more traffic ?—The railway company would not have any more traffic than what would be created by the increased business that would be induced by the moderate rates of freight. There might be some points at which the rates of freight would prevent business, and another point at which rates of transit would induce business.

6854. There would be no increase of traffic to the present railway companies ?—Not if only the same quantity were carried ; but I think a larger quantity would be carried to some extent ; to what extent I am not prepared to say.

6855. You think 5*d.* per quarter would seriously increase the consumption ?—I think 5*d.* per quarter on oats would, for instance, allow an increased profit to the grower. I wish to allude to the rates charged by the railways generally ; they are very unequal ; they are not governed by any equal system at all. I have made out a table of the rates on grain, and I find that the governing point is the contiguity of the seaboard in nearly all cases. As between Dublin and Cork, which is a distance of 166 miles, they have a rate of 12*s.* 6*d.* per ton, because the steam competition interferes and reduces it ; while to many stations short of Cork they charge a higher rate. The same principle holds good with the northern rates ; for instance, the rates to Belfast, Londonderry, Galway, and Sligo ; and it will be found that the intermediate rates are considerably higher than the through rates. The whole principle which regulates the making of those rates by those companies is, what they can get, not what is a fair and regular rate.

6856. (*Mr. Horsfall.*) What is the extent of the difference in the mileage rates between the two extremes ?—The fare from Dublin to Belfast is 10*s.*, the distance being 113 miles ; and the fare from Dublin to Banbridge is 15*s.*, the distance being 87 miles. That is only two-thirds of the distance, and yet the rate is one half more.

6857. (*Mr. Glyn.*) On the same line ?—On the same line, but for a portion of the way.

6858. Not the whole way ?—No.

6859. Do you know the respective fares charged by each company ?—I do not. This is the table I refer to :—

Dublin to	*s.*	*d.*	Miles.
Balbriggan	4	2	22
Ballybay	15	0	98
Banbridge	15	0	87
Belfast	10	0	113
Castleblaney	13	6	72
Cavan	10	6	85
Clones	15	0	94
Cootehill	16	0	88
Drogheda	5	6	32
Dundalk	6	8	54
Dungannon	12	6	102
Enniskillen	16	8	116
Kells	7	9	58
Lisburn	13	4	106
Lisnaskea	19	8	105
Londonderry	13	0	176
(Steam to Belfast, thence to Derry rail.)			
Londonderry	25	0	per rail.
Lurgan	13	4	93
Newry	9	2	70
Dunlen	7	6	42
Portadown	10	0	88
Navan	6	0	48*
Dublin and Mullingar	7	6	50
Clara	9	0	68
Athlone	11	0	78
Ballinasloe	11	6	92
Athenry	12	0	113
Galway	12	0	126
Tuam	11	0	129
Longford	9	3	76
Carrick	12	6	98
Boyle	13	0	106
Sligo	10	6	134
Cavan	8	0	85
Crossdoney	10	8	81
Roscommon	12	3	96
Castlerea	13	0	120
Claremorris	13	0	135
			150
Fermoy	12	6	162
Templemore	9	6	79
Cork	12	6	166
Roscrea Junction	8	0	67
Clonmel	12	0	132
Nenagh	10	0	96
Carlow	8	0	56
Enniscorthy	10	0	78

Unequal rate. Passenger fares through to London.

	First class. £	*s.*	*d.*	£	*s.*	*d.*
Dublin to London, Return	5	3	0	—		
London „ Limerick „	5	6	0	5	4	6 Jnc.
„ „ Kilkenny	5	6	6	—		
„ „ Fermoy	5	6	6	—		
„ „ Galway	6	16	0	—		

* Competition.

6860. (*Chairman.*) Can you give any comparison of rates of the Great Southern and Western ?—I have none of the Great Southern and Western ; they are increased, I know, for some of the shorter distances in considerably higher proportions, but none in which the increase is so very great as that. There is Lisburn, 13*s.* 4*d.* ; that is on some lines 10*s.*, as between Belfast and Dublin ; Lisburn is a shorter distance than Belfast by eight or 10 miles. Passenger fares have also been advanced 10 per cent. during the past 10 years on both the Midland and the Great Southern and Western railways.

6861. (*Mr. Glyn.*) On all classes of passengers ?—Yes.

6862. In the same proportion ?—Yes.

6863. (*Chairman.*) Have you any other suggestions to offer ?—Many of the present existing smaller companies are burdened with capital by reason of the difficulties which they had to contend with in their construction ; consequently, a large portion of their capital is lost, and the original shareholders receive no dividend whatever. The Streamstown and Clara line originally passed by Parliament as a central through north and south link ; it is not now used by reason of the want of arrangement as to times and communication between the Great Southern and Western Railway and the Midland Railway ; the traffic is consequently turned back and driven round through Dublin, and the outlay on the part of the Midland Company remains unproductive. The award by division of traffic between the two companies at Clara and Athlone has competely taken away the inducement to either company to develop or induce the traffic at either of these points, as it is manifest when the receipts are thrown into a common purse neither company has the inducement there would be if such were not the case. Steamboat navigation on the Shannon between Athlone and Killaloe had been previously carried on by the Midland Great Western Railway, but has since for the same reasons been abandoned, and the traffic diverted. The Great Southern Company bought the steamers for the purpose of keeping them idle.

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The witness withdrew.

Adjourned till to-morrow at 12 o'clock.

Wednesday, 28th June 1865.

PRESENT :

THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
J. A. ROEBUCK, ESQ., M.P.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPTAIN DOUGLAS GALTON, R.E., F.R.S.
J. R. M'CLEAN, ESQ., Pres. Inst. C. E.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. ALEXANDER PARKER examined.

Mr. A. Parl — 28th June 18

6864. (*Chairman.*) You are a merchant in Dublin ? —Yes.

6865. You are, I believe, prepared to make a statement as to some grievances which you and other merchants in Dublin experience from the system pursued by the railway companies of Ireland ?—Yes ; for the sake of not wearying the Commission with a repetition of the same facts a deputation from the Chamber of Commerce thought it well to come to a little private arrangement as to what each one of us should particularly speak to, and these grievances and discrepancies that we complain of will be spoken to more particularly by two of those gentlemen who are to follow me. I will trouble the Commission with some opinions which I am prepared to support by such reasons as may satisfy the Commission, growing out of such collateral questions as you may see fit to put to me. As a whole, the railways of Ireland are in a very unsatisfactory position as regards their shareholders ; they have been for the most part very unprofitable speculations ; the directors, therefore, are unable to venture upon any experiment, such as a bold reduction of the fares and charges. It is our hope that the Commission may be satisfied that this bold reduction might be ventured upon by the Government without much peril to the exchequer. We think that the masses of the people have never yet been induced to move about by strong temptations in the way of low fares ; we think that the revenue to be derived from the moving of the masses has never been properly considered yet by the railway boards of the country. We think that persons engaged in trade in a humble way have never had strong inducements to travel and make their own purchases, or sell their own produce, and enter into their own transactions, but that they have been too much in the habit of staying at home, and doing their business by correspondence only. We believe that a bold reduction of fares would induce, first, the great masses of the people to travel, the labouring classes especially ; such as have their little produce to bring to market. If they have a market town at a distance from them there is a difficulty in the way of their travelling otherwise than by railway, from which they are at present practically excluded, unless the articles they have for sale be of sufficient value to pay the heavy per-centage that the railway fare inflicts. We think that over and over again it has been demonstrated, from the days of Mr. Bianconi up to the present time, what a little encouragement did to set the people of the country in motion, and one of our misfortunes in Ireland is, that state of stagnation and indifference into which so very many of our people have fallen, and from which we would fain rouse them by some such mode as this ; we think that no mode could be much more effectual than this. A parliamentary train conveys the people at the same rate as in England, but there is but one parliamentary train a day upon our Irish railways, and we think that almost all our Irish railway companies give too little encouragement to third-class passengers. The first-class passenger, for instance, and the second-class passenger have the advantage of a return ticket, and the first-class passenger travels for about 2*d.* a mile. The second-class passengers travel generally for about 1½*d.* a mile ; and the third-class passengers for something over the charge by the parliamentary train on the railways generally. The Midland Great Western Railway, which runs to Galway, has a fourth class, but the charge is still the Parliamentary rate. A considerable time since, when Lord Dunsandle was chairman of the Midland Great Western Railway, the reapers, and those persons who come over to England to cut your hay and your corn in the summer and the autumn, were in the habit of tramping up to Dublin, carrying their sickles and walking up. His Lordship, with another of the directors, went amongst them and said, "Boys it is "hard work this walking up to Dublin and wearying "yourselves out ; what would you be content to pay, "supposing we brought you up by railway ?" And they said that they would be very glad indeed to be saved the journey ; that it was very fatiguing in hot weather. And then his Lordship proposed to put on fourth-class waggons to bring them up, and they were so brought up to Dublin. From that time those poor men have always been brought up in that way ; they have paid the price charged very cheerfully, and especially at the time when they are going home with English gold in their pockets. Although that portion of the population has been very much thinned down by emigration, yet the receipts upon that railway from that source have increased instead of diminished, which seems to prove the proposition

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that if these poor people only get encouragement they can be set in motion. Now that emigration itself is going on at a very great rate, it is also illustrating what lowness of price will do in that direction, for the extremely low price at which steam companies have found it to their advantage to transport people across the Atlantic is really one of the causes why so many persons leave. It is the facility that is presented to them by extremely low fares. The remittances they receive from America enable them to take their passage out, and it is something so small, that it is quite wonderful how the companies can make anything by it. A trifling reduction in the railway fares would do nothing; it might a little increase the number of the travellers, and a little even increase the travelling of the labouring classes, but a large and telling reduction would, in my opinion, bring out such numbers as travellers that there would be in two years at most, I believe, no diminution of the present revenue. It is my opinion that a large reduction in the fares would be compensated for in a couple of years by the greatly increased number of the travellers. The shopkeeper at present, from a distance of under 100 miles, gets only one day for his return ticket, that is to say, he comes up one day, and he must return the next, but even that is denied to the third-class passenger; there is no return ticket for him, so that the third-class and the second-class passengers are brought much nearer to one another than the table of rates would seem to indicate. I do not lay so very much stress upon a very large reduction in the price charged for the carriage of merchandise; but when the Commission reflect that travellers load themselves and unload themselves, and that there is no expense but that for mere transportation connected with passenger traffic, the disproportion of a ton of men to a ton of goods is very striking; and for all these reasons I would join in pleading for Government interference, in order materially to reduce the present passenger fares, and considerably to reduce the present charges for merchandise. There are a number of discrepancies and inconsistencies, to which my friends who will follow me will speak more particularly, as they have undertaken that department of the evidence. I do not know that there is any other material point which I would desire to throw out. It would be an extremely popular measure, and I think it would be a political advantage, a social advantage, and certainly a great commercial advantage. The directors of the railways at present appear to think that there is just a certain amount of traffic in the country, and they say, "We have possession of it; let us "make the most of it;" and they have not seen this way of making the most of it; nor can I wonder, because, after all, it would be a bold experiment for any set of men to make, intrusted, as they are, with the property of others, to pay as large a percentage as they can by their management; and whilst I know that there are individual members of the boards who entertain something like the opinions which I have given expression to, yet they are in a very small minority.

6866. (*Lord Stanley.*) Do I rightly understand your proposition to be that the Government should buy up the Irish railways?—I should not like to express an opinion upon that. My own personal opinion is, that it would be a great blessing to the country if they did. But that is only an individual opinion; and as I am sent here by a public body I should not like to commit them to that opinion.

6867. You wish simply to express your opinion of the benefit that would arise from a considerable reduction of the fares?—Yes, a very considerable reduction in the passenger fares, and a considerable reduction of the charges upon merchandise.

6868. (*Mr. Roebuck.*) I think you stated that although you believe a benefit would result, it could not be carried out by the present railway directors, but must be done by somebody else?—It could be done very well by the present railway directors if they could bring themselves to run a risk for 12 months; but undoubtedly the whole benefit arising from the change could not exhibit itself in many cases until after, perhaps, a year's trial. In other words there would be a loss at first.

6869. And you think that the railway directors would not run the risk of that loss?—They do not feel at liberty to do so.

6870. If that be so, what suggestion have you to make for the purpose of bringing about the result that you think so desirable?—I think that the Government might be induced perhaps, if the case were made plain, to interpose the public money in order to protect the railway proprietors from loss, and that the experiment might be made greatly to the benefit of the country.

6871. That is to say, that the Government should guarantee the railway companies against any loss?—Yes; any loss below the loss that they may at present be incurring. The fact is, that some of our railways pay no dividend at all, and the Government guarantee would in that case prevent their growing worse than they are. There are others paying 2 per cent., others paying 3 per cent., one or two of them paying 4 per cent., and one or two also paying $4\frac{1}{2}$ per cent. It would be simply the Government guaranteeing that the proprietors should receive not less than they have received for the last three years.

6872. It comes then I think to what I said; you think it advisable that the Government should guarantee the companies from any loss?—Yes.

6873. (*Chairman.*) In the transaction of your business as a merchant, do instances frequently occur in which those with whom you deal would come to you personally if the fares were lower, who now carry on their business by correspondence?—Yes.

6874. You are able to speak to that confidently?—Yes; that is a matter of perfect certainty, and is shown by the eagerness with which they avail themselves of every cheap trip that is occasionally offered to the public. I have frequently said to a person, "You "were here not very long ago. I am glad to see that "your business is prospering." Then the answer has been, "You must not judge of that by seeing me up "here so soon again, for the fact is, that I have had "an opportunity of getting up on a cheap trip."

6875. (*Mr. Ayrton.*) Can you explain to the Commission why the shareholders in the railways who have the keenest interest in adopting your views, do not agree to them and carry them out?—I think it is from a feeling that railway directors have always, as a body, represented these notions to be somewhat utopian, and they have set their faces against them.

6876. Do you think that the shareholders believe the directors rather than the opinion entertained in the Dublin Chamber of Commerce?—If you were at a meeting of an Irish railway company you would find that there was very little union amongst the shareholders themselves, and very little cordiality between the directors and the shareholders with very few exceptions. The meetings are, generally speaking, meetings of dissatisfaction and disappointment. I am not a director in any railway, but I have the misfortune to hold some railway stock, and very unprofitable indeed it has been. This brings me to railway meetings occasionally, but they are never meetings for deliberation.

6877. Is not that the frame of mind which is exactly suitable to the adoption of any new plan that would improve their affairs?—Certainly not. It is also, generally speaking, an occasion when there is a clamour for a reduction of freight, or a clamour for a reduction of the passage money, or that greater facilities shall be given to travellers; but the suggestion always comes with a local bearing only. I have never heard at a railway meeting a general suggestion of that kind upon broad grounds. I have heard a grazier, for instance, representing the hardships as to the cattle trade, and wanting a particular kind of cattle that he fed conveyed at very low rates; but I never heard

any one deal with the question on the broad ground of the country's good and general measures.

6878. (*Mr. Horsfall.*) You stated just now that you did not lay so much stress upon a reduction of the rates on goods as on passengers. Why did you draw that distinction?—Because I do not think that the amount of goods could be very largely increased by a reduction in the rates. No doubt trade would be relieved of some of its necessary burdens, but I think that a reduction of the fares for passengers would increase their numbers to an enormous extent. The country must have what it consumes, whether it pays a high price or a low price, and it would be undoubtedly a great advantage somewhat to diminish the rates, and to equalize them. I may mention that there is an extremely mischievous system which affects the city, and that is, the through rate system, the whole of which arrangement operates to the disadvantage of the local merchants; a buyer in Dublin can have his goods sent cheaper from Liverpool to Cork, or from Liverpool to Limerick or Athlone, or to any of the inland towns, which is more than 100 miles distant, than from Dublin, and the through rate tells to the disadvantage of Dublin, both with regard to goods and passenger traffic. A Belfast merchant leaves for London on his business, and he obtains a return ticket for 50*s.* A Dublin merchant coming to London on business pays 5*l.* 3*s.* for his return ticket. The consequence is, that the balance is thrown very decidedly against the City of Dublin, and that is felt to be a very great grievance.

6879. You were complaining of the inequality of of the rates?—Yes; there is very great inequality caused by reason of the through rates. Belfast is as far from London as Dublin is, and farther; but travellers can get first-class return tickets for 50*s.* from Belfast to London, while from Dublin it is 5*l.* 3*s.*

6880. (*Mr. Ayrton.*) Do they travel by the same route?—No.

6881. (*Mr. Roebuck.*) Why does the Dublin merchant not write to Belfast for a ticket, and have it sent to him by post?—It is not the same route to England; but the railway journey is as long in each case. We have certainly a superior class of packet from Dublin; but what you suggest could not be done.

6882. Did you not say that an increased amount was charged to Dublin, and a decreased amount was charged to Athlone *viâ* Dublin?—Yes; it is so for merchandise, not for passengers.

6883. Why do you not do it with regard to passengers?—We could not do it; it is not by a ticket that merchandise is sent; we have to send the merchandise to the railway from our stores. The hardship arising out of the through-rate system will be better illustrated by taking the same route.

6884. (*Mr. Ayrton.*) You stated that it was cheaper to send merchandise from Liverpool to Athlone than from Liverpool to Dublin?—No; cheaper than from Dublin to Athlone; that is to say, you can get goods cheaper from Liverpool to Athlone *viâ* Dublin than from Dublin to Athlone, by reason of that through rate.

6885. (*Capt. Galton.*) What is the fare between Athlone and Dublin as compared with the fare between Liverpool and Athlone?—I am not prepared to say; but nothing like the difference of mileage.

6886. (*Mr. Ayrton.*) Do you mean that it is absolutely cheaper, or that it is cheaper per mile?—I mean that it is absolutely cheaper.

6887. So that a passenger is conveyed absolutely for less money from Liverpool to Athlone than from Dublin to Athlone?—I do not mean to say that. I will give you, as an illustration, the first-class passenger rate from Cork. You pay from Cork to London *viâ* Dublin 5*l.* 6*s.* 6*d.* for a return ticket, Cork being 165 miles from Dublin. That will take a passenger from Cork to London through Dublin; but we residing in Dublin have to pay 5*l.* 3*s.*, which is only 3*s.* 6*d.* less than the Cork man pays who is conveyed 330 miles more by railway than we are.

6888. (*Mr. Roebuck.*) Do you pay 5*l.* 3*s.* for a return ticket between Dublin and London?—Yes.

6889. (*Capt. Galton.*) Is not that because there is a competing route by Waterford?—No. I am speaking of the route *viâ* Dublin, and to make the hardship more palpable, I would show the Commissioners that for 330 miles of additional travelling, there is only the small difference that I have mentioned, which is to the disadvantage of the Dublin trader.

6890. (*Mr. Horsfall.*) Reverting to my former question as to the charges upon goods, do you not think that a reduced rate would have a most material effect, for example, upon the consumption of coal?—Certainly, and which would be a great blessing to the country. Now that our people are thinning down, the manufacture of turf is much more costly than it used to be when the poor man got 6*d.* a day for his labour. Turf has never been a very cheap fuel for the poor, and it has been always very uncertain fuel, a wet season making it both scarce and dear. Coal is one of the things that the railways carry at a very reasonable rate, I should say. I think it is a penny a ton per mile, and the consumption of coal in Ireland has doubled within the last 10 or 12 years. They are consuming coal very much more in the country by reason of the facility afforded for its conveyance.

6891. (*Mr. Glyn.*) Is that, in your opinion, a reasonable rate, a penny a ton per mile?—Yes, as compared with other merchandise.

6892. As compared with the rate charged in England it is high?—Yes, it is; but it was a rate that was quite new to us in Ireland.

6893. (*Mr. Horsfall.*) Are you aware that the London and North-western Company carry coals at a halfpenny a ton per mile?—I was not aware that it was so low as that. Such a reduction as that would be a great blessing. The perils to fuel are next to the perils to the potato. A dearth of good turf is nearly as bad a misfortune as a dearth of potatoes.

6894. (*Chairman.*) Can you state whether the through goods rates, of which you complain as injurious to the Dublin merchants, are the result of arrangements between the English railway companies and the Irish railway companies, or between the Irish railway companies and the steamboat companies?—Generally speaking, the English railway companies, the steamboat companies, and the Irish railway companies are parties to those through rates, and they must be to complete the communication; it is the rivalry of the English railway companies and the excessive competition that exists between them which have produced these through rates.

6895. The through goods rates, of which you complain, are chiefly from Liverpool, are they not?—Yes; and from Manchester and Yorkshire.

6896. (*Mr. Horsfall.*) For goods shipped at Liverpool?—Yes.

6897. (*Capt. Galton.*) Do the goods you have spoken of, that go to Athlone, go by the railway or by the canal?—By the railway. I make no complaint whatever of any water facilities. The canal competes with the railway at something like 10 per cent. under in every case; but the time occupied amounts to quite the difference.

6898. Of what class of goods are you speaking particularly?—Of sugars and teas; colonial produce; and almost everything you can name; drapery goods.

6899. (*Mr. Ayrton.*) Are the goods that you speak of, which are conveyed to the centre of Ireland, carried through Dublin?—They are.

6900. Can you furnish the Commission with a statement of some of the principal rates charged?—Mr. Bewlay, who will appear before the Commission, will furnish those particulars.

The witness withdrew.

Mr. T. Bewlay.

28th June 1865.

Mr. THOMAS BEWLAY examined.

6901. (*Chairman.*) You are a merchant in Dublin?—I am.

6902. You are able to speak as to the discrepancies between the through rates *viâ* Dublin and the inland rates from Dublin?—The arrangements made by the English companies for the transmission of goods by the Irish railways are such as to be exceedingly detrimental to the mercantile interests of Dublin, and they are invariably made, so far as I am aware, for the interests of the English lines, but not with regard to the Irish traffic. I will give the Commission two or three illustrations of this state of things. I hold in my hand bills which have been forwarded to me from Castlebar, in the west of Ireland, of the carriage of sugar from Liverpool to Castlebar. These bills are at the rate of 20*s.* per ton from Liverpool to Castlebar *viâ* Dublin. The Dublin merchant is charged for his sugar, sent to Castlebar, at the rate of 27*s.* 6*d.* In another case my firm sold to a merchant in Limerick, some short time since, a large parcel of tea. My business is entirely in the East and West India and China trade. The merchant in Limerick, in paying for it deducted 6*d.* per chest, stating that the freight by railway from Dublin to Limerick was 6*d.* more than from Limerick to Liverpool *viâ* Dublin, although passing over the same railway. These instances might be multiplied *ad infinitum.*

6903. (*Lord Stanley.*) Can you give the Commission any explanation of this?—I am unable to do so, except that it in part arises, I believe, from the rivalry of the competing lines, between the Great Western Company and the London and North-western Company, consequently they make arrangements for carrying goods at very low rates.

6904. (*Mr. Glyn.*) But how does that affect you in Ireland?—They carry at very low rates from Liverpool and Manchester in order to induce the Irish trader to purchase his goods in those ports instead of in other places, and going over the southern line of the Great Western Company.

6905. You mean going by Bristol?—Yes.

6906. (*Capt. Galton.*) I can understand that with regard to the conveyance of goods from England to Limerick, but when you speak of the town of Castlebar, which is entirely on the Midland Great Western, how is that affected by it?—I do not think it applies in that case. I cannot explain the cause of the arrangement, except in this way, that there is steam communication with the West of Ireland direct from Liverpool, and it is done to compete with that.

6907. Do the steamers go to Westport?—Yes; and the same remark applies also to Sligo, to which place they carry goods.

6908. (*Chairman.*) Are there regular steamers running between Liverpool and Westport and Liverpool and Sligo?—Yes, there are.

6909. (*Capt. Galton.*) That, you think, would account for the reduction made?—Yes; but the effect upon the Dublin merchant is ruinous.

6910. (*Mr. Ayrton.*) Then the Midland Railway Company must be carrying at very low rates to enable them to deliver goods at Castlebar so cheaply?—They carry at very low rates when they pass through Dublin from Liverpool, and we say that they should carry at proportionately low rates from Dublin, that is to say, if they can afford to carry at low rates through Dublin, they ought to carry at low rates from Dublin direct, in order to give the Dublin merchant the natural advantages of his position, whereas they charge additional rates.

6911. (*Mr. Horsfall.*) Do you know what the freight is from Liverpool to Westport?—No.

6912. (*Mr. Ayrton.*) They must allow the steamboat companies something out of their rate to induce them to take the goods?—Certainly.

6913. What injury does that do to the people at Castlebar?—None whatever.

6914. It must be rather a benefit to them?—Yes.

6915. Why should not the people in Castlebar be as much considered as the people in Dublin?—They are quite entitled to that consideration; but the argument that I use is this, if you can afford to carry from Liverpool and over the railway from Dublin at such a rate, you should carry at a proportionately reduced rate for the shorter distance from Dublin only, whereas they add to it. I may give the Commission another instance. Refined sugar is manufactured to a great extent in Glasgow, that is the great emporium of the manufacture, and that sugar is delivered in Limerick and in Cork, *viâ* Dublin, at the same rate as is charged from Dublin to Cork and to Limerick.

6916. Would not the only effect of the Midland Railway Company raising its rates to a higher standard be to send the traffic all round by sea to Castlebar instead of taking it through Dublin?—Precisely.

6917. Then, in point of fact, Dublin would not be benefited by raising the rate charged?—No. I want a reduction.

6918. Supposing that they think they cannot afford to make a reduction, but, on the contrary, that they must raise the rate, then nobody would be benefited?—No; but I argue that they prove, and they admit, that they can afford to make a reduction, because they carry goods from Liverpool through Dublin at a very low rate, which they would not do, I suppose, except at a profit.

6919. (*Mr. Glyn.*) Are you aware that in many cases the Irish railway companies charge the Great Western and the London and North-western companies what they call local rates upon the Irish portion of the line?—I am not aware of the arrangement that exists between them.

6920. (*Mr. Horsfall.*) Can you state what is the mileage rate on goods from Dublin to any other point?—I will give the Commission one striking instance of that. There is a prosperous mining company in Ireland, of which I am a director, and which raises large quantities of lead and copper ore, and in addition to that we have extensive smelting works for lead in the neighbourhood of Dublin.

6921. (*Capt. Galton.*) Obtained from the Wicklow Mountains?—Yes; and besides this, we are large purchasers of ores in the English market, which is brought to Ireland and smelted at our works. We often have to send considerable quantities of manufactured lead and pig lead to various parts of Ireland, and we send this from Dublin to Belfast for 12*s.* per ton, a distance of 104 miles, which is a penny and three-eighths a ton per mile; but to Newry the charge is 15*s.* per ton, which is but a distance of 69 miles; and it is at that rate, 2*d.* and six-tenths of a penny per ton per mile, which is nearly double the amount charged in the other case, and the reason is that there is steam communication to Belfast, so that they carry to the more distant place at by far a lower rate, nearly at one half.

6922. Is there not also steam communication with Newry?—No; the effect of this is that our company can ship lead to Liverpool and return it by steamer from Liverpool to Newry at a lower rate than the direct carriage by the railway to Newry.

6923. That you cite as an instance of the want of foresight on the part of the railway company in allowing that traffic to escape them?—Yes.

6924. (*Mr. Horsfall.*) While this competition may operate injuriously to you, to other parties it proves beneficial?—Yes; and what I want to advocate is the importance to the commerce of Ireland of a considerable reduction in the rates charged for carriage. A poor country cannot afford to pay the same rates that a wealthier country can; and I do not believe that it would be possible to confer a greater boon upon the people of Ireland than by making a reduction in the rates charged for carriage, and especially for passengers.

6925. Would a reduced rate, in your opinion, materially increase the production of these ores?—No, I do not think it would have much effect in that way.

6926. (*Capt. Galton.*) From your works, is it more convenient for you to put the ores upon the railway than upon a steamboat when you are sending them to Newry?—They are pretty much alike in that respect.

6927. Do you carry the ores to the railway and carry them to the steamboat in your own carts?—We send the ores either to the steamboat or to the railway station, as the case may be, in our own carts.

6928. What quantities do you send?—From one to three and five or seven or ten tons, according to the order received. Sometimes pig lead is sent in very considerable quantities, from 10 to 30 tons.

6929. Do you send it in larger quantities to Belfast than you do to Newry?—I cannot answer that question from memory.

6930. (*Mr. Horsfall.*) Your complaint is, not only that the rates are too high, but that they are unequal?—Precisely so. There is another point that I wish to bring before the notice of the Commission, and that is the importance of a reduction in the rates charged for the carriage of coals into the interior of the country. The greater amount of the fuel consumed in the interior of the country is turf; that in past times was not a costly fuel when the labour of the peasant was only worth 2*d.* or 3*d.* a day; but now that labour has become worth a great deal more, from 1*s.* to 1*s.* 6*d.* a day, turf has become a very costly article of fuel, so that in wet seasons the peasantry suffer very considerably from the want of fuel, and I believe that no greater boon could be conferred upon the peasantry of Ireland than to carry coals from Dublin and other ports into the interior at very low fares; for I know that the consumption of coals in the interior of Ireland has greatly increased. I have acquaintances and friends living in the central parts of Ireland, and I know that 20 years ago the ordinary fuel that was used was the turf of the country; but now, to a great extent, they use coals, and if they could be carried at a farthing a ton per mile instead of a penny a ton per mile, there would be, I am sure, a very great increase in the consumption of coals.

6931. (*Capt. Galton.*) At what price is coal delivered at your works near Dublin?—To the smelting works we cart it entirely from Kingstown.

6932. At what price do you obtain it at Kingstown?—At about 12*s.* a ton.

6933. What distance are your works from Kingstown?—The works are five miles from Kingstown, and it costs us about 3*s.* 6*d* a ton to cart it from Kingstown to the works.

6934. Then when brought to the works it costs you about 15*s.* 6*d.* a ton?—Yes.

6935. At what price would it be delivered at any railway station, from which it might be conveyed into the interior of the country?—I do not quite understand the question.

6936. Is not one of the material requirements as to the coal trade this, that the means of unloading it and placing it on the railways should be much cheapened?—Yes, and that is a matter of great importance.

6937. Would not that have as great an effect in reducing the price for a distance of 50 or 60 miles as reducing the tolls one half?—I think it would. Our mining company possess in the county of Tipperary extensive collieries, which produce anthracite coal, and we have an agreement with the Great Southern and Western Company that they shall carry the coal for a penny a ton per mile for every distance exceeding 30 miles andupwards.

6938. At what price do you get that coal delivered at your smelting works?—It is not used at our works, it is principally used in the interior of the country for lime burning, mostly culm.

6939. At what price is it sold at the pit's mouth?—From 5*s.* to 6*s.* a ton.

6940. Then that could be delivered for a distance of 30 or 40 miles for 9*s.* or 10*s.* a ton?—Yes.

6941. Are these coal mines on a line of railway?—No, they are some miles from it, and the coal has to be carted first to the nearest station of the railway.

6942. What does that cost?—I think that costs about 2*s.* a ton.

6943. How many miles is it to the station?—12 or 13.

6944. It has not been worth your while I presume to make a branch railway?—No, I fear that there is not sufficient traffic to warrant it; the consumption is not very large, and if it were to go any considerable distance we should come into competition with the Welch anthracite coal, which is landed at the ports of Waterford to Cork.

6945. Do you know at what price?—Yes, 6*s.* or 7*s.* a ton.

6946. At a lower rate than you can put your own coal on to the railway, for instance, at Thurles?—No, probably our area of consumption would cover a radius of from 30 to 40 miles round Thurles.

6947. At what price can you put it on to the railway there?—At about 7*s.*

6948. (*Chairman.*) But this coal is not suited for domestic comsumption?—No, it is mostly used for the purpose of burning lime, to manure the land. In illustration of the value of railways for conveying coal into the interior of the country, I may mention that I got only a short time since, from the custom house at Dublin, an account of the imports of coal into Dublin for the three years 1850, 1851, and 1852, and the average amounted to 395,000 tons. For the years 1860, 1861, and 1862, they amounted to an average of 617,000 tons, showing an increase in the course of 10 years of 56 per cent., and this chiefly owing to the facilities afforded for transmission into the interior.

6949. Are you able to state that a large portion of that coal goes into the interior of the country?—I am quite certain of it, speaking from my own knowledge of its consumpton there.

6950. (*Mr. Horsfall.*) At what rate is that coal carried per ton?—A penny a ton per mile.

6951. Do you think that if that rate was reduced to a halfpenny a ton the quantity carried would be doubled?—I believe that it would be enormously increased. It is a very heavy item for distant carriage, a penny a ton per mile on a cheap article like coal.

6952. (*Mr. Ayrton.*) Can you give the Commission any instances to show that the present charges on merchandise repress or prevent traffic being carried on, comparing the value or the market price of goods at one place and another?—No, not within my own knowledge, but I have heard a good deal of it.

6293. (*Chairman.*) Are there any other points connected with Irish railways to which you wish to call the attention of the Commission?—I wish particularly to mention the importance, in a political, in a social, and in a commercial point of view, of a general reduction being made in the fares charged for passengers. I believe that if a very large reduction took place, within a very few years the increase of the traffic would be so great as to bring up the income to an amount greater than the present amount, for, as I have said, a poor country cannot afford to pay rates that a wealthy country can afford to pay, and yet our rates per mile for the first, second, and third class passengers are very similar to those charged in England.

6954. (*Lord Stanley.*) Have you come to any conclusion as to the prospect of such a reduction being remunerative to the railway companies in the long run?—If the reduction made was sufficiently great, I believe that in a very short time the income would exceed the present amount.

6955. What amount of reduction, speaking roughly do you consider would be sufficiently great for that

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purpose ?—I would carry third-class passengers for two-tenths of a penny per mile, second-class passengers for four-tenths of a penny per mile, and first-class passengers for seven-tenths. I would carry third-class passengers five miles for one penny, and second class two and a half miles.

6956. What per-centage of reduction would that be from the present charges ?—I think it would be between a fourth and a fifth of the present rates.

6957. That would be a reduction of 75 per cent.?—Yes, from 75 to 80 per cent., and I believe that that would be more successful than if you took off 25 per cent.

6958. Would there not be an interval of time during during which it would not be remunerative ?—I think it would recoup itself in three years, and probably in half of that time.

6959. But during those three years who do you propose should make up the deficiency ?—I should like to see it made up by the legislature, guaranteeing something like the present income, and if that was done I do not think that a few hundred thousand pounds could be spent in a better way.

6960. Do you consider that it might be made up by a special tax to be levied upon Ireland only, either in the way of income tax or some other mode ?—I should prefer that it should come out of the general funds of the United Kingdom, but I should be willing to have it in the shape of a special tax upon Ireland.

6961. You do not contemplate that England and Scotland should contribute out of their taxes for any loss that might arise from a reduction in the Irish railway fares ?—I believe that England and Scotland would be benefited in a far greater proportion ultimately than they would be taxed.

6962. If they were willing to be taxed for the purpose, why not try the experiment there ?—Ireland is a much poorer country, and therefore the effect would be more striking. England can afford to pay while I do not think the poor people of Ireland can pay. I am persuaded that the true source of profit in Irish railways is to be found among the third-class passengers ; but the directors of Irish railways throw every difficulty they can in the way of conveying third-class passengers. On the Great Southern and Western line there are five trains which leave Dublin daily, carrying first and second class passengers, and the result is, that by those five trains they carried in half a year 148,000 passengers, and the income was 60,900*l.* in round numbers. They run but two trains daily by which they carry third-class passengers, and yet by those two trains, running at most inconvenient hours, they carried 243,000, and the income was nearly 35,000*l.* as against 60,900*l.* derived from the carriage of first and second class passengers in five trains.

6963. I will put this to you :—Suppose the experiment to be tried as you have suggested, and suppose that it answered, in so far as it was a benefit to the country, which it no doubt would be, and that it produced a considerable increase of traffic ; but suppose that that increase of traffic was still not sufficient to make up, or nearly so, the deficiency produced by the reduction that had been made, do you not think that, in that case, there would be a very heavy pressure put upon the State still to continue those low rates, although the railways would be thereby worked at a permanent loss ?—I think that such a pressure, if I can imagine such a contingency occurring, would be put upon the legislature ; but I cannot imagine the possibility of such a contingency in the long run. I should like to mention to the Commission a circumstance which occurred about three years ago, and which I think illustrates this matter. I was travelling with some members of my family from Glengariff in Bantry Bay. I was posting to Cork in the afternoon of a summer's day, and we stopped at Macroom, which is a miserable little town about 24 miles from Cork, to change horses. After leaving the town we met with one of the long cars which are common in the south of Ireland, and this was crowded with passengers. I was astonished to see such a crowd standing round the driver, and I asked our driver the cause of it, and he said that there was an opposition started, and that we should meet in a few minutes another car just as much crowded as the other, and so in fact we did. There were no fewer than 72 passengers coming out from Cork on that summer's evening to Macroom, which of itself was a miserable place, all of them having gone into Cork in the morning, and the driver informed me that before the opposition had been started there had not been a sufficient number of passengers to give profitable employment to one car.

6964. (*Capt. Galton.*) At what rate were they carried?—For 1*s.* for 24 Irish miles, or 30 English miles. Our driver said if any old woman wanted to buy a petticoat, or a man wanted to buy a pair of brogues, they would go into Cork to buy them, as they would have a wider range for selection.

6965. (*Mr. Dalglish.*) Did you make any inquiries as to whether the opposition proved profitable to the car owners?—I only spoke to our driver.

6966. Did you learn from him whether it was successful?—Yes. Every day it was the same.

6967. Was it profitable to the proprietors?—Yes; indeed they could not carry all the persons who applied to be carried. They were carrying the passengers at the rate of about one-third of a penny per mile.

6968. (*Capt. Galton.*) And that was remunerative to the car proprietors?—Yes.

6969. (*Mr. Glyn.*) Does the same system of running cars prevail in other parts of Ireland?—Yes; they are very general over the south and western parts of Ireland.

6970. And also in other parts of Ireland ?—Yes, as far north as Sligo. Mr. Bianconi used to run them, but he was obliged to discontinue them.

6971. He was driven off by the railways, was he not ?—Yes.

6972. (*Mr. Ayrton.*) Is the railway opened yet from Macroom ?—I think not.

6973. (*Lord Stanley.*) In your opinion is not the greater cost of travelling upon some of the Irish railways due to the lines having been made in districts where there is not sufficient traffic to make them remunerative ?—Yes, I think that is the case ; that they pass through districts in which the people cannot afford to use the railways, and I want to have them made cheaper to enable Irishmen to ride rather than to walk ; then I am sure they would use them. I have no doubt that very low rates would induce them to do so.

6974. Is there not a considerable decrease of population still going on throughout the southern and western counties of Ireland ?—Yes ; but still we have a very large population. Although wages are only from 1*s.* to 1*s.* 6*d.* a day, we cannot say that we are deficient in population, and I think that any person visiting Ireland could not fail to be struck in Dublin and in other places by the numerous noble structures which have been erected in the last few years. I mean Roman Catholic places of worship ; and a Roman Catholic gentleman of high authority, and a most intelligent man, informed me that it was not from legacies or donations that these were built, but that the money necessary for their erection had been produced by the penny a week of the poor, and I think that that furnishes an analogy to what you might expect to have on the railways.

6975. (*Mr. Ayrton.*) Do not a great number of people travel third class in Ireland who, in this country, would travel second class ?—There may be some who do so ; but, so far as I have observed, I think the people like generally to associate with about their own class. It is rare that you will see, on the other hand, a second-class passenger go into a first-class carriage, and I do not think, as a rule, except in cases where the circumstances of the parties demand it from them, that you see a person travelling in a class below that to which their natural position would take them.

6976. (*Capt. Galton.*) Why do you think it would be necessary to reduce the first-class fares ?—Because I should like to promote intercourse between the various classes of the people. I believe that that would be socially and politically a great benefit. In various parts of Ireland the populations in small towns are grouped together, and they have little or no intercourse with other places ; whereas I should like to induce and encourage extensive travelling among the upper classes through the most distant parts of the country. If you take Clew Bay, or round about Sligo, there is some of the most beautiful scenery to be found there, and if persons who wished to go to watering places in the summer time could be carried at low fares, I have no doubt that you would find hotels and houses springing up there in abundance.

6977. (*Mr. Ayrton.*) Is there no pleasure traffic in Ireland ?—Very little. The same remark applies to Kinmare and to Bantry Bay; no one goes to those places.

6978. Is it not the custom of the railway companies in Ireland to run excursion trains as they do in England ?—They do occasionally; but I contend that we should have them every day in the year, and then you would have a much larger traffic.

6979. (*Capt. Galton.*) Do you know of any instances in which people travel by car, even where there are railways, because they can go at a cheaper rate ?—I might give a very striking instance. Between Dublin and Kingstown, on one side of the railway, there are omnibuses running every day profitably, I believe, from Dublin to Kingstown in competition with the railway ; by the omnibus the fares are 4*d.* and 6*d.* ; by the railway the fares are 6*d.* and 8*d.* ; that is, for second and third class ; inside the omnibus it is 6*d.*, and outside the omnibus the fare is 4*d.* from Dublin to Kingstown. Then on the other side of the railway there are two steamers plying backwards and forwards at the same rates as those charged by the omnibus, 4*d.* and 6*d.*

6980. May not that be attributed to the fact of the omnibuses running farther into the town, the distance being very short to Kingstown ?—Yes, part of it may be attributable to that.

6981. Do you know of any other instance besides that where there is so large a population all along the road ?—No, I do not.

6982. (*Chairman.*) Do you know of any instance in which goods are sent by car along the road in preference to sending them by railway ?—No, I do not ; but I know of instances of cattle being driven along the road. I heard a gentleman in Dublin, who goes down to visit his farm, which lies in the centre of Ireland, in the County of Westmeath, say that he drives backwards and forwards himself in his own gig instead of taking his gig and horse by the railway.

6983. (*Mr. Horsfall.*) What distance does he drive ?—I think it is about 65 miles.

6984. (*Lord Stanley.*) But is not that a matter of pleasure as much as of economy ?—No ; it was the rate charged that prevented him. He stated that the charge was about 5*l.* backwards and forwards.

6385. (*Mr. Ayrton.*) That would be the charge for his horse and his gig and himself if carried by railway ?—Yes ; and he preferred, instead of paying 5*l.*, to drive down. But he said that he would be quite willing to pay 2*l.* or 3*l.*

6386. Would you have the rates such that it would be more economical for a man to have his horse and his gig and himself carried by railway than to travel by his own horse and gig ?—I think it would be a very great advantage.

6987. (*Chairman.*) Have you anything to add to what you have already stated ?—Yes. A curious circumstance occurred last year, showing the disadvantage under which the peasantry in some parts of the country labour from not being able to bring their produce to market. I am a member of the port of Dublin Corporation, which performs similar duties to those which are performed by the brethren of the Trinity House in England, having the care of the lighthouses and buoys round the coast ; and in going last year round Ireland inspecting the different lighthouses, we put into the little harbour of Killyhegs in Donegal ; the coast-guard officer was invited to dine with us, and it was most amusing to witness the gratification which he showed upon seeing a piece of roast beef. He stated that he had been ringing the changes upon chickens and bacon, and bacon and chickens, for some months past because he could get nothing else.

6988. (*Lord Stanley.*) That is the most out of the way district in Ireland, is it not ?—It is. It is beyond that projecting headland, which is to be seen on the map ; there is a little port inside it, and it is about 30 miles from the nearest railway station, which is to be reached by Ballyshannon over the mountains. This coast-guard officer stated that such was the difficulty in finding a market for the produce of the place, that fowls and chickens of good size were procurable at Killyhegs for 1½*d.* each. We took on board a considerable quantity, and really they were such that with a few days' judicious feeding no gentleman would be ashamed to see them on his table.

6999. (*Mr. Ayrton.*) Would it be an advantage, do you think, to have cheap lines of railway carried to those places ?—I believe it would be a very great advantage ; I wish very strongly to impress upon the Commission the importance of this matter, that if a reduction of the rates and fares be recommended, it should be a very large one, for I believe that the greater the reduction the greater will be the success. I think that that may be illustrated by the penny newspaper, and the penny postage stamp. I think we may also look to the consumption of tobacco, from which we derive nearly 6,000,000*l.* a year. Any person who may look at the entries at the custom house may see entries of cigars ; but it is the hogsheads of tobacco that bring in the greater part of the 6,000,000*l.*, and this is chiefly consumed by the lower classes.

6990. (*Lord Stanley.*) I believe the tobacco duty is the heaviest in our whole tariff ?—Yes. I wish to show that income is derivable from the millions, and that they are the true source of income.

6991. (*Mr. Horsfall.*) Do you mean to say that if the tobacco duty was reduced one-half, the revenue would be the same as it is now ?—I should be afraid to give an opinion upon that.

The witness withdrew.

Mr. JOHN BAGOT examined.

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6992. (*Chairman.*) You are a merchant in Dublin ?—Yes.

6993. Are you prepared to make a statement to the Commission as to the inequalities of the rates and charges on the Irish railways both for goods and passengers ?—Yes.

6994. Will you proceed to do so ?—One thing that we complain very much of as merchants is the great inequality in the charges, and also that the through rates are most injurious to our trade in Dublin ; in fact, the parties can get *viâ* Dublin or through Dublin goods delivered in the inland towns of Ireland as cheap or cheaper than they can get them delivered from Dublin to those towns. We consider that that is most injurious to us, and that it saps and undermines our trade, in fact, we frequently are obliged to send our goods to other ports in England and have them stored there and reshipped in order that they may be delivered to the western parts of Ireland cheaper than we can have them delivered from Dublin. Our direct import trade or foreign trade is undermined. We have to complain of the very high rates that are charged on the railways in connexion with our travellers, they are a great bar to more frequent visits being paid to various towns

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in Ireland; many towns they would visit three, four, and five times more than they do if the railway charges were more moderate than they are. We also have a very serious drawback in not being able to have our customers more frequently up from the country towns to visit us for the purpose of selecting their own goods, to judge for themselves, and to be able to come and return quickly. At the present time, in some cases they are not able to come and return on the same day. A case came under my own notice only the other day; a gentleman engaged in business in Dublin wanted to send a number of men down to Tralee in order to set up a brewery, but they found, when he got as far as Mallow, his men could not get on any further, and they were obliged to lodge in the town, and get on the next day, although there were first-class and second-class trains running from Dublin to Tralee on the same day, yet there were no means for the third-class men to go on, and it was a great loss to the men in consequence.

6995. (*Capt. Galton.*) Could not they have gone on second class rather than bear the expense of their lodgings?—The person to whom I have referred was not aware of it then, and it was too late. I do not think it would have been worth while; they might have got lodgings for 2*s.* or 3*s.* in the town, but the difference between the second-class fare and the third-class fare would have been more than that. This was attended with great delay and inconvenience. Then I may mention that a merchant can get his goods delivered in Carlow, *viâ* Dublin from Liverpool, within a very small sum, as cheaply as we can get them carried from Dublin to Carlow. In fact it only allows for cartage and the sea fare the sum of 2*s.* per ton, so that, in fact, the customers in Carlow, instead of coming to Dublin, are driven away from Dublin, and they go to Liverpool. The Liverpool market may be sometimes a little better for them, but this naturally turns the scale, and they are driven from us to Liverpool.

6996. (*Lord Stanley.*) That is the effect not so much of the railway charges as the nature of the market and the much greater trade that is carried on at Liverpool?—It is entirely the effect of the railway charges.

6997. (*Mr. Ayrton.*) Will you mention the charges upon which your statement is founded?—Indian corn is delivered from Liverpool *viâ* Dublin for 12*s.* into the town of Carlow, whereas the charge from Dublin to Carlow is 10*s.*

6998. (*Chairman.*) What is the freight from Liverpool to Dublin?—About 8*s.*, besides cartage through the city.

6999. (*Mr. Ayrton.*) Can you give one or two other items?—Formerly goods were delivered in the town of Bagnalstown, also in the county of Carlow, and they were delivered from Dublin to Bagnalstown without classification for 7*s.*, but since that time, in consequence of an arbitrary classification, they range from 8*s.* 6*d.* to 18*s* 6*d.*, and the company refused to supply classification lists, and there are no means of checking those bills, so that parties are completely at the mercy of the railway servants. Two days before I left Dublin I sent my clerk to two of the railway companies. I sent him first to the Great Southern and Western, to ask them for a tariff of prices, and I also sent him to the Midland Great Western Railway, which runs to Galway, for a tariff of prices, but they had none; neither of those companies had anything of the kind.

7000. (*Mr. Glyn.*) Have they no published tariff of prices?—No, we never can get proper tariffs of prices, and we are entirely at their mercy as to what they charge. If goods happen to be denominated by different names, they are often charged different prices, for instance, take the case of seed corn; if it is marked "corn" it is charged one price, but if it is marked "seed corn" it is charged a higher price. If it is marked "seeds" it is charged higher again, and it leads to what is not proper, viz., the parties sending seeds into the country mark them all "corn," and in consequence of that they go at a low rate. There is another matter of which we have greatly to complain, the inequality of rates for carrying small parcels. Some railways will not take any package under 56 lbs. weight without denominating it a parcel; some of them now have been taking 28 lbs.; and even within the last few weeks a new light seems to have broken in upon them, for they have reduced that, and the consequence is, that when we get an order for a small parcel of goods, and this applies to gentlemen in the seed trade, who are constantly written to by gentlemen in the country to send them certain portions of seed in a hurry, if the package should be under 56 lbs. it is charged a very high rate for the carriage; if it should be over 56 lbs., then it goes in as luggage, and the consequence is that we are obliged to do this,—if we get an order for a parcel that weighs 42 lbs, or 40 lbs., or 36 lbs., we make it into a package, and we put stones or bricks at the bottom of the package, so as to make it up to 56 lbs., and then it goes for 10*d.* or 1*s.*, or 1*s.* 6*d.*; but if we did not put those stones in it would cost 3*s.* 6*d.*, 4*s.*, or 5*s.*

7001. (*Lord Stanley.*) What is the explanation of that difference in charge?—We never could get any, and we never can, hardly, get any explanation in Ireland; they give us a regular stereotyped answer, that they will take it into their consideration; they say that they must fix the weight at some point. This week I have learned that the Great Southern and Western Company have fixed their weight for packages at 28 lbs., and the Midland Great Western have fixed theirs at 56 lbs. These are are two railways running from Dublin, and they have a different system and different plan altogether; we are not obliged to use so many stones in the case of the Great Southern and Western as in the case of the other railway, and what we should like would be that there should be a proper tariff for the carriage of parcels commencing, say, at 7 lbs. and going on to 14 lbs. and 28 lbs., to be charged according to the distance carried. I should be glad if the system adopted in the case of the penny postage was carried out, so that they would carry for a short distance as for a long distance, or that it might be divided into 50 or 100 miles; but we have never been able to accomplish this; we can get no redress, and they will sometimes hardly listen to us. It would be a great advantage if our customers and the working classes could be brought to Dublin and be taken back again at low rates. I will take, for example, the rate charged upon the London and North-western Railway, and this is what we want in Ireland. A man can go first class from Dublin to Wigan for 6*s.*, that is including the sea fare, 2*s.* 6*d.*, across *viâ* Holyhead; then he can be carried through Chester to Wigan for 6*s.* The consequence of this is, that a number of working people, labourers and harvest men, go in this way; but in Ireland there is no such thing, for our people are shut up in the towns in which they were born, and they cannot get out of them; there they are mixed up, and there are no means of giving them improvement or enlightenment, or the means of earning their livelihood in any way. I made a memorandum in Dublin as to the inequality of the charges made on the same railway; for the sum of 5*d.* they carry for a distance of 25 miles a certain article of commerce, and they charge 5*d.* for 36 miles, and they charge 5*d.* for 51 miles, on the same railway.

7002. (*Capt. Galton.*) Do you mean on the same part of the railway?—Yes.

7003. At what places are these charges made?—From Newbridge 25 miles; from Maryboro' 51 miles; from Monastereven 36 miles; for a certain article of commerce they charge the same rate. I am now referring to a large soda water manufacturer, and this is the charge for a hamper of soda water.

7004. Would not the effect of that be, that the soda water would be sold at the same price at the different places?—It is a great drawback to trade, and the object of this is to show the inequality

of the charges upon the same railway for the same goods.

7005. Is not the effect with regard to the soda water this, that each retailer of the soda water who has it sent to him at the same price gets the same profit out of it at each place?—The price is fixed; there is no rule as to profit.

7006. The soda water is delivered at the same price at the three places?—Yes.

7007. If the railway company can afford to carry it at that price, the man who lives farthest off receives it for the same charge?—No; the three towns pay different rates of tariff for the same article.

7008. Different rates per mile?—For the same sum they will deliver a certain parcel, carried 51 miles for 5*d.*, also for 25 miles for 5*d.*, and also for 36 miles.

7009. Just as the post office will carry your letters?—Yes.

7010. (*Mr. Ayrton.*) And that is the system which I think you said you desired to see established?—One of the things that I understood this Commission required me to show was the inequality of the charges upon various kinds of goods; what use they may make of it, it is not for me to say.

7011. (*Chairman.*) I understood you to say that you were in favour of the adoption of the same system as to parcels carried by railway as that which is in force at the Post Office?—Yes, decidedly; but railway parcels come under the head of merchandise.

7012. (*Mr. Horsfall.*) Are you aware whether any of the Irish railway companies give a preference to particular parties?—I have heard that they do, and I think that is one of the reasons why they will not give a published tariff of prices; any person going and speaking to them, and making an interest with them, can often get things carred at a certain rate, and if he has a larger quantity of goods to send than another, he may be able to make a special bargain. What we desire is, to have a published tariff of charges.

7013. (*Lord Stanley.*) Do you think there is anything unfair in the same rule being adopted in railway matters that is adopted in other transactions, that the wholesale dealing should be done at a cheaper rate than a retail?—I do not think it ought to be so in railway carriage.

7014. Do you think that, in matters of trade, any customer who comes to buy a few ounces of sugar would have a right to complain because he or she paid for it at a higher rate than the man who purchased a hundredweight?—I think that if a man comes to buy a chest of tea, he should get it as cheap by the chest as if he bought six chests.

7015. (*Mr. Ayrton.*) Do you think that a man who sends a parcel has a right to have it carried at the same rate as the man who sends a whole truck load?—No. I do not indeed. What we want is a moderate rate for parcels to be settled according to weight, beginning at 7 lbs. and going on to 14 lbs. Of course they could not deliver a parcel weighing 7 lbs. at the same proportionate rate as a ton weight of pig iron, but we complain of the inequality, and the difference in the charges upon various lines. Then again we complain very much of the break in the railways; for example, if we want to go to Derry we must go over four lines, and sometimes the trains do not meet, and then you are left there for the night.

7016. (*Mr. Ayrton.*) Have you reason to believe that persons, under precisely the same conditions as to distance and quantity of goods, do by favouritism or intrigue get their goods conveyed at rates more favourable to them than other persons?—I should not like to go so far as that, but I believe that there are special bargains made with some parties, which I think is unfair to us traders. I think that there should be a tariff for every man to look to, whether he knows his business or does not, whether he is a stranger or any one else.

7017. (*Mr. Horsfall.*) You have spoken of the hardship upon parties who employ travellers to go round particular districts. Do not the railway companies issue contract tickets for six months or a year?—It is very seldom, because the rates are so much; the amount is so large, and so much out of the way. I remember the case of a gentleman who wanted some time ago to obtain a yearly ticket to take him to Athlone, and I think he was asked 72*l.* for it. Supposing that he went every day, except Sundays, he might pay a comparatively small sum for each trip, but he could not afford to pay 72*l.* out of his pocket. We think that if the railway fares were reduced it would materially add to our business, and bring us much more in contact with our customers; and I have no hesitation in saying that the revenue, in the end, would not fall off; it might at first, but it would very soon be brought up.

7018. (*Mr. Ayrton.*) Can you give any other instance, besides the single one you have already given, of Indian corn being conveyed to Carlow, the rates from Liverpool being to the same place in Ireland less than from Dublin to that place?—There is a house in Dublin which gets one description of goods carried from Dublin to Cork for 5*s.* 4*d.* per hogshead, and the charge for another description of goods is 10*s.* 11*d.* per hogshead; one article is ginger cordial and the other is ginger wine. There is really no difference in the value, but one has a greater name than the other.

7019. What is the selling price of the article?—Perhaps 5*s.* a gallon each, but one has a nicer name than he other, consequently it comes under a different tariff, although of precisely the same value and weight.

7020. It comes, I suppose, under a different classification?—They put it under a different classification. On some of the short lines near Dublin they have been gradually raising the rates; in fact we pay more now for parcels on the Dublin and Kingstown line; in some cases double.

7021. Is it not the practice on that line to carry all the parcels free?—Yes, small parcels, such as marketing parcels for your own personal use. If you are a yearly subscriber, they will carry your market basket free. Running by the side of this Dublin and Kingstown line, there is a four-horse coach every day, which carries passengers cheaper than the railway; it has been running for two or three years, carrying parcels and passengers.

7022. (*Chairman.*) Does it run frequently in the course of the day?—Yes. It runs right along by the railway. They will carry you outside for 4*d.*, and the railway company charges 6*d.* third class.

7023. (*Mr. Horsfall.*) That coach probably picks up intermediate passengers?—It may get some, but it runs rather too close to the railway, I think, for for them to be of much value or avail. I think it arises altogether from the difference of the fare charged; to the poor people a difference of 2*d.* is a great consideration; they prefer to save the 2*d.*

7024. (*Mr. Glyn.*) What has been the increase in the rates charged between Dublin and Kingstown?—I do not know, but they do not carry much goods.

7025. You said, I think, that they had raised the rates lately?—Yes, but they do not carry many goods, the line is too short.

7026. (*Mr. Ayrton.*) Would you propose that the railway company should be compelled to charge a lower fare than the proprietor of the coach in order to prevent the latter from carrying on his business, or that the Government should make the railway charge less than that charged by the proprietor of the coach, and thus enable the company to stop the man's business?—I think that the general good that would arise from a very serious reduction in the railway fares would completely outbalance any small evil that might be done in other respects. I look upon it as a most popular movement, and that it would be of immense benefit even with regard to the feeling of the people of Ireland towards this country, and towards the Government. I think they would feel that the Government were in fact looking after

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their interests, and were doing a thing that would substantially benefit them. We want them to enable the people to talk of other things than they do, to enable them to be industrious, and enable them to bring their little commodities from one town to another for sale. The article of fish is a very important one, and we want them to be able to carry their fish from the sea ports to all parts of the country inland.

7027. Have you any information to give the Commission to show that anybody is prevented from sending fish into the interior of Ireland?—I have not, except that I heard last week that the rates charged for the carriage of herrings from Arklow is 13*s.* 9*d.* per ton to Dublin.

7028. Does that prevent the people in Dublin from eating herrings?—No, I do not think it does, but we have a very large fishery in Howth. I think that a reduction of the rates charged would cheapen food.

7029. Would the difference in charge be appreciable in the consumption of herrings?—I think it might be; when herrings are put into barrels, they charge 2*s.* 4½*d.* per cask, which is equal to 1*l.* 3*s.* 7*d.* per ton; this is for a distance of 49½ miles. I am a partner in the house of Bagots, Hutton and Co. of Dublin. We are in the wine, spirit, and tea trade. The result of all these railway overcharges and discrepancies, and want of proper legislation is that we are obliged generally to pay half of the carriage on the goods to most of our customers. I dare say that affects our income to the extent of perhaps 200*l.* a year. We are obliged to do that, so as to be able to balance it; it is so enormous that we are obliged to balance it ourselves.

7030. That is in sending goods from Dublin?—Yes.

7031. Which you cannot bring into competition with the dealers in the country towns?—No; we come into competition with men who have more advantages in sending them from Liverpool, because they deliver in many places from Liverpool less than from Dublin.

7032. Can you give the Commission any further information beyond the single item you have given as to the different charges into the interior from Liverpool being less the charges into the interior from Dublin?—I know that the rates short of such places as Cork and Belfast are more than the rates to those towns.

7033. (*Chairman.*) Do you send goods to Cork at a lower rate than they are charged to such places as Templore and Mallow?—Yes, we do.

7034. You send at a lower rate to Cork than to places short of Cork?—Yes, and when we want to send goods to Londonderry and round the north to Belfast, we send them to Liverpool, which is some 120 miles round each way; and we find that we can deliver our goods cheaper at Londonderry by adopting that course than by sending them direct from Dublin.

7035. (*Capt. Galton.*) Are your railway companies aware of that?—They are perfectly aware of it.

7036. (*Mr. Ayrton.*) That is to say, the conveyance by sea is so very much cheaper than the conveyance by land?—We get the goods sent cheaper that way than if we sent them by rail. But I want to take the other ground; it is on account of the high rates on the railways, not the low rates by the steamers. We do not at all enter into competition with the steamers; we complain of high rates on the railways, we make no complaint against the steamers; but on account of the high rates charged on the railways we are obliged to send them round by Liverpool.

7037. (*Capt. Galton.*) You are enabled to do that because of the steamers conveying them at such a very low rate?—No doubt.

7038. (*Mr. Horsfall.*) What is the difference per ton in the two rates?—It varies; sometimes it is 2*s.*, sometimes 3*s.*, sometimes 4*s.*, and sometimes 5*s.*

7039. What is the insurance by water?—It is almost nothing; we insure for 3*s.* per cent. We send goods to Sligo in the same way, and to Ballina. A merchant buying a cargo of seeds or other goods in the Baltic, instead of bringing them to Dublin would bring them to Liverpool for the west of Ireland, and thereby deprive Dublin of a legitimate and fair traffic. We cannot get any orders from those people. We may write or talk to them, but it is of no manner of use.

7040. (*Capt. Galton.*) What is the remedy which you propose for that?—Expressing my own opinion, the remedy that I would propose is, that some great move should be taken by the State, that is, by the Government, in the way of taking possession or controlling the railways, so that the people may travel at about a farthing per mile third class.

7041. (*Lord Stanley.*) Have you at all considered how far that would pay the railway companies?—I can only give my own opinion from being a long resident, that it would pay them very well, judging from other things. I know harvest men are accommodated by cheap trains from Athlone for 2*s.*, whereas before those cheap trains started they always went by the road.

7042. (*Capt. Galton.*) Do you think your customers would all come up to you instead of communicating by letter, provided they could come cheaply?—Much more; they are always anxious to come; we always like to get a knowledge of our customers. We have been dealing with customers for 25 years whom we never saw. A case was given to me by Sir Percy Nugent, who was at one time a member of the House of Commons, and he informed me on the 23rd of June, that having bought 65 head of cattle at the fair of Loughrea, to go to his farm, which was distant between 60 and 70 miles, they were driven along the road. He always drives his cattle along the road instead of sending them by rail, the charge by rail being so high.

7043. Where is his farm?—Multifarnham, near Mullingar.

7044. Did he inform you that he drove them because the charges are so high?—Yes; I told him that I was likely to come to London to give evidence before this Commission, and he gave me that information. I have heard of numbers of cattle being driven alongside railways, actually looking at the railway as they were going along the road.

7045. Did he inform you at what rate it would be worth his while to send them by railway?—No; he told me that it would have cost him 15*l.* 10*s.* if he had sent them by railway, whereas sending them by road it cost him less than half that amount.

7046. (*Mr. Ayrton.*) Then it would require a reduction of 50 per cent. in the rate in order to bring them upon the lines?—I think that less than that would induce them to be sent by the railways. I think the fare is too high. It is so high that they are debarred being sent upon the rail.

7047. Those would be store cattle?—Yes; but they send fat cattle also.

7048. Store cattle do not suffer through being driven along the road?—Not so much as the fat cattle. They send fat cattle a shorter distance, some 15 or 20 miles.

7049. (*Chairman.*) Are you prepared to enter more in detail into the nature of the great movement that you think should be made for a reduction of rates?—No; it being a movement that never has been made, I have no data to go upon. I can merely give my opinion. I can only judge from what I have seen done where people get facilities; and I can reasonably judge from that what we might do if we had the same facilities. We have no experience upon that point, and therefore we can only state what we think likely to take place. I know that gentlemen connected with railways tell you the very reverse of that; they say that if you take off a penny you will not make up a penny, but I differ with them *in toto.*

The witness withdrew.

Mr. JONATHAN PIM called in and examined.

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7050. (*Chairman.*) You are a merchant and manufacturer of Dublin ?—Yes.

7051. Will you state what is the nature of the business which you carry on ?—Our firm are general merchants, but chiefly what are called Manchester warehousemen, both wholesale and retail, and also manufacturers of cotton and linen.

7052. Are you prepared to make any statement to the Commission with respect to the effect of the present rates and charges upon Irish railways ?—I wish merely to state my opinion that a large reduction of fares would be a very great advantage to the country. I do not attach so much importance to the question of charges upon goods as I do to the charges for passenger traffic ; because I do not think it is so likely that there would be an increase in the quantity of goods by the reduction of rates as that there would be an increase in the passenger traffic. I think that there is probably nothing which could be done under present circumstances that would tend so much to the improvement of Ireland in every way as a large reduction in the fares. I have not thought much upon the subject until comparatively lately, because I did not see the practicability of it. I am not a director of a working railway, but I am of a railway which is leased. I do not see how the directors of a railway company can recommend or approve of such a reduction, which I think would diminish the receipts for some considerable time, certainly for two or three years, and probably for four or five years or even more. I think that the receipts would eventually recover, yet I do not feel such confidence of this recovery as would warrant me, as a director, in risking the property of the shareholders.

7053. (*Lord Stanley.*) You do not feel certain that even after a period of four or five years the temporary loss would be fully made up ?—I think it would not. I do not feel that the case is so clear that I should be warranted in risking the property of the shareholders in the experiment.

7054. At the same time you think that a reduction of that kind would be very desirable ?—I do not know anything that would so much, in every way, tend to develop the resources and improve the condition of the country.

7055. Who do you propose should bear that temporary loss ?—The matter is an experiment, and I do not believe the experiment can be tried at any other risk than the risk of the nation generally. Perhaps the question might be asked, why should an experiment be tried for the benefit of Ireland at the risk of the whole nation? That would only arise from the peculiar circumstance that Ireland is so much smaller than Great Britain, that it could be tried at a less expense in Ireland than in Great Britain ; because unquestionably if successful in Ireland it should be extended to Great Britain.

7056. Would you not propose then that any loss to the exchequer should be made up by a special tax levied on Ireland as long as the experiment was confined to Ireland ?—As an Irishman I should be perfectly content that that should be so ; but if you ask me the question as a subject of the Queen, I say, I do not think it would be a fair thing, because I think that the experiment should be tried for the benefit of all, and not merely for the benefit of Ireland.

7057. You do not represent it then as a special benefit to Ireland ; but in that case why should we not try it in England ?—I have no objection to try it in England, provided it should be afterwards extended to Ireland. The only reason why I think it can be tried in Ireland better than in England is, that it can be tried in Ireland at a less expense. I have no objection to its being tried anywhere, because I feel it will be successful anywhere ; and if successful, of course it should be extended to the whole empire.

7058. (*Capt. Galton.*) Do you think, if it were successful in Ireland, that then the English railway companies would adopt it themselves ?—Perhaps so. I repeat, that a large reduction of fares I believe is a matter of great importance. Another matter of great importance is, that there should be such management, however it is to be achieved, as will prevent a want of concert between railway companies.

7059. (*Lord Stanley.*) It has been stated in evidence, that the number of directors of the Irish railway companies is enormous ; that these directors, as a general rule, are paid, and that patronage is so valuable a consideration in a poor country that the companies would not be willing to lose the benefit of that by amalgamating ; do you agree with that evidence ?—I am not prepared to give any opinion upon that subject. I should rather think that railways have not been so much united in Ireland as they have been in England ; for instance, as the North-western, and others in England.

7060. As far as your observation and experience go, do you think there would be any difficulty, in Ireland, in setting aside this system of paid directors of railway companies, and uniting the companies into two or three large companies in the same manner as they have done in England ?—There is a great deal of mutual jealousy that causes a difficulty ; but I do not think the difficulty is by any means insuperable.

7061. (*Mr. Roebuck.*) You do not think that there is much more jealousy between Irishmen than between Englishmen ?—I am hardly capable of forming an opinion upon that subject ; I know there is a great deal of jealousy in Ireland.

7062. (*Mr. Horsfall.*) You have stated that you do not consider it to be of so much importance to have a considerable reduction in the charges upon goods as upon passengers ; why do you come to that conclusion ?—Because I think there is far greater room for an increase in the passenger traffic than there is in the quantity of goods to be carried. There are certain charges upon goods which amount to a prohibition, and they are in fact not carried. The question in that case is whether it would pay to carry them or not.

7063. Take coals, for instance, would not a considerable reduction in the carriage of coals be a great boon to Ireland ?—It would be a benefit, but I do not think it would be anything like the same benefit that a reduction of the fares, which would enable the lower classes to travel upon the railways would be. Connected with the charges there is just one subject I wish to mention. Every body is aware that Ireland is a poorer country than England taken generally, and that the wages of the common labouring classes are lower in Ireland than in England. The charge by the parliamentary trains on railways is the same in Ireland as in England, but compared with the wages of the people, it is certainly higher than in England.

7064. (*Lord Stanley.*) I suppose an Irishman costs as much to carry as an Englishman, does he not ?—I think that either an Irishman or an Englishman can be carried with a profit at much less than the railways now charge. I understand in some cases they carry a ton of coals at ½*d.* per ton per mile, and if human flesh were reduced to the same rate per ton per mile they would be carried very cheaply. I am aware that they do carry harvestmen and other labourers on the Midland Great Western at very low rates. I believe they consider that it pays, but they only carry them under certain circumstances in order to prevent the general public making use of it.

7065. (*Mr. Horsfall.*) Do you not think it of considerable importance that a reduction should take place in the carriage of grain ?—I have not turned my attention so much to the question of goods as to the question of passengers ; it has not engaged my thoughts so much.

7066. (*Mr. Glyn.*) You think there is more likely to be a greater increase in passengers than in goods ?

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—I do; and again, I think passengers are less expensive than goods in many respects; there is a heavy charge for loading and unloading the goods, whereas passengers walk in and walk out without any expense. I think a reduction in the charge for cattle would be of considerable benefit.

7067. (*Mr. Horsfall.*) What reduction would you propose in the rates for passengers?—I thought of a very large reduction, such a reduction as would make the third-class fare $\frac{1}{4}d.$ per mile, the second-class fare $\frac{1}{2}d.$ per mile, and the first-class fare $\frac{3}{4}d.$ per mile. That would be a very large reduction, and perhaps too large.

7068. (*Capt. Galton.*) Is that the relative proportion between the rate of wages in Ireland and England? You said that you thought the charge in Ireland was very much higher in proportion to the rate of wages in England.—I think that if the experiment succeeded in Ireland the charges ought to be reduced on the English lines to about the same rate.

7069. (*Mr. Glyn.*) You think that the experiment could not well be made unless there was such a large reduction as that?—I think the benefit to the country would be greater by a large reduction, and an experiment at that rate is as likely to be as successful as at any other.

7070. How many years do you think it would take to recover the receipts?—I have not thought so much of the question as to how long it would take to recover the receipts as of the benefit to the country that would result from the great increase that would be given to travelling and the means of intercommunication between the different parts of the country. I have been told that it would be recovered within three or four years; I scarcely think that it would. I think it would require the development of the resources of the country, so as to give not only greater facilities, but greater occasion for travelling than exists at present.

7071. You would rather say that it would take ten years than five to recover?—I think I should. The reduction that I suggest to $\frac{1}{4}d.$, $\frac{1}{2}d.$, and $\frac{3}{4}d.$ would be about one-third of the present rates. Adding them together, that makes $1\frac{1}{2}d.$ for three persons. The present rates are about $4\frac{1}{2}d.$ for three persons, taking the first, second, and third classes. In that calculation there is no arrangement for return tickets or excursion trains, or anything of that description, because the prices would be so low that there would be no need of further reduction. I think the want of concert between railway companies is a very serious injury at the present time. I do not pretend to explain how that can be avoided. Of course it can be done by the Government obtaining the railways and managing them, but I think that is liable to some objections. That want of concert affects us in a great many different ways, both as to traders with regard to goods, and as regards passengers. When passengers arrive at the end of one line, they do not find any means of getting on by another, and passengers having arrived in a third-class train find they cannot get on by anything but a first and second class train. Of course the interests of the railway proprietors must be protected, even independently of any great reduction of fares. I think there are two other questions with regard to which Parliament could interfere very properly. One is as regards third-class passengers. I think that every train ought to carry third-class passengers, that is to say, every train the speed of which does not exceed a certain limit, such limit being what might be considered to constitute an express train.

7072. (*Lord Stanley.*) Is that the rule in England or in Scotland?—I am of opinion that such a rule ought to apply to the whole of England, Scotland, and Ireland, that is, that wherever there are first and second class passengers, there ought also to be third class passengers.

7073. Quite irrespective of whether they would pay or not?—I have no doubt that they would pay. We know that upon the Irish railways, take the Great Southern and Western, for instance, the receipts from third-class passengers from two trains a day are greater than the receipts either from the first or second class with five trains a day.

7074. (*Capt. Galton.*) Would you make every train, whether an express train or otherwise, carry third-class passengers?—Every train that is not an express train. I do not know what the speed might be. Every train that did not run over 30 miles an hour.

7075. For a higher rate of speed you would allow the railway companies to charge higher fares?—Where there was a higher rate of speed, I would allow them to have no third-class carriages.

7076. But you would compel them to take third-class passengers by all ordinary trains?—By all ordinary trains third-class passengers should be taken.

7077. Of what railway did you say you were a director?—I am a director of the Dublin and Kingstown; it is not a working line; it is leased.

7078. The whole of the working arrangements of the Dublin and Kingstown are under the control of the Dublin and Wicklow, are they not?—Yes.

7079. (*Chairman.*) Do I understand it to be your opinion that the railways should not be purchased by the Government?—I have not thought much about that. As regards Ireland, when railways were at first projected, I thought it very desirable that they should be made at the expense of the Government under some general system, as was then proposed. If that course had been pursued, I think some of the evils which have since resulted would not have arisen. But I am not prepared to give a decided opinion as to what ought now to be done. It seems to me that arguments might be adduced on both sides. If I am allowed to do so, I should like to read a short passage from an article in the Quarterly Review for 1839, vol. lxiii., upon this subject, which I think predicts the difficulties that have occurred from want of concert just about as well as they could have been described if it had been written after the evils were developed. "If all the great railroads in the "country, instead of being disjointed into separate "interests, belonged to one great body of capitalists, "the latter desideratum, namely, their scientific "management and responsible government, might "be perhaps as perfect as if they were the pro- "perty of the State; but it appears to us that one "might as well expect that our blood, instead of "receiving one noble impulse from the heart, could be "healthily propelled throughout our body by a variety "of little independent zig-zag forwarding authorities "as that the mail and passenger traffic of the United "Kingdom of Great Britain and Ireland can be "successfully transported by a vertebration of rail- "roads, no one bone of which professes even to think "of any broader object, interest, or profit than its own "marrow." That struck me very much as being just the position in which our railways are. I do not blame the railway directors; they naturally think of nothing but what will produce the largest dividend, and unfortunately they are in many cases in Ireland in that state of indebtedness that they cannot, even if they wished it, try the experiment of a reduction of fares, even if they were almost sure of future increase.

7080. (*Mr. Glyn.*) The state of things which exists in England is very much the effect of the amalgamation of the great lines that has taken place, is it not?—I believe so.

7081. Might not the same effect be produced in Ireland if there was a similar system of amalgamation?—There are four lines out of Dublin, and I do not know that there is much necessity for amalgamation among three of them. The Great Southern and Western have almost the whole of the south-west of Ireland, that is, the whole of Munster. There is a line across, which might very well join with it. Then there is the Wicklow branch, the district of which is very slightly separated from the Great Southern and Western. The Western line, which goes to Galway, might also be considered as another; but the northern

lines are divided among a very large number, and there is no union of interests at all among them. The greatest difficulty as regards Dublin arises from the want of concert among the northern lines.

7082. We have been informed that they have made several attempts at amalgamation, and that it has been found nearly impossible to be carried out, either through the directors or some obstacle of that kind ?—I am not aware of any very numerous attempts at amalgamation.

7083. You have heard of some attempt at amalgamation, have you not ; for instance, between Belfast and Dublin ?—Yes ; but I did not take any particular notice of it.

7084. Are you aware that it failed ?—I am quite aware that it failed. As traders, I know we suffer from want of concert.

7085. (*Lord Stanley.*) If there were either two or three great companies, say, for instance, three companies, one taking all Ireland south of the line between Dublin and Galway, the second taking the centre of Ireland from Galway up to Enniskillen, and the third taking all the north, would not that practically meet all requirements for amalgamation ?—It would lessen the present difficulty very much, but still there is difficulty of the same character, though not so great ; for instance, I know that even a short time since the train from Belfast arrived in Dublin just in time to be too late for the train that went to Cork ; so that a passenger could not make the journey in the same day.

7086. Is not that a mere matter of accident, because there could be no object in arranging the trains in that way ?—It is a mere matter of accident, no doubt. Where there are different interests they often pull very badly together.

7087. Do you not think that a great deal of the difficulty which you speak of arises from the fact that railroads have been made in districts where there are not the means of supporting them ?—The only railway company in which I am a proprietor, not considering the Dublin and Kingstown Railway as a railway company, is what I call the Mayo line, which runs from Athlone to Castlebar and Westport ; I forget the name of it. That was made by the promoters with the view of developing the resources of the district. The only reason that I am a proprietor in it is, that having a small property near Westport, I thought I was bound to contribute to that which would be a benefit to us all. There are several other railways of that sort which have been made in Ireland that may, perhaps, not pay in themselves, but which will greatly benefit the country through which they run. If the fares could be reduced they would benefit the country a great deal more.

7088. (*Capt. Galton.*) Would it not be worth the while of the people who were promoting those railways to reduce the fares. If they have made the railways for the public benefit of the country, and they consider that by a reduction of fares the country will be still more benefited, why has it not been worth their while to do so ?—When people have invested their money and are expecting to get a dividend, they can hardly be expected to sweep it away by a reduction of fares which will deprive them of all dividend for five or six years.

7089. Are there any railways in Ireland which pay 4 or 5 per cent.?—I think the last dividend of the Mayo line was about 2½ per cent., but the line is only partially completed, and therefore the dividend cannot be regarded really as a fair test of what it is paying.

7090. (*Mr. Horsfall.*) As a proprietor of that line, would you advocate a reduction of the fares on it looking to your own interests ?—Yes, I think my interests would be eventually served, and I should be very well pleased if the fares were reduced ; at the same time I think the result would be that I should get no dividend at all for several years. There is another difficulty, besides that which I have mentioned before; it is not even the mere absence of dividend, but many of our lines are in a state of considerable indebtedness. In many instances there is a floating debt, and if the directors were to try an experiment of that sort it would frighten many of those people who have lent their money, and the directors would no longer be able to float the debt, so that it is absolutely impossible in many cases, even if the board of directors wished to do it.

7091. It is impossible without giving assistance ?—It is in most cases impossible without assistance. Some companies perhaps could do it. I know the Great Southern and Western could do it. They are a solvent company and well off; and therefore they could do it if they liked but they are not likely to do it because they do not believe it would pay. I was considering what would be a possible reduction. I believe that the whole receipts from railways in Ireland may be taken roughly at a million and a half per annum. Of that, perhaps the fares for passengers might be taken at a million, but if they were reduced according to the proportions I have suggested, namely, a reduction of one third, I think that within one year from the time of the reduction the number of passengers would be doubled, and therefore that the receipts in that case instead of being a million would be 660,000*l.*, speaking in round numbers, and would leave a loss of 330,000*l.* I do not believe it would be possible to expend 330,000*l.* upon an experiment which would be so beneficial as that.

7092. (*Capt. Galton.*) But then this 330,000*l.* is a sum which may occur annually for some years ?—I think it will be a diminishing sum. I do not think it would be entirely made up in the second or third or possibly fifth year, but still it would be a diminishing sum. The receipts of the first two or three years would show the probable result. If it did not show a tendency to recover speedily, I think the experiment would have to be given up. We know the result as regards the Post Office. It was commenced many years ago, it has been a constantly rising amount ever since. I think I have mentioned the subject of a third-class carriage by every train. That is a matter which costs nothing. I think when Parliament has given to a set of separate companies the whole control of the public roads of the country, which, in fact, railways are, that there ought to be some restriction put upon them, and a restriction for the benefit of the poorer classes of the community is one of the most reasonable. There have been some restrictions by the late Acts placed upon the London companies in the shape of being obliged to carry working men at certain hours of the morning and evening at low fares.

7093. There are restrictions already in the shape of maximum fares and Parliamentary trains ?—The Parliamentary train is generally put on at a most inconvenient hour, of course for fear it should be made use of by any except the very lowest class of the population. Railway directors cannot tell the means of the persons who travel. There are persons who struggle with difficulty to keep a good suit of clothes upon their backs, who are little able to bear the expense, and who travel but occasionally. I am confident, if the fares were all reduced, according to the suggestion I have made, the result would be that some who now travel third class would go by the second class, and many who now go by the second class would go by the first class.

7094. (*Mr. Horsfall.*) Have you any complaint to make against the railway companies with regard to terminal charges upon goods ?—I am not aware of any. The great complaint that we have to make is the disadvantage which the Dublin traders are under from the arrangements as regards through rates, by which goods in several cases are carried from Liverpool *viâ* Dublin to an inland town at lower rates than are charged from Dublin to the same place. Sugars, teas, and Manchester goods are carried from Liverpool to Limerick at lower rates than they are taken from Dublin to Limerick. That is a state of things which seems to be unfair, and which I think Parliament might very properly prevent.

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Perhaps I might say in passing, that a trader would scarcely be considered honest who was to make such a difference between his customers. If a man goes into a shop he expects to be put upon the same level with any other person who goes in to pay money. Of course we must expect that companies will manage their railways so as to promote their own interests, but there are certain kinds of competition which such companies ought to be prohibited from entering into. I do not know the rates, but I think that a railway company delivering a chest of tea for 2*s.* 6*d.* from Liverpool to Limerick, and charging 3*s.* from Dublin to Limerick, comes within a competition of the character I have referred to.

7095. (*Lord Stanley.*) Does not a trader make a difference between a customer on a very small scale and a customer on a large scale; does he not charge a lower price on wholesale dealings?—That is not the principle upon which it has gone, because the expense of carrying for 500 miles can never be less than the expense of carrying 400 miles.

7096. (*Chairman.*) Is it a thing which is quite unknown by merchants to sell at a lower price to persons at a distance, from that which they charge to persons close at hand; are they not in some cases willing to sell on lower terms to persons at a distance in order to get their custom rather than be without it altogether?—That is the case. That has more analogy than the other illustration; that is a case in point.

7097. That is just the same thing which the railway companies are doing?—But that is not the reason the railway companies adopt it.

7098. (*Capt. Galton.*) Do you not consider that is met by the fact that there is an open competition for the purchase of goods, because a person can buy goods from where he likes, whereas there is only one railway, and he must go by that one railway?—That is the case. I think there are modes of competition which are quite lawful for individuals in an open market which are scarcely lawful for a company that gets Parliamentary facilities, and a monopoly, for it is a monopoly in fact. At present the labouring classes do not travel by railway because it is cheaper for them to walk. I mean to say it is not their practice to travel by railway. When we compare the Irish railways with some other countries in which there are much cheaper fares, I think they would travel by railway much more than they do if the fares were reduced, and that it would be a great benefit to the country that they should do so.

7099. (*Chairman.*) Are there any other matters to which you wish to draw the attention of the Commission?—No. I do not think it is worth while to go into the question of the overcharging of goods, or to the fact that the charges are to a certain extent a prohibition upon certain goods. I am sure that has been brought before your attention already. The charge for carrying cattle is, in many cases, so high, that people drive the cattle along the road instead of sending them by rail. The charge for carrying horses appears to be very high. I have been told by several gentlemen who wanted their horses carried, that they found it much cheaper to drive them along the road than to send them by rail. I believe the carriage of horses is really an expensive matter for the railway company, therefore I do not think that this is altogether a case in point.

7100. (*Capt. Galton.*) Do dealers send their horses by railway?—I should think not; I think no horses go by railway except gentlemen's horses.

7101. Is that on account of the rate being so high?—Yes. Since I have been in town I have asked my son to write me anything that he thought might be useful, and I have a letter from him, in which he says, "Robinson drives his horse regularly "down to Moate, because the railway charge is "between 4*l.* and 5*l.*; he does this regularly every "year."

7102. What is his occupation?—He is the manager of our Manchester warehouse; he has a small property down at Moate, and spends his vacation there every year.

7103. What you lay stress upon is the reduction of fares, so as to enable the poorer classes to travel?—That is the point I lay most stress upon. A general reduction of fares would be of great value to the country, because it would enable all classes to travel; I believe it would give facilities, and afford accommodation to every class of people in the country, and it would have a great tendency to improve those parts of the country which are now most backward by promoting intercourse with them.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Thursday, 29th June 1865.

PRESENT:

THE RIGHT HON. THE EARL OF DONOUGHMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
J. A. ROEBUCK, ESQ., M.P.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. JOHN BARRINGTON examined.

Mr. J. Barrington.
29th June 1865.

7104. (*Chairman.*) As Lord Mayor of Dublin you presided at a meeting to consider the subject of Irish railways?—Yes; the meeting was convened by myself, on a requisition from the citizens signed by some of the most influential men in Dublin.

7105. Have you paid attention to the question of Irish railways?—I have not given much attention to it, not being a railway director myself; but in my position I have heard a great deal of what has been said about it, and I have a general knowledge of the position of the country with regard to it.

7106. Are you of opinion that any alterations are required in the system pursued by the directors of Irish railways?—I think that some alteration is required, but it is very hard for me to suggest a remedy; the matter seems so complicated, and there are so many points for consideration in it. I was about to remark that the result of the meeting which was held at the Mansion House was the appointment of a committee, which sat at the Commercial Buildings; and a circular was sent to the different towns in Ireland to obtain information from each place as to any complaints that they might have to make against the present railway system. The result was, that 18 letters were received from different parties, a list of which I have here. I have brought all the letters over, in case the Commissioners might wish to look over them, or have any of them read that would throw any light upon this matter.

7107. Have you examined these letters?—I have

read them all, and they consist mostly of complaints as to what the parties consider to be abuses in the system. Some complain of high rates, and others that no attention is paid to their goods; and various complaints of that kind are made.

7108. Can you mention to the Commission any abuses that are within your own knowledge?—Looking generally through the country, I think there is not sufficient inducement held out to the labouring classes to go about. I think the fares are too high. An experiment was tried in the last week or two, on the Midland Great Western line, of running an excursion train at a very low figure for third-class passengers, and the result was a very large increase in the receipts, as much as 1,000*l.*; and it gave great satisfaction to the people who went by it. The train went through Connemara, and back by Castlebar, and in that direction.

7109. Was there an increase in the receipts to the extent of 1,000*l.*?—Yes; it was one of the directors of the Midland Great Western Railway who told me so, Sir Percy Nugent.

7110. Do you know what reduction was made on the fares previously charged;—There were return tickets issued at single fares, I believe, but I cannot speak positively to that, because it included Bianconi's car to bring the people from Galway through Connemara round through Westport and back by Castlebar.

7111. What class of persons travelled by the excursion trains?—The artizan class chiefly. The objection which the railway companies had to carrying people at these low fares was, that they thought the better classes would avail themselves of them and not travel first and second class.

7112. Do you know what the result has been?—This was the first time that it was tried.

7113. I mean as to persons in the superior ranks of life availing themselves of very low fares and travelling third class?—I do not think that they would do that. I think that they prefer not to mix with third-class passengers.

7114. (*Mr. Roebuck.*) Can you suggest any reason why the rich should not enjoy the benefit of the low fares?—No; but the directors want to keep up the income of the railway. I think it is false economy; I think they should have given more facilities.

7115. I think that you stated that the income of the railway was increased?—Yes; they find now by experiment that it has had a beneficial result, and in fact the system pursued on the Midland Great Western line has been completely altered lately; it has got into different hands, and there is considerable excitement about a reduction of fares, and they are now trying it. Whether they have been driven to it by the action of this Commission, I do not know, but they are evidently trying to improve matters.

7116. Do you know of any reason why a rich man should not travel at a cheap rate?—I do not think there is any reason why he should not if he chooses to go along with the others. I do not see why he should not, for he is only a man all the time; but I do not think it is likely they would do it.

7117. (*Chairman.*) Is that the only railway on which these cheap excursion trains have been organized?—They are running excursion trains for the Exhibition on the Great Southern and Western line.

7118. At low fares?—I think at a single fare, return tickets. Mr. Haughton, the chairman, told me the other day that they had rather lost by it. Whether the season had not rightly opened, I do not know, but they intended to try it again.

7119. (*Mr. Glyn.*) What reduction did they make from the ordinary rate charged?—The usual thing is a return ticket for a single fare.

7120. That is half?—Yes.

7121. (*Mr. Ayrton.*) Is there any difficulty in organizing excursion trains in Ireland from a want of conveniences and facilities for the amusement and entertainment of the people at the places to which the excursions might be made, as compared with what you see in England?—I do not think there is. There are certain parts to which the railway communication is not yet complete, and where cars work in connexion with the railways, such as those excursions which I have mentioned round through Connemara.

7122. Is there the same provision in the way of hotels and places of entertainment where people can find every convenience and accommodation if they go on an excursion?—At Killarney there is very good accommodation. Connemara is in the far west, and is not so well supplied with hotels and accommodation of that kind.

7123. Is it difficult to get anything to eat in Connemara?—No, there is plenty to eat there; they have improved the hotel in Clifton. It is six or eight years since I was in the west; but I have heard that the accommodation now is on a better footing. If your Grace would like to look at this list of these letters I will hand it in, and I will leave the letters with the secretary. (*The same was handed in, headed,* "Irish Railway Reform Movement. State-" ment, as submitted by the Right Hon. the Lord " Mayor of Dublin to the Royal Commissioners on " Railways, showing cause of complaints on Irish " lines."—*Vide* Appendix AM.)

7124. Have you observed any statements in the letters upon which you think you could furnish the Commission with any explanations of your own?—I do not think there are; they are nearly all complaints of overcharges, which I presume the other witnesses examined have spoken of.

7125. (*Capt. Galton.*) You mean complaints of charges which the parties consider excessive?—Yes; and this system militates against the shopkeeper in the country in this way, that parties living in the neighbourhood round these country towns find it more advantageous to go and buy direct in Dublin than to deal in the country towns for goods.

7126. It is therefore an advantage for Dublin?—In some cases it is, and many people go up; but it is the destruction of the small shopkeeper; the difference of freight very often makes his fair profit.

7127. The person who buys in Dublin has to pay for the carriage of the goods down?—No; they bring them down with them.

7128. They have to go by the train with their goods, and their own fare has to be added to the expense?—Yes; but they may be in Dublin on other business; this is an idea only of my own.

7129. (*Mr. Ayrton.*) Do you think that any system would prevent people, who are casually in Dublin, from availing themselves of the larger market in Dublin rather than deal with the small local shopkeepers?—I think that if the local shopkeepers could get the goods down at a low price so as at all to compete with the price in Dublin, the people there would deal with them; but if the local shopkeeper has to put on an extra profit, then he shuts himself out from the local market.

7130. Do you not think that these purchases in Dublin result from a person having a larger market to go to, and a better choice, instead of going to a small country shopkeeper who has but a very small stock, and very often sells a doubtful article?—I think it is so.

7131. (*Lord Donoughmore.*) I believe you carry on business in Dublin?—Yes, I am a soap manufacturer.

7132. I suppose you send your products all over the country?—Yes.

7133. Do you find in consequence of the different rates charged between Liverpool or other towns in England and the towns in Ireland, as compared with the rates between different towns in Ireland, that you are put to a disadvantage?—Yes, particularly as to Sligo. We have been obliged to ship goods over to Liverpool, and then they are taken round by sea to Sligo.

7134. You find that it is cheaper to send them by that route than to send them direct from Dublin to Sligo by railway?—Yes. The result is that we do send them now by railway as it is completed; but we

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have to allow the shopkeepers their 10*s.* upon a ton of soap, which is nearly half our profit. The shopkeeper says, if you send the soap to me the other way the freight is so much less that we have to cut down that 10*s.* to compete with the Liverpool manufacturer.

7135. (*Lord Stanley.*) What is the relative cost of sending your goods from Liverpool and from Dublin to Sligo?—I do not know the charges; but I made an inquiry of my clerk just before I left town, about a month ago, as to what the practice of the house now was, and he said, "Previously, when I used to attend "to the business, we invariably sent them round by "Liverpool to Sligo." Then I said, "Is that practice "continued now?" He said, "No, they send them "direct now; but we have to allow the party the "difference represented by the extra charge, which is "equal to about 10*s.* a ton."

7136. How do the goods go from Liverpool to Sligo, by water or through Dublin?—No, not at all that way. They go round the coast; and they go that way to Ballina likewise.

7137. (*Mr. Ayrton.*) If the conveyance by sea is cheaper than the conveyance by land, what are you to do; how can you get over that natural difficulty?—I do not know, except by lowering the land carriage. I think the land carriage is too high; but still the railway companies say it will not pay to charge less. But they have not tried it, to see whether it would not lead to bringing an extra quantity of goods across.

7138. Suppose the rates to be lowered, would you send any greatly increased quantity of soap?—Decidedly, because there are a number of parties in Sligo still who deal directly with Liverpool, and if we could undersell the Liverpool men by 5*s.* a ton, we should get the preference; but the price of the article is brought down so low now that it is just a question whether we lose the profit; 5*s.* a ton just turns the market.

7139. Is not that the result of natural circumstances, that one manufacturer is in one port and another manufacturer in another, and the freight from one port is lower than the freight from the other?—Yes; but I think it injures the Dublin manufacturer.

7140. You can send your soap by sea from Dublin to Sligo, can you not?—No; there are no vessels for the purpose.

7141. That is a natural difficulty in trade, is it not?—I know that the Dublin people feel it very much as a difficulty, and as to a remedy for it, it is just a question whether, even if the fares were lowered on the railway, it would bring trade direct to Dublin, I think it would.

7142. It would be profitable to the railway companies, you think, to lower the rates?—I think they would have more to do if they did so.

7143. That being so, why cannot you make them understand that?—We have written frequently to the chairmen of these boards. I have written frequently to the directors of the Great Southern and Western line as to a lower tariff instead of the higher charges from Dublin to Cork, to enable us to compete with the Liverpool men, but they will not consent to it. The chairman stated that he should have to alter the whole tariff if he lowered the rate in one case, and the Liverpool people would cry out against him.

7144. You cannot persuade the railway directors that it would be a profitable thing for them to do?—I cannot; they will not yield; we could supply the Cork market with soap if they lowered the carriage of soap one-half. There again it is a matter of profit on the article, which is so very small.

7145. In Cork what is the competition against the railway that prevents your sending your soap by the railway; is it the sea carriage from Dublin to Cork?—Yes; and from Liverpool to Cork.

7146. They can get it cheaper at Cork by having it brought round by sea from Liverpool?—The Liverpool parties can supply Cork with soap cheaper than the Dublin people can.

7147. That is to say, the freights from Liverpool to Cork are cheaper than from Dublin to Cork?—Yes. I have a table here which Alderman Mackie sent to me, showing the through rates from different towns in England to different towns in Ireland, showing the various relations of one to the other, and how they affect his trade. He is a seed merchant, and he intended to have accompanied me over to have given his evidence; but just as I was starting his young man came and handed this to me on board the steamer, but without any explanation. It is a very interesting table, and I dare say the Commissioners would like to look over it (*handing in the same. Vide* Appendix AN.)

7148. (*Capt. Galton.*) Do you consider that these various grievances which you have been detailing are sufficiently important to call for the intervention of the Government?—I think they are.

7149. In what way would you have that intervention exercised?—I think, with many others, that at the present time there is not a cordial understanding on the railway boards. For example there is the Waterford and Limerick Railway, and there is the Great Southern and Western Railway; they do not pull well together, and the result is that a passenger leaving Limerick for Dublin in the morning cannot return again on the same day. Then some of the northern railways do not pull well together, as I understand; and it struck me that if this Commission were to suggest that a committee should sit in Dublin or in Ireland, and go through the country and see the real position of the railway systems, some good might result from it. I think they might sit in Dublin.

7150. (*Mr. Roebuck.*) Could not all that knowledge be acquired by sitting in England? All we want to know is, the different rates charged on the different railways, and cannot that information be obtained through the railway companies without gentlemen sitting in Dublin?—I think that the fact of the Commissioners sitting in the country, or in the capital of the country, would make an impression on the minds of the inhabitants that the people here are perfectly alive to the state of the case. The people get quite excited, and if the Commissioners sat in Dublin the witnesses would be under examination on the spot, and they would begin to see probably that they had been going astray, and they would have to come to some understanding with one another.

7151. Do you think that there would be any difference in an examination carried on in Dublin and in London?—I do not think there would be, so far as that goes, but I think you could get much more evidence there than in London.

7152. But not better evidence; and the question is, whether the Commissioners are not able to obtain all the evidence they require by sitting here?—I have been speaking to a good many persons in Dublin upon this subject, who have more experience on the matter than I have, and they seem to think that it would be a good move to make and a beneficial one.

7153. Might not other people at Liverpool, for instance, say exactly the same thing, that they wanted a commission to come down to Liverpool; you want one in Dublin, and why should not they say the same thing at Liverpool?—I think there is a difference between the two things. I think that the Liverpool people are not in the same position as we are. I do not think that the railways in England have the same faults in them as they have in Ireland.

7154. Just as many claims are forwarded to the Government from Liverpool as from Dublin, but commissioners are not sent down to Liverpool to make inquiries?—My own opinion as to the Irish people, knowing as I do their habits and their feelings in every way, is that a commission sitting in Dublin, inquiring into the railway system pursued in Ireland, would have a very beneficial effect in the country; it would show the country that the English Government were exerting themselves to remedy the evils

which exist; and I may just mention to the Commissioners that the feeling over in Dublin, with regard to this inquiry, is this—they say, "Oh, it will end in "nothing; the Commissioners will just bring up a "report and it will end in nothing; what is the use "of our going over to England to give evidence, "there will be nothing done."

7155. Might not the result be the same if the Commissioners sat in Dublin?—I think that you would get a great deal more evidence in Dublin as to the position of things. I think it is just the same as if a man wants to improve his estate; if he goes down and walks over it and examines the people who are living upon it, and comes in contact with them, he is a great deal more likely to find out the defects which exist upon that estate than if he held a court in London and heard it all through an agent.

7156. But this Commission hears evidence from Ireland; everyone who chooses to come is at liberty to come; the Commissioners are willing to hear them. If the evidence is worth anything it will come, as we have already had it, from Ireland, and the habits of the people, I take it, have nothing to do with the matter, or nothing more than could be explained by the evidence. How do the habits of the people affect the evidence?—I think it would be looked upon as a kindly move on the part of the Government towards Ireland, and the feeling would be reciprocated, and they would exert themselves to meet the views of the Government in every way and try to remedy the evil.

7157. Has not the Government evinced such a feeling by appointing this Commission to inquire into the state of the Irish railways?—Yes, to a certain extent it has, and to a certain extent it has been responded to by the people in Dublin. They have called a meeting, and they have got together such witnesses as they could, and they have sent them over to be examined, as you have seen, from the meeting that was held, but it would be carried to a greater extent than that, and in a beneficial way.

7158. In what way would it be beneficial?—I do think that the mere sitting of a committee in Dublin would remedy the thing; I think that the committee should have delegates appointed, in order to go through the different parts of the country, and draw up a report to be aftewards considered by the committee sitting in Dublin.

7159. You would have a roving commission over the whole country?—To certain parts of it.

7160. Do you not think that the people of England would be inclined to demand the same thing, and why should there not be an inquiry about Northumberland in the same way, and why should not a roving commission be sent there as you would propose from Dublin to Castlebar?—I think that if the Government had any serious intention of carrying out great railway reforms in Ireland, such as purchasing up some of the railways or lending money at a very low rate of interest with the view of reducing the fares and charges, it would be absolutely necessary, before they did that, that they should inquire more minutely into the state of the case in Ireland, and I think that naturally they would send delegates throughout the country to obtain information.

7161. How do you know that this Commission are not inquiring minutely into the whole subject at this moment?—I do not know. You may be doing so. I merely throw out these views as resulting from my knowledge of the country, and what I believe to be the feeling of the people in Ireland as to the Commission sitting here.

7162. (*Capt. Galton.*) You did not say, I think, that you thought it desirable the Government should interfere much in the railways?—I think that in the case of some of the railways it would be very beneficial.

7163. I understood you to say that all you thought it desirable to do at present was, that this Commission should pursue further inquiries, but do you consider it desirable that the Government should lend their money to the Irish railway companies?—Yes, with a view to taking some steps to buy up some of the railways, or of lending them money at a very low rate of interest.

7164. (*Mr. Ayrton.*) In your communications with persons at public meetings, have you gathered that there is any definite desire on the part of the community that the Government should do anything in regard to the Irish railways?—I think there is a general feeling throughout the country that the railway directors are not liberal enough with the public.

7165. Have you ascertained whether there is any precise or definite wish on the part of the community in Ireland that the Government should do anything whatever as to the Irish railways?—I think there is a large section of the inhabitants who have expressed their opinions that it is necessary. On the other hand, I have met with a great number of those who are chiefly composed of directors of these lines of railway and of their friends, who would rather take the other course, that is, who are opposed to Government interference, and who think that such a step would interfere to a certain extent with private rights.

7166. What is the definite wish or the purpose of those who wish the Government to interfere? what is it that the Government are to do?—I have not heard them state or point out any very clear plan; in fact, I do not think that they see clearly what course the Government are to take. Mr. Galt has written a book on railways, and he has spoken at the meetings which have been held, but his views have been laughed at a great deal. His idea of travelling so cheap, and of treating a human being like a letter and transporting him along like a letter, has been laughed at; but there are many persons who go a good way along with him in thinking that the Government, by purchasing up the railways at a certain rent, might be doing something that would be very beneficial to the people by reducing the fares. And supposing that the Government lost by the transaction they might put a tax upon the country in the shape of a penny in the pound on the income tax so as to make up the difference; people think that that would not be felt all over the country.

7167. (*Mr. Roebuck.*) Do you mean confining that tax to Ireland?—Yes, that is one of those propositions that I have heard advanced by some people.

7168. (*Mr. Ayrton.*) Among the community or the persons with whom you have associated in connexion with this agitation have you found that proposition has met with general approbation and assent?—I have heard them speaking about it, and some very wise heads, or people who are considered to be very clever, have said that they thought it could never be carried out, but I do not myself think that it is impracticable.

7169. But it has not received general assent, or can you put it before the Commission as a proposition that meets with general approval in Ireland?—That really I could not give an answer to; I have no means of telling. I have never asked the question of a sufficient number of people, and received replies to enable me to answer the question. I have never called a meeting and submitted a resolution to it, saying, "Are you prepared to assent to such a system "being carried out, and as many as wish for it will "say Aye." That has never been tried. However, I know many who think that it is feasible, but there are others who see great difficulties in the way.

7170. May I take it that you have not matured any plan that you wish to submit to the Commission?—Yes; I have never gone into the figures sufficiently to be able to suggest any plan.

7171. (*Mr. Horsfall.*) Although you state that you have not ascertained the opinions [illegible] would the plan you have just sugges[ted] opinion be generally acceptable?—I t[hink] if the present owners of the propert[y] no loss when the matter was adj[usted]

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many proprietors in some of the lines of railway who would not be satisfied to sell the lines at the present price of the shares; they think they will improve very soon.

7172. (*Lord Donoughmore.*) With respect to the proposed additional penny in the pound upon the income tax, I suppose you pay income tax under Schedule D. ?—I pay income tax on the profits made in my business.

7173. How would you like to have to pay an additional penny in the pound ?—I do not think I should mind it at all. I think that the benefit to the country should be looked at; the people being able to travel for two-thirds or one half of the present rates all through the country, and goods being carried at similarly low rates.

7174. Do you think that the increase in your business, from the greater facility which would be afforded, could be such as to recompense you for the additional penny in the pound you would have to pay ?—I think it would.

7175. How do you think that such an additional charge would be received by the owners of landed property; what would they say to it ?—Unless they could see clearly that it would bring them higher rents for their houses and for their land I do not think they would like it much, because they are not in business and would not profit as manufacturers would.

7176. I will take the case of Lord Pembroke, who is the owner of considerable landed property in Dublin; how do you think that he would like to have to pay an additional penny in the pound for this purpose; what benefit would he derive in return for it ?—I think he would hesitate before he would pay it. I think it is a nice question to look forward to see how it would benefit his property, but the country might be so improved, and the population might come back to it again, and there might be a demand for the houses in Dublin, where his property is, and they might fetch a higher rent than they do now, and there might be a greater demand for building ground from the increase of the population and the increased prosperity of the country; it is just a matter of calculation.

7177. (*Lord Stanley.*) I suppose you calculate upon the deficit to be made up in that way being only temporary, that is to say, you would not consider it fair, I presume, that passengers and goods should be permanently conveyed below a fair remunerating price, and the difference to be made up at the cost of the public ?—I look at it in this light, that after a time the increase of traffic upon the lines would be such that the penny in the pound would cease to be levied upon the country, but that for a time it would be required.

7178. (*Lord Donoughmore.*) Would not that be a tax upon the general community for the benefit of the merchants and traders, or are they not the class who would be principally benefited by the proposed reduction of the rates charged upon railways ?—In my opinion the whole community would in fact receive a benefit from it; they would be enabled to travel about. I often have to go down to collect some rents from a small property of mine in Kildare, and if I could go up and down for half the fare, and I calculated all the money that I should save, I believe it would amount to a great part of the increased income tax that I should have to pay. But still I consider that we must look to what would be for the good of the whole country in such a movement as this; it is very difficult to legislate for the mass of the people without injuring, to a certain extent, a certain class.

7179. (*Mr. Roebuck.*) Will you be good enough to read that resolution (*handing the same to the witness*), and state what you think would be the result if you put it to a public meeting in Dublin ?—[illegible] railways of Ireland be bought by the [illegible]t, and if any loss arise from such acqui[illegible]ss to be repaid to the Government by [illegible]ax on income; such tax to be imposed "on the people of Ireland alone." I think it would be necessary, in order to carry that at any meeting, there should be a little addition made to it in this shape :—"That the railways of Ireland be bought by "the Government with a view to lowering the rates "from the present day one third or one half, &c." I think that that would be carried; but I do not believe they would consent to it, unless they had something in exchange for their increased income tax.

7180. (*Sir R. Hill.*) Have not the landowners of Ireland benefited largely by the construction of railways ?—I think that the whole country has been benefited.

7181. Would not that benefit be extended by a large reduction in the rates charged upon the railways ?—I think so.

7182. Supposing the rates to be lowered, would not all classes derive an immediate advantage from that lowering of the rates ?—I think so.

7183. Would they not, in addition to that, derive a further advantage from the improvement that would take place in trade, and from the increased value of land ?—I think so; and that is my reason for believing that the resolution, with my little amendment, would be passed in a meeting of the people of Ireland if it were put and thoroughly explained to them.

7184. That is to say, if they believed that the purchase of the railways by the Government would lead to an extensive reduction of the rates of charge ?—Yes.

7185. (*Lord Donoughmore.*) How would such a reduction in the rates of charge benefit the landowner whose land was let on long leases—he could not raise his rents ?—I think that the head landlord would have to wait until the lease was out before he could raise the rent.

7186. Do you not observe that in the meantime he would still have to pay the increased income tax ?—Yes. There are but few noblemen in the country, or landowners, who have all their estates set on long leases, and they would get plenty of their land relet at higher rates, owing to an improved railway system, and that would compensate them; and as the leases fell out in other places they could raise the rents.

7187. Is not a great deal of the land in Ireland held on perpetuity leases ?—I do not think there is. There may be in the case of building ground, perhaps, in the neighbourhood of Dublin, in fee simple.

7188. The owners of property held on perpetuity leases would be subject to the tax, and they could derive no benefit whatever, because they could not raise their rents ?—That is a nice point.

7189. Is it not a fact ?—It appears that it would be rather an injustice to that class of persons.

7190. (*Sir R. Hill.*) Would not the owners of the land travel upon the railways ?—Yes, they would. I do not think that a person would derive the same benefit who had set his land at a low rate in perpetuity that the landlord would who had not so set his land; but still, personally, he would derive a certain amount of benefit.

7191 (*Lord Donoughmore.*) Supposing him to be an absentee, would he not be equally subject to the proposed tax; and how would he derive the slightest benefit ?—I am very much against all absentees. I would recommend them to live at home, and then they would get the full value of the system. In many cases they would derive no benefit; but if a landlord was anxious for the welfare of the country, and of the people who lived upon his estates, he would look upon this as a national advantage. That is one of the difficulties in the case.

7192. (*Sir R. Hill.*) Does not an absentee landlord require to have a bailiff or some such person present ?—They always have an agent.

7193. Then those agents would derive an advantage ?—Of course they would from lowering the fares.

7194. And from the reduced prices of the articles they consumed ?—Yes.

7195. Also in reduced charges upon cattle carried to or from the estate, and upon the produce of the estate generally ?—Yes.

7196. Indirectly therefore, would not the owner of an estate derive an advantage, although he might be an absentee ?—He would no doubt.

7197. (*Mr. Horsfall.*) The landlord would derive a benefit to this extent, that the tenant would be placed in a better position to pay his rent ?—Yes, no doubt he would, and he would feel that his tenant was a sure one ; there are many landlords in Ireland who, I believe, have set their lands to tenants for perpetuity, and the tenants give them up when they find that they cannot make anything out of them, and go off to America : I think that there are such cases, whereas if this scheme was carried out it would not happen, as the tenant would have the advantage of a cheap mode of travelling and a cheap mode of conveying his cattle and bringing them to market.

7198. (*Mr. Ayrton.*) Everybody in Ireland would be benefited, but the persons who had to pay the income tax would pay for that benefit out of their own pockets ?—Just so.

7199. Do you see any particular justice in that ?—I think that if the community at large receives a benefit from the state, it is only fair that they should make a return for it.

7200. But the tax would be imposed on a very limited class in Ireland for the benefit of the whole ?—I think I have already shown that the whole community would receive a benefit; some no doubt more than others.

7201. Do you think that if the whole community, not only those who pay income tax but those who consume whisky, had a per-centage of the tax put upon them, that any ordinary assembly would assent to the proposition that the loss should be distributed over the whole community by direct and indirect taxation ?—I myself prefer indirect taxation ; I would rather not see it at all, but pay it as a matter of course.

7202. What particular benefit is to arise from limiting the charge on the one hand, and of putting it on the community on the other. You first propose to benefit the community by taking 500,000*l.* off the charges they incur in travelling by railway, then you propose to put that 500,000*l.* again on the community in the form of taxation. What would be the particular benefit arising from that ?—I think the great point that we want to arrive at is the thorough development of the railway system in Ireland, so as to make it most advantageous to the people. I hold that a reduction in the fares carried out on the principle that we have been talking of, after a year or two would have the effect of doing away altogether with this extra tax, that it would bring in a sufficient revenue, and in fact prove a benefit instead of a loss, and I say that it is better to take a step to attain that end rather than to do nothing and let things remain as they are.

7203. (*Lord Stanley.*) In the event of your expectation not being realized, and the deficit not being made up, for what period of time would you continue the subsidy to the Irish railways, or would you discontinue it at any rate after a few years ?—I think that if the project is carried out by the Government it will have to be adhered to ; I do not think they could ever go back again. If once they took up the railways they could not go back again to the old system ; that could not be done. I may state that I think there would be one great advantage from the Government taking them up, and which would follow from concentrating the management of the different lines; a great saving would in this way be effected. Just consider the number of different companies which are to be found between Dublin and the Giant's Causeway. I suppose there are 20, and every one of them has a secretary, an assistant-secretary, and a staff of officers in the various towns, and there are the directors to be paid. All these directors have their friends to put in places, and they become a charge on every one of these individual lines. If they were all concentrated in one head establishment I suppose that there would be 50 per cent. of those charges upon the railways saved, which would of course go as a set-off against the apparent loss that might take place.

7204. (*Sir R. Hill.*) If a large reduction in the rates of charge was made, a certain amount of gain would result to the public, first in the shape of reduced payments to the railways, and eventually probably in the shape of more frequent journeys ; a larger quantity of goods would be transmitted by railway : would there be any chance whatever that the loss which would have to be made good from income tax would be as great in amount as the gain to the public ?—I think that the gain to the public would be a great deal more than the loss eventually.

7205. Therefore the case assumed, viz., that a small class of individuals would have to compensate the Government by paying a sum equal to the gain distributed over a larger class, is not a possible case ?—I think not.

7206. (*Mr. Gower.*) How would you deal with new railways, either those in course of construction, or to be made hereafter; would you deal with them in the same way as with the existing railways ?—I think that if the Government took up the railways they would have to make the new ones, and carry them on on the same principle, to make the trade of the country harmonize together.

7207. Supposing additional lines to be made, and there was a loss consequent upon the reduction made in the charges, which was to be made up by income tax, that tax would have to be increased with refer ence to the new lines ?—Of course.

7208. Would not those districts which are already accommodated by railways be adverse to any extension of railways in that or other districts ?—It might so happen that an extension of railways in a district which had already been supplied with railways might improve that district even still more, and much more in my opinion than the amount of any tax they would be obliged to pay. It is a very speculative thing altogether ; but that is my own private opinion about it, looking at the state of the country.

7209. (*Sir R. Hill.*) Railways could not be extended without the consent of Parliament ?—Of course not.

7210. If the extension of railways had the effect of throwing an additional burden on those who contributed to the tax raised for the purpose of indemnifying the Government, would not that furnish a sufficient ground of opposition to the extension of railways ?—I think that when the question arises of making a new railway all these matters must be calculated by the Government, and of course if there was a very great loss anticipated, or they did not think there was a fair chance of its paying in the end, they would not make the line.

7211. Is it desirable in the interests of the public at large that railways which are unremunerative should be constructed ?—I think that in a properly constituted country railways should not be constructed unless they showed a fair likelihood of being remunerative.

7212. (*Mr. Gower.*) Might not a railway be constructed which would be remunerative if the Company was left to charge what fares it liked, but which would not be remunerative if you enforced a reduction of the fares ?—High charges would militate against the trade in the district ; the traffic would not go over the line, and I think it would be a suicidal policy to pursue if the charges were not lowered. I do not think that anyone would travel over the line except those who resided there, and had a local interest in the place, and were obliged to go.

7213. If the alternative was that the district should not have any railway at all, might not the inhabitants be willing to pay high charges rather than not be able to travel at all ?—I think that in such a case I would

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let them take to the road until the country was sufficiently populated to make the railway pay.

7214. (*Sir R. Hill.*) Suppose such a case to arise, might not Parliament make an exception in favour of such railways?—Of course it might, but I think that if they made exceptions in that way it might lead to exceptions being made in other parts of the country, and it would upset the regular uniform traffic throughout the whole.

7215. I will suppose the present railways to come under the arrangement which you have in view; that they are to be bought by the Government, and the fares at present charged greatly reduced. If parties after that should think it desirable to construct a new railway, but were of opinion that it would be unremunerative unless higher charges were made upon it than upon the old lines, would there be anything to prevent Parliament taking that matter into their consideration, and if they were satisfied that the view taken by the projectors was a correct one, allowing that railway to be made with high maximum rates?—That is a question altogether for a Parliamentary committee to decide.

7216. (*Mr. Ayrton.*) Do you think that people would continue to pay taxes on account of the railway charges being reduced all over the country, and at the same time have to pay higher rates upon certain railways? Would it not be very difficult to carry out such a system as that?—I think it would. In legislating you must look to the advantage to be derived by the whole country, you cannot legislate to please all parties.

7217. (*Capt. Galton.*) What is the average fare per mile by the public cars in Ireland, in districts where there are no railways?—I think that Mr. Bianconi has a car running from Galway to Castlebar. The distance is about 40 miles, and I think the fare is 3*s.* 6*d.*, which would be about a penny a mile; it is an outside car.

7218. (*Lord Donoughmore.*) If the Government were to take possession of all the existing railways in Ireland, do not you think it would be necessary almost, for the completion of the scheme, that all future railways should come into the hands of the Government?—I do of course.

7219. Therefore it would scarcely do, when once the change had taken place, and the existing railways were placed in the hands of the Government, for Parliament to give authority to any private speculators to make new railways in the country?—I doubt whether it would, unless it was done on condition that after a certain time they were handed over to the Government to be put under the same system. There might be special legislation to suit a particular locality. In Belgium, I believe, all the railways are under the Government.

7220. (*Sir R. Hill.*) All this would depend upon the will of Parliament, would it not?—Yes.

7221. If Parliament was of opinion that to construct new railways would add to the burden of the Government or to the burden of the payers of income tax in Ireland, they might, if they chose, say these railways shall not be constructed?—They might. There is one matter that I wish particularly to allude to, and that is the high charges for the carriage of coals. Mr. Goodbody, who is a large miller, in the centre of Ireland, in a letter which I have received from him this morning, alludes to it, and, with the permission of the Commission, I will read his letter.

7222. (*Chairman.*) Be so good as to read it.—"I "think that coal, if carried more cheaply, would come "into more general use; the advanced value of labour "makes turf more expensive; and though it would "take some time to change habits, I have no doubt "that coal at ½*d.* per ton per mile would be a fruit-"ful source of revenue."

7223. (*Mr. Glyn.*) From what part of Ireland does he write?—From Clara, which is in the centre of Ireland and within 15 miles of the Shannon.

7224. (*Lord Donoughmore.*) That is in a country full of peat-bogs, is it not?—Yes. He says here that the habits of the people would change, and that they would buy coal, which would induce a large traffic in coals from England, that steam colliers would run from England to Dublin, that coals would be carried right down there, and that such traffic would produce a profitable return to the railways.

7225. (*Mr. Glyn.*) Does he mention the price at which he would wish the coal to be carried down to his station?—He means generally to be carried into the interior of the country. We have coal mines in Ireland; but it is anthracite, which is not suitable for domestic purposes.

7226. (*Lord Donoughmore.*) Do you not think that if coal was carried into Ireland in such quantities as completely to supersede the use of turf, it would deprive a very large class of people of employment, who now earn their living by making and saving turf, and selling it in the different towns?—I scarcely know the amount of the population that is engaged in that occupation; but I think the advantage of getting coal cheaply in the interior of the country would compensate the poor people for that, or that they would obtain employment in other ways.

7227. Do you think it would compensate those who now obtain their livelihood by cutting and saving turf?—I think that generally they would get employment elsewhere; some of them would suffer, no doubt.

7228. (*Mr. Roebuck.*) Is not the objection which is suggested to the introduction of coal the objection that was always made to the introduction of machinery?—Of course it is.

7229. If it has been proved to be futile as against the introduction of machinery, is it not very likely to prove futile in the case referred to?—Of course it is. The fact of getting coal into the interior of the country, and making it available for working machinery, would provide employment for those people much more profitable than that of cutting turf.

7230. (*Capt. Galton.*) Did you not state that one of the reasons why you thought it desirable to introduce coal was that the rate of wages was getting so high that it was no longer remunerative to cut turf?—That is what Mr. Goodbody says; the number of the population that used to cut turf is greatly diminished.

7231. (*Sir R. Hill.*) What is the distance of the place you have named from the nearest port?—About 80 miles; it is about half the width of Ireland.

7232. What is the present charge by railway for the conveyance of coals?—I do not know.

7233. It has been stated to be for a considerable distance about a penny a mile; your own information does not negative that statement?—No; Mr. Goodbody states that it is a penny a ton per mile.

7234. What is the present charge?—I do not know what it is.

7235. Of course any reduction in the railway charges would not affect the price of the coal at the port?—If there was a large demand springing up in the interior of the country for coal, the price would rise a little in the port, but the demand would very soon be supplied by screw steamers, and more collier vessels, and it would soon equalize itself.

7236. A reduction in the railway charges would not lower the price at the port?—I think not.

7237. Therefore the price at which coal would be sold at Clara would be reduced only by the difference of freight between the port and the town?—Just so.

7238. That is to say, about 80 times a halfpenny?—Yes, or 3*s.* 4*d.* a ton.

7239. Do you think that that would very materially increase the consumption of coal?—I think that 3*s.* or 4*s.* a ton is a large thing upon such an article as coal, where the price varies from 15*s.* to 20*s.*; it is about 25 per cent.

7240. Do you think it would bring coal into use in places where turf could be obtained in the neighbourhood?—Mr. Goodbody, who is the owner of large

landed property, seems to think so, and he is a better authority than I am. My opinion is that it is likely it would be so.

7241. (*Capt. Galton.*) Are not the facilities afforded for unloading coal in the port of Dublin very defective? —The port of Dublin is supplied now by colliers.

7242. But I am referring to the means afforded for unloading coal, are not they deficient?—It is done in the old style, filling the coal into bags, and carrying it off on men's shoulders, but there is a movement going on in Dublin, the object of which is to empty the ships by machinery.

7243. Do you think that will save much in the cost of the coal?—It is expected that it will make the price of coal uniform throughout the year. At the present time it varies 6*s.* and 7*s.* a ton, according to whether an easterly wind sets in, and there is a small stock only in the city. There is a monopoly in the hands of some parties, and they raise the price. I have known the price rise from 15*s.* to 20*s.* a ton.

7244. (*Mr. Ayrton.*) We have been told that the arrangements in the port of Dubin are so defective that the price of coal is increased by 3*s.* 4*d.* a ton, between the landing wharf and the railway, and is it not right that that the people of Dublin should exert themselves to reduce that 3*s.* 4*d.* in the price of the coal rather than that it should be contributed by the revenue, while they remain inactive on the subject? —I think that the people in Dublin ought to endeavour to bring coal in as cheaply as possible.

7245. Ought they not to do their share in the work before they call upon the Government to assist them? —We are doing it as fast as we can, but we are a little slow in Dublin, we have not so much public spirit in Dublin as in London.

7246. You are aware I suppose that in most parts of England the railway comes down to the landing place, and that the coal is unshipped at about 2*d.* or 3*d.* a ton?—Yes.

7247. In Dublin it costs about 3*s.* 6*d.*?—Yes, but an Act has been passed during this session to enable the Corporation of Dublin to lay down tramways along the quays which will enable trucks to be run alongside the coal vessels, and the coals will be emptied direct into them. In a few years time I have no doubt that the present system of discharging coals in Dublin will not exist.

7248. Then you will get coal at such a reduced price as to put an end to the use of turf, and stimulate the manufactures of Ireland without looking to the public revenue for assistance?—We shall get it in both ways, we shall have coals cheaper in Dublin, and the people in the interior of the country will also get it.

7249. You say that it will be necessary to effect a reduction of 3*s.* 4*d.* a ton to accomplish these objects, and that you will attain that reduction by the improved arrangements you are making in Dublin?—Yes; but we have not got to that yet; but it would be a great inducement to a poor man to use coal if he could get it for 2*s.* or 3*s.* a ton cheaper.

7250. Will not a man in Clara for instance be in an infinitely better position as to obtaining a supply of coal than a great part of the population in the south of England, when the people of Dublin choose to exert themselves and do what is necessary?—I do not know how the people are supplied in the south of England.

7251. Are not the people in the south of England further from the sources of supply than the people at Clara?—I doubt if they are, and I do not know what the charges for carrying coal over the railways in England are. There are coal mines in the centre of Ireland; but any seaport town can be approached by a vessel coming from Carlisle or from Newcastle.

7252. You have coal close to you on the opposite coast of England?—Yes.

7253. Therefore it could be brought by a short sea voyage, and sent for a distance of 80 miles into the interior; are not those conditions much more favourable for getting a supply of coal than in many parts of the south of England?—I think they are, but in the south of England you have no turf.

7254. That is a further advantage which the people of Ireland enjoy?—Yes; but the poor people in the south of England are better off than the people in the interior of Ireland, and they can afford to pay a higher price for coal, so that it does not come to the same thing; wages are higher, and they are in a better position as inhabitants of the country.

7255. (*Mr. Dalglish.*) Supposing that the Government took over the railways in Ireland, and during the first three years they sustained an average loss of a million per annum, and during the next three years, from increase of traffic on the railways, it turned out that there was no loss at all; would the people of Ireland be content with the railway rates as you would propose to reduce them, or would they not insist upon a further reduction of the rates?—I do not think they would; I think that if the rates were reduced down to what we have been talking about, it would satisfy the people, for it would bring them down as low as in any other country, lower I think than in any country in Europe.

7256. (*Capt. Galton.*) Are you aware that the rates for third-class passengers in India average $\frac{3}{8}$ths of a penny a mile?—No.

7257. (*Chairman.*) I gather from you that it is an opinion very generally entertained in Dublin that it is desirable that this Commission or some of its members should meet in Dublin and elsewhere in Ireland; can you point out any kind of information that could be obtained by going over to Ireland, which we cannot obtain by examining witnesses here?—I think that if the Commission sat in Dublin or in Ireland evidence would come before them which it is not likely will come before them while sitting in London. I think that the Commissioners would be more likely to know the feeling of the people towards the movement by being present among them than by sitting here, by talking with them and coming in contact with them. This very resolution which was put into my hand by a member of the Commission could be spoken about among them.

7258. If the Commission sat there I suppose you would expect them to proceed in the same way as they do here, by examining witnesses?—Of course that would be the way; but what I thought was this, that you could go through the country, or appoint agents to go through the country, and ascertain the feeling of the people in certain districts, and see whether, in the north of Ireland for instance, they would be satisfied if their fares were lowered to what we have been talking about, and whether they would be willing to compensate the Government in the way we have been talking about.

7259. Is there any reason why the witnesses should not come here, and state their opinions in this room? —I do not suppose there is; but I do not think they are so likely to come. As I have explained before, there is a feeling over in Ireland that this Commission will all end in smoke, and there is not that interest felt in it, and they do not feel with regard to it as if it was likely to end in anything. If the sittings of the Commission were held in Dublin, and if the Government were to show the people that they were in earnest, and were going to do something for the railway system, it would be looked upon in a very different light. I say this from my knowledge of the people in general. I know that they look upon the thing in the way I have described.

7260. (*Capt. Galton.*) So far as the facts of the case are concerned, the Commissioners can surely obtain all the facts which they require just as well here as by going over to Ireland?—If you can get the parties to come forward to tell them as well here as in Dublin, of course you can; but I do not believe you will. If you want to legislate for the country, you are more likely to do it satisfactorily in the country and in connexion with the people than when you are away from it.

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7261. (*Mr. Horsfall.*) You do not think that the facts could be better elicited in Dublin than in London, but it is a matter of feeling on the part of the Irish people ?—I think that you would be more likely to get more evidence upon the matter, and you would see exactly the feeling of the people towards it there better than you can here. Another view of the matter is that you might appoint agents to go through the country and hold meetings, and invite people to come, or send special commissions into the north, south, east, and west, and get people to come there and speak about it.

7262. (*Chairman.*) Do you think it necessary to go to Ireland to form an opinion as to whether a reduction of fares would, or would not, be a proper step to take in Ireland ?—My opinion is that it would be a very proper step to take to reduce the fares.

7263. But is it necessary to go to Ireland to form an opinion upon that ?—I do not think it is, as far as that goes, but I think, that in order to form an opinion as to whether it would be wise for the Government to take up the Irish railways and to carry out the scheme which has been suggested, the Commission would find more elements in Ireland to form an opinion upon, by being present in the country than sitting here.

7264. (*Lord Donoughmore.*) The point upon which I suppose you think we could obtain more information in Ireland is the proposed new tax ?—Yes.

7265. You have suggested that public meetings should be held in various parts of the country ?—That is one way of doing it.

7266. Is it not probable that at any public meetings which could be held in any town in Ireland, not 5 per cent. of the persons present would be payers of income tax, or a large proportion of the whole number ?—I think you might say 20 per cent.

7267. Say 20 per cent.; do you not think that the other 80 per cent. would be glad to put the tax upon the 20 per cent. ?—Yes, but I do not think that I would test their sentiments by a show of hands in a public meeting where there was only 20 per cent. of income-tax payers.

7268. (*Mr. Ayrton.*) You would propose that a tax should be put on the people of Ireland to compensate for the loss sustained by the experiment ?—I am in favour of indirect taxation.

7269. What necessity is there for the Commission to go to Ireland; and as to these public meetings cannot they be held in the towns, and resolutions put to see whether the people are desirous that a tax should be levied ?—That is what I have suggested, it could be done in that way. If the Commissioners did not like to go over they could delegate parties to find out the feeling of the people on that point.

7270. Could not the sheriffs convene meetings in the counties, and invite an expression of opinion from the inhabitants upon these points; and would it not be better that that opinion should be given spontaneously without the presence of the Commission ?—You could obtain a very fair idea of it in that way, but still a meeting of the Commission in Ireland would be a popular thing; it would carry the people more with you than by conducting the inquiry here.

7271. Might not you set an example by calling a meeting of the inhabitants of Dublin, and passing a resolution expressive of their desire that a tax should be imposed upon the people to make good any deficiency in consequence of a reduction in the railway fares, without the presence of a Royal Commission ?—I could, but at the same time it would be necessary to explain the matter to them.

7272. The Commissioners could not explain the matter to them; that must be done by gentlemen like yourself, who understand it ?—Yes, but I think they could explain it. If the Commission were to sit openly, and the examination of the witnesses was in open court, and the questions put were heard, I think it would open the public mind as to the feasibility of the thing. But if I were to call a public meeting in Dublin, and proposed a resolution to them, they would say, "No, we will not be taxed," and they would say that because they would not understand it; but when the matter was ventilated, and their minds were brought to bear upon it, they would see the good that would be eventually obtained for the country, and they would feel willing to bear the taxation.

7273. (*Mr. Dalglish.*) Suppose that you called a public meeting in Dublin, and proposed that the deficiency should be paid out of the Consolidated Fund, do you think you could make them understand that ?—There is such an anxious wish in Ireland to get things out of the Consolidated Fund, that I dare say that would get over a good deal of the difficulty. They do not see that they are actually paying into the Consolidated Fund, and that is why I say that indirect taxation would be better, because it would not be seen.

7274. (*Mr. Gower.*) Would there not be this danger, that expectations would be raised which never would be fulfilled ?—I do not think so.

7275. Is it desirable that any expectations whatever should be raised as to what may be going to be done ?—I think that the minds of a great many of the people in Ireland at the present time are turned towards this matter, and they expect that some result will take place, if not from the labours of this Commission, that the subject will occupy the attention of the people, and still further of parliamentary committees.

7276. (*Mr. Roebuck.*) And that it will not all end in smoke ?—Yes. I say that a great number of the people are of that opinion; but there are a certain number also who will agitate the thing still, until it comes to something, and as I have said, the presence of the Commission in Dublin would give the people a certainty that something was intended to be done; the people will have it, and I think the presence of the Commission would have a good effect.

7277. (*Lord Stanley.*) Are you not mixing up two things, the one popularizing a particular scheme and agitating it extensively, as you seem to wish, and the other a business which the Government have put upon us to do, which is to inquire whether a particular thing ought to be done ?—I think that if the thing is to be carried out by the Government, the Government would have to be compensated in some way, and therefore it seems to be necessary to bring in the popular element in order to meet the question of taxation.

7278. (*Chairman.*) The return which I hold in my hand was drawn up by Alderman Mackie ?—Yes. He wanted to show the favourable position of the English merchant as compared with the country towns of Ireland, and as against Dublin.

7279. I see in this return the charges from Liverpool and other English towns to a variety of towns in Ireland, but I do not see the charges from Dublin to those towns ?—I have observed that it is defective in that respect.

7280. Are there any other matters to which you wish to call the attention of the Commission ?—Mr. Robert O'Brien intended to have been here to give his evidence as to the cattle traffic, but I have received a letter from him in which he states—"My "Dear Lord Mayor,—I regret that other engagements "prevent me from attending to give evidence. The "railways have advanced the charges for conveying "cattle and sheep fully 20 per cent. the last ten years, "and in addition charge the drover on his return; "this has caused great dissatisfaction, and the results "are as follows:—Many drive their stock to market "in place of railing; others have turned to other "markets, for instance, parties from Tipperary and "that district who prefer Dublin have, in consequence of the increased charges, turned to other "markets, Waterford and Bristol, &c. I would "write more fully, but am in haste to catch the "post." He is one of the most experienced sales masters in Ireland. There is another matter with

regard to the Wicklow Copper Mining Company, who have large mines near Avoca, from which they produce pyrites, sulphur ore, and iron ore; this has been developed lately, but it is of such poor quality that unless the carriage to England is very low, the traffic will not be developed in the district. I hold in my hand a letter from the secretary of the copper mining company, addressed to Mr. Jackson, who is our secretary of the committee in the chamber of commerce:—"Herewith I send you the last half-years' "report of the Wicklow Copper Mining Company "with a paragraph marked, showing a decrease of "10,000 tons in iron ore in the half year's workings, "in consequence of the unsatisfactory arrangements "as to carriage of their ores with the Dublin, Wick-"low, and Wexford Railway Company. The chair-"man or any of the board are quite prepared and "willing to give evidence to the Royal Commission "explaining this matter, and their carriage arrange-"ments with the railway company, which appear to "the directors very high and unsatisfactory." One of the directors of the same company wrote to me since I came to London, explaining the thing more fully; it is a very full account of the different rates charged. I will hand it in with the other letters (*handing in the same*). It shows that low fares induce people to go about. I do not know whether it is fair to compare districts, but I was about to refer to the district between Dublin and Bray and Kingstown, which is very much resorted to for pleasure. The railway company were charging so high that some persons set up an omnibus, and put on a steamer, by which passengers are carried for 2*d.* or 3*d.* less than by the railway, and the result is that they all get enough to do, plainly showing that lowering the fares encourages the people to go about.

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7281. (*Mr. Ayrton.*) In that case there is a large population?—Yes, and I think it is scarcely fair to compare that district with others, as it is altogether a pleasure district.

7282. Is there any other point to which you wish to call the attention of the Commission?—I think not.

The witness withdrew.

Mr. James Hyndman Macauley called in and examined.

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7283. (*Chairman.*) You are the manager of a bank in Coleraine?—Yes.

7284. There are several railways, are there not, between Coleraine and other parts of Ireland?—Yes.

7285. Will you mention the different railways?—There is, first, the Northern Counties Railway, which comes into Coleraine.

7286. Where is that from?—From Belfast; one terminus is at Belfast and the other is at Coleraine. Then there is the Londonderry and Coleraine railway, having a terminus at each of these places.

7287. Is there not a third railway from Coleraine to Portrush?—That is part of the Northern Counties. I should have said that the termination of the Northern Counties is Portrush and not Coleraine; it passes through Coleraine.

7288. Is there much dissatisfaction in Coleraine at the manner in which these railways are managed?—There is, I have often heard, dissatisfaction expressed at the differential rates which are charged. There are no fixed charges.

7289. Will you explain more particularly what you mean by differential rates?—Some goods from Portrush, which is only seven miles from Coleraine, are charged as much as if they are brought from Londonderry, which is 35 miles from Coleraine. All heavy goods, such as coals, timber, slates, &c., are carted from Portrush; merchants do not avail themselves of the railways at all to bring them up; the charges are so high upon the railways that they can cart them for less.

7290. Can you get those descriptions of articles at a lower rate from Londonderry than from Portrush?—At the same rates.

7291. All descriptions of goods, in fact?—Not all descriptions. Coals are brought from Londonderry at a rate of about 2*s.* per ton. They charge 2*s.* for bringing them seven miles from Portrush, and the same for bringing them 35 miles. That is for the purpose of making Londonderry the port for Coleraine.

7292. (*Capt. Galton.*) Are any of the directors personally interested in the port of Londonderry?—No, I cannot say that they are; I think they are nearly all Belfast men. Our merchants get almost all their goods landed at Portrush. The grocers get their teas and sugars across from Glasgow, and they are landed there, so that we have very little goods traffic between Portrush and either Belfast or Londonderry. The Coleraine people are now making an application to the Board of Trade for a loan to improve the navigation of the river, and we hope, after some time, to have it made navigable so as to make Coleraine a sea port, and then we shall be more independent of the railway companies.

7293. The object, of course, of the Coleraine people is to receive their goods as cheaply as possible?—Yes.

7294. Does it make any difference to them whether they get the goods that they require from Londonderry or from Portrush?—I think the journey from Londonderry deteriorates to some extent the value of goods, such as coals and slates.

7295. (*Lord Donoughmore.*) Do you mean that the mere travelling along a railway has the effect of making goods arrive in an inferior condition?—Yes; I think the shaking which they undergo by the long journey deteriorates them in value.

7296. Does the railway at Portrush communicate with the deep water?—Yes.

7297. And at Londonderry?—And at Londonderry also.

7298. Therefore, in that respect, they are precisely under similar circumstances?—Yes, exactly; there is a port at each place.

7299 The two railways belong to the same company?—They are worked by the same company. The Londonderry and Coleraine Company became insolvent, and it is now worked by the Northern Counties Company.

7300. Are there similar differences with respect to passenger fares?—Yes, to Castlerock, which is a sea bathing place near Coleraine, and is 28 miles from Londonderry, they have this rate of charge from Londonderry; they bring first-class passengers at 2*s.* 6*d.*; second-class at 1*s.* 6*d.*; and third class at 1*s.* If passengers have to go to Londonderry from Coleraine they are charged about three times that amount. They give a great many facilities to the Londonderry people which people in Coleraine have not; they charge them the highest figure possible. It is a system of management which the people find fault with.

7301. Are you aware of any instances in which this company charges different rates to different individuals over the same part of the line?—I have often been told, I cannot speak to it from my own experience, that some parties can make agreements with them on less terms than others.

7302. (*Capt. Galton.*) For the same quantity of goods?—By the same company for the same quantity of goods.

7303. Have the fares on the Londonderry and Coleraine Railway been the same as they now are for many years?—No, I think not. I am not prepared with the rates for goods traffic, but I can state that the passenger traffic rates have been increased on the Northern Counties line within the three last years.

7304. Is that the case between Londonderry and Coleraine?—On the Northern Counties line between Coleraine and Belfast I think they have been increased, the first-class fare by about 1*s.*, and the second-class by about 8*d.* or 9*d.* more than what they were two years ago, and the parcels rates have also

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been increased. The rate on parcels from Belfast has been rather increased.

7305. Are parcels charged high, now?—They are.

7306. Have the fares on the Londonderry and Coleraine part of the line been altered within the last two or three years?—No, I do not think they have been altered on that part of the line.

7307. Are the fares lower upon that part of the line than on the Northern Counties?—Not in proportion. I have not come prepared to give the exact, rates of charge for passenger and goods traffic not knowing that I should be examined to-day.

7308. (*Sir R. Hill.*) Have you not stated that the charge for a passenger going from Coleraine to Londonderry is greater than the charge for a passenger going from Londonderry to Coleraine?—I spoke of Castlerock, which is a sea bathing place within five miles of Coleraine.

7309. Between Coleraine and Londonderry the charges are the same?—Yes.

7310. Whichever way you are going?—Yes.

7311. What is the distance from Portrush to Coleraine?—Seven miles by rail.

7312. What is the charge by the railway for the conveyance of heavy goods?—2*s.* per ton.

7313. Can they be carried by cart seven miles for less than 2*s.* per ton?—The cartage from Portrush quay to any part of Coleraine is 2*s.* per ton, and if it is put on to the railway it is 2*s.*; then they have to pay an additional sum for getting it carted from the terminus of the railway to different parts of the town, perhaps 6*d.* more, which brings it to 2*s.* 6*d.* Of course they would have to pay something for putting it on to the line at Portrush.

7314. Is the distance seven miles by the common road?—No, five miles.

7315. Then the distance is less by the common road than by railway?—Yes. The line diverges a little towards another sea-bathing place called Port Stewart. It does not go direct, but there is not much variation.

7316. (*Chairman.*) Have you considered the question of the purchase of railways by the Government?—I have heard it discussed in our neighbourhood very often.

7317. Have you formed any opinion on the subject yourself?—My opinion is, that there would be more regularity in the charges, which perhaps might be at a lower rate. There would not be then so many of these differential rates.

7318. Is what you complain of the rates being differential and not the amount of the rates?—The amounts of the rates are high also. Probably they might be lower, and if they were lower I think the traffic could be very much increased. Very much of the traffic is taken off by other sources, which might go by the rail in case it was taken at a reasonable rate, or at a less rate than what it could be carted at.

7319. The rates from Londonderry to Coleraine are low, are they not?—From Londonderry to Coleraine they are; they give very low rates for the sake of encouraging trade in that direction.

7320. No goods go along the roads in that portion of the country?—No, it is too far; it is 25 miles by the road from Londonderry to Coleraine.

7321. Supposing the Government were to purchase the railways, and allow a universal tariff for passengers and goods to be adopted, and a considerable loss was occasioned thereby, should you see any objection to the loss being made up by taxation on Ireland?—The parties whom I have heard discuss the subject suppose that the increased traffic would prevent any loss occurring; but if there should be a loss there would be always two opinions upon that subject; those who travel often would say it might be better to have it levied by taxation, and those who do not travel often might say that it was better not. I think the general impression is that the traffic could be greatly increased, and by the increased traffic there probably would be no loss.

7322. If there was a loss, how do you think the loss ought to be made up? Ought the Imperial Government to bear the loss, or should it be made up by Irish taxation?—I think the Irish people suppose that they pay sufficient taxation. I fear that most of them would object to it on that score.

7323. (*Lord Donoughmore.*) Do you think it would be fair or equitable to call upon the whole of the inhabitants of the United Kingdom to pay a tax for the purpose of cheapening the traffic upon Irish railways?—In the case of the Post Office it has proved that the increase of trade makes up for any deficiency of that kind.

7324. Assume that there would be a loss; in that event do you think it would be a fair or equitable thing to call upon the whole of the inhabitants of the United Kingdom to pay a tax in order to relieve the persons who travel upon Irish railways, or rather the railway companies themselves, of so much additional loss?—I think unless they could be made to pay that it would not be advisable to make a change.

7325. (*Sir R. Hill.*) Can you point out any means by which it can be arranged that the fares should not be reduced unless the reduction has proved profitable?—I think that the rates of fares are very different on different lines. Perhaps if they were all rearranged, it might be more suitable than some lines charging high and some low rates.

7326. Whatever change may be made, is there not a possibility of that change proving unprofitable?—Certainly there is.

7327. Perhaps this is not a point to which you have given much attention?—I have not heard that matter much discussed. The opinion I have heard expressed about it is, that the increase of traffic which will arise from taking the goods which are at present taken by other sources at a lower rate, should make up the full amount required to work the railways.

7328. (*Capt. Galton.*) Has Coleraine canal or river communication as well as railway communication?—Yes, there is a river.

7329. Is that a navigable river?—It is the river Ban which goes into the interior of the country; it is navigable up to Lough Neagh.

7330. Do you receive goods from Belfast by means of that river?—No. There is a small steamer which trades upon the river. There is a canal from Coleraine to Lough Neagh, by which goods purchased from merchants in Coleraine are sometimes conveyed into the country. Our chief port is Portrush.

7331. Has the population of Coleraine much increased since the opening of the railways?—No, I cannot say that it has; however it is an improving town.

7332. (*Lord Donoughmore.*) Are there any manufactures?—There is only one linen manufactory; it is a power loom manufactory.

7333. (*Chairman.*) Is it within your knowledge that the traders experience much difficulty in recovering damages from railway companies when their goods have been lost or injured?—I have known two instances of merchants who have made applications to the companies, in consequence of their goods being lost. There are so many companies conveying goods between Coleraine and England and Scotland, that there is great delay and difficulty in getting compensation for losses.

7334. Are there any other points on which you wish to make any observations with reference to the railways coming into Coleraine?—No, I think not.

The witness withdrew.

Adjourned till Tuesday, November the 7th.

Tuesday, 7th November 1865.

PRESENT:

The Hon. E. F. Leveson Gower, M.P.
The Right Hon. Robert Lowe, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
J. A. Roebuck, Esq., M.P.
T. B. Horsfall, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
A. S. Ayrton, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., F.R.S.
J. R. M'Clean, Esq., Pres. Inst. C.E.
E. T. Hamilton, Esq., M.P.
William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. William Galt examined.

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7335. (*Mr. Roebuck.*) You were, I believe, the author of a pamphlet entitled "Railway Reform," published in 1843?—I was.

7336. I think you gave evidence before the Committee appointed by the House of Commons in 1844 to investigate the subject of railway management?—I did.

7337. Will you state generally what was the purport of that evidence?—It was to show the desirability of the Government purchasing the railways of the country, placing them under one management, and adopting a very low tariff.

7338. What resulted from the appointment of that Committee?—Upon the recommendation of that Committee a Bill was introduced into Parliament, and ultimately passed into law, in which was recognized the expediency of Parliament at a future time considering the question of the purchase of the railways.

7339. By whom was that Bill introduced?—It was introduced by Mr. Gladstone, who was then President of the Board of Trade under Sir Robert Peel's administration.

7340. Was there much opposition on the part of the railway interest to its passing?—There was very strong opposition. Mr. Hudson was at that time at the head of the railway interest, he convened a meeting of directors of the several companies, and there was every possible opposition made to the passing of the Bill; but the Government were very firm and determined in the matter, and both Mr. Gladstone and Sir Robert Peel expressed themselves very strongly on the subject. Mr. Gladstone in introducing the Bill to the House said "The question of the whole Bill is the "purchase, or option of purchase on the part of Govern-"ment: if we agree about that," he said, "we shall "not quarrel about the rest; on the other hand, if we "differ about that, it will be a question for our con-"sideration whether we will take the rest, or post-"pone the whole till a future period." Sir Robert Peel likewise took a warm interest in the success of the measure. He was not prepared, he said, on the second reading of the Bill, "to advise the immediate "purchase of railways, nor did he wish to see the "Government, or part of the Government, the "directors of railway concerns; but, seeing that "there was a monopoly with respect to conveyance "and communication, the Legislature should have "the power of purchasing, after a certain period, "after giving due notice thereof to the parties con-"cerned. They were about to say to the railway "companies, 'You shall not have a permanent mono-"'poly against the public, but after a limited number "'of years we give you notice we shall have the "'option of purchasing your property.'"

7341. Did the Bill receive much support from the public generally?—No, I cannot say that it did. At that time the railway mania had set in, and every one was more anxiously concerned about getting allotments, purchasing shares, and trafficking in them, than attending to railway legislation. Unfortunately at that time there were two opinions in respect to railway management which were prevalent, and had a very strong influence in preventing public attention from being directed to the subject. The one opinion was that as railways in this country cost so much more than they did on the Continent, there never could be a great reduction in the fares; that was one prevalent opinion, and the other was that if the Government purchased the railways they necessarily must be under their direct management. I think it necessary, before we proceed further in this early stage of the examination, to dispose of these two questions. First, with regard to the alleged connexion between cheaper travelling on railways and their cost, there is really no connexion whatever. We find as a matter of fact that on those railways upon which the greatest expenditure has taken place, which have cost immense sums of money, some hundreds of thousands per mile, people are carried as low as on the railways that have cost very small sums. For instance, on the Charing Cross line, which cost a million and a half of money, the charges are less than on other railways that have not cost a fiftieth part of that sum. Therefore on that matter I do not think it is necessary to say anything more. The other matter is of still more consequence in reference to the idea that by the Act of 1844 the Government was to acquire the direct management of the railways, which opinion still prevails. It is universally assumed when speaking upon this question that if Government purchased the railways they would necessarily have the management of them. These two ideas, however erroneous they are, have I think prevented the public attention being directed to the subject as it otherwise should have been.

7342. What at that time was the extent of mileage and capital then vested in railways?—The amount of capital was about 70,000,000*l.* sterling, the amount of mileage was under 2,000 miles.

7343. Can you tell us what the amount of capital is now?—At the end of last year it was 425,000,000*l.*

7344. Can you also tell us the mileage at present?—The mileage is over 13,000 miles.

7345. Were railways at that time, in 1844, a profitable investment?—At that time they were a very profitable investment; the principal railways were paying 8 and 10 per cent. dividend.

7346. What were the chief arguments adduced by Mr. Gladstone in support of that Bill?—The principal argument he used was that from the magnitude and great extension that might be expected of the railway system during the next 15 or 20 years, it was most desirable that Government should reserve power to itself to take possession of them upon certain specified terms. He stated that it might be expected at the end of 20 years from that time that the amounts payable by the public would amount to about 15,000,000*l.* per annum, whilst we find, as a matter of fact, that it is considerably more than double the amount that he anticipated.

7347. Did Mr. Gladstone express any opinion on the expediency or the policy of the Government purchasing the railways?—No; he expressly stated at the time that he did not think that the Government or the country had sufficient experience of the working of railways to form any definite or clear opinion upon the subject; but he said, that at the expiration of 21 years we should have had full experience of the management and the working of railways, so that the public would be able to form an opinion as to whether it was desirable or not that the Government should purchase them and adopt a low tariff.

7348. Has that Act of 1844 much engaged the attention of the public from the time of its passing to

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the present time?—No; very little. In fact, it has been almost forgotten, and it is only now that it is about to come into operation, or may be brought into operation, that it has at all engaged the attention of the public.

7349. What is the specific meaning which you attach to "Railway Reform"?—I mean thereby the purchase of the railways by the Government, their consolidation under one management, and a low and uniform tariff at one-third of the present average rates.

7350. Are the charges that are now made for the conveyance of passengers by railway more or less than they were formerly by coach?—Much less; I should say on the average that they are not more than one-half what they formerly were.

7351. Are the fares in this country by railway more or less than those on the continent?—They are much higher. I have prepared a table, which I will hand in, of the different fares charged in the different countries on the continent, and from that return we shall find that Belgium is at the top of the list with regard to the low tariff, and England at the very bottom.

The witness delivered in the following table:

TABLE No. 1.*

	Average Fares per 100 Miles.			
	1st Class.	2d Class.	3d Class	4th Class.
	s. d.	*s. d.*	*s. d.*	*s. d.*
Belgium	6 6	5 6	3 0	—
Spain	11 9	8 10	5 9	—
Italy	10 6	7 11	4 0	—
France	13 4	10 0	7 0	—
Prussia	13 0	10 0	6 6	4 0
Switzerland	13 6	9 4	6 9	—
Denmark	13 0	8 6	6 0	—
Austria	13 0	7 6	5 9	—
Norway	13 4	9 0	4 6	—
Holland	14 0	11 2	7 0	—
Portugal	14 2	11 0	6 9	—
Russia	14 5	10 10	6 6	—
The United Kingdom	18 9	12 6	8 4	—

7352. Do you consider that the fares in this country should in any way be regulated by those on the continent?—I think not. My opinion is that England should choose and arrange what fares may be thought necessary for the public without any reference to any other country.

7353. How do you calculate the expense incurred in the conveyance of passengers; take, for instance, a first, second, and third class passenger for 100 miles, and show us what each costs?—Nothing can be more easy than to make up what the cost of conveyance of each passenger is from the very clear and ample returns published by the Board of Trade. For instance, they give every particular of expenditure, the cost of maintenance of way, locomotive power, repairs, and renewals of carriages and waggons, so that by these means we are enabled to show exactly what the cost of each train is.

The following table will show this very clearly:

TABLE No. 2.

AVERAGE COST of CONVEYING a TRAIN per MILE.

	s.	*d.*
Maintenance of way and works	0	5½
Locomotive power	0	9
Repairs and renewals of carriages and waggons	0	2¼
General traffic charges	0	9
Rates and taxes	0	1¼
Government duty	0	1
Compensation for personal injury and damage and loss of goods	0	0½
Legal and Parliamentary expenses	0	0½
Miscellaneous working expenditure, not included in the above	0	2
Total	2	7

* See explanations in Mr. Galt's evidence on the 15th November.

We know likewise that a thousand passengers can be carried by an ordinarily loaded train, and by dividing that amount by the number of passengers conveyed, we arrive at the conclusion that a first class passenger can be conveyed 100 miles for sixpence, a second class passenger 100 miles for fourpence, and a third class passenger 100 miles for twopence halfpenny.

7354. That is when the train is full; do you assume, then, that under the system which you propose an ordinary train will always be full?—No; not one quarter full.

7355. What is the tariff which you propose for passengers?—I propose that it should vary from twopence a mile, by express train, down to a farthing for third class passengers by ordinary trains. I have drawn out a table more in detail, which I will hand in to the Commissioners.

The following table was delivered:

TABLE No. 3.

EXPRESS.

1st class, two-pence; 2nd class, three-halfpence per mile.
Fast trains, calling only at first-class stations:
- 1st class - One penny farthing per mile.
- 2nd „ - Three farthings „
- 3rd „ - One halfpenny „

Ordinary trains, calling at all stations:
- 1st class - Three farthings per mile.
- 2nd „ - One halfpenny „
- 3rd „ - One farthing „

Return tickets for all classes at a fare and a half; 2nd class carriages cushioned.

EXCURSION TRAINS.

- 1st class - - Four miles for one penny.
- 2nd „ - - Six miles „
- 3rd „ - - Ten miles „

Annual and season ticket holders, one half the present average rates.

Horses, carriages, and dogs at one-half the present average rates.

The lowest payment, one penny.

7356. The first principle, then, of your system is the extreme low cost of conveyance, what is the next principle?—The next is the exceedingly small difference in profit that railway proprietors derive whether within certain limits there is adopted a very high, a very low, or a medium tariff.

7357. What are those limits?—From ¾*d.* per mile up to 3*d.* for first class passengers, from ½*d.* up to 2*d.* for second class, and from ¼*d.* per mile up to 1*d.* for third class passengers.

7358. There is a considerable difference, is there not, in the fares charged on the several railways in the United Kingdom?—There is a very great difference. They commence as low as ¾*d.* per mile and they go up to 3½*d.* a mile for first class passengers and from ½*d.* to 1½*d.* for third class passengers.

7359. How do you account for this great difference in their charges?—Each company finds by experiment for itself what fares pay best. On some lines ¾*d.* per mile pays best, on some 1*d.*, on some 1½*d.*, and so on up to 3*d.* per mile.

7360. Is the same system followed now which you have just described?—Not to the same extent. At the early period of railways the directors had great difficulty in knowing what fares would pay best, and accordingly they charged high. When they found that those did not pay well then they charged low, and then if they discovered they were too low they would raise the fares to nearly the first rate. But at the present time traffic managers have so much knowledge of the particular localities, and what fares are likely to pay best that they generally hit upon the right thing without much trouble, and therefore we have not the same variation and rapid changes as we had at the early period of the existence of railways.

7361. Are there any particular instances which you would wish to give to the Commissioners?—When I was examined before the Committee in 1844 I arranged and classified a great number of cases showing the very little difference of profit that the

raising or lowering of fares made; but there is only one case that I will trouble the Commissioners with at present, it struck me as a most remarkable case. It was on the Glasgow and Greenock line. They shifted their charges several times for the lowest class passengers; they first charged $\frac{1}{2}d.$ a mile, they reduced that to $\frac{1}{4}d.$ a mile, and then they raised again to $\frac{1}{2}d.$ a mile. I drew the attention of the Committee to the remarkable fact that the difference between charging $\frac{1}{4}d.$ a mile and charging $\frac{1}{2}d.$ a mile only amounted to one shilling per cent. difference on the dividends. But, however, they made it a shilling more by adopting the $\frac{1}{2}d.$ charge in preference to the $\frac{1}{4}d.$ and therefore as a matter of course they let it remain at the $\frac{1}{2}d.$

7362. Do you know of any cases of late years in which exceedingly low fares have been charged?—There have been several cases of late years where there has been competition between companies, and where for a comparatively short time they adopted very low fares. For instance at the time of the Manchester Exhibition we had the London and North-western Company and the Great Northern Company running trains from London to Manchester carrying first class passengers, allowing them to stop there four days and bringing them back again for 7*s.* 6*d.* They carried in those trains about 600 passengers, it was said on an average the expenses of the train in the conveyance of those passengers amounted to 50 guineas, and their receipts at the time were calculated to amount to about 176*l.*; that was carrying 1st class passengers at $\frac{1}{4}d.$ a mile, and 2nd class passengers at half a farthing per mile. There was another very remarkable case of competition between the Edinburgh and Glasgow Company and the Caledonian Company. There was a quarrel between the two companies, and they suddenly reduced their fares to 1*s.* I believe it was, for first class, 9*d.* for second class, and 6*d.* for third class for a distance of 46 miles. That competition continued for about a year and a half. There was also the case of the South-eastern Railway Company which carried for more than a year passengers between London and Reading at $\frac{1}{4}d.$ a mile for first class, and half a farthing for second class. There was another case, the Brighton Company, in opposition to the South-western Company, carried passengers at exceedingly low fares, at about the same rate as the last case which I have mentioned. But in all those cases we find, when we come to look at their dividends, that it does not make at the very outside a difference of more than one per cent. It must be remembered, however, in reference to those companies, that they carried passengers at a ridiculously low charge. It is not a fair test of what may be called moderately low fares, carrying first class passengers in fast trains at $\frac{1}{4}d.$ per mile; that is a preposterously low fare for ordinary traffic, and cannot be considered as a fair experiment of low fares.

7363. Do you think that if the South-eastern Company had continued to charge $\frac{1}{4}d.$ per mile for first class, and half a farthing per mile for second class, they would have eventually recovered their ordinary receipts?—I doubt it very much; that fare is so exceedingly low that I doubt if ever they would make up their dividends at such very low fares.

7364. Are you of opinion that the experiment of low fares was made on such a scale as to afford a satisfactory trial of the working of a low fare system?—I think not, because, in the first place, those trials were made far below what the necessity of the case required, and far below what would be likely in any case to be adopted in this country, the fare by these fast trains should have been $1\frac{1}{4}d.$ per mile instead of $\frac{1}{4}d.$ In the second place the trials were not made for a long enough time, and did not extend over the whole of the lines, so that it is evident we have had no fair trial of a low fare system in this country.

7365. Does there appear any probability of such a low tariff as you have proposed ever being generally adopted under the present system?—I think not; there does not appear any likelihood of such a thing taking place. Mr. Gladstone referred to the probability of the companies lowering their fares in his speech in 1844: he said, "I believe that the charges on the Belgian "railways are not more than one third of our charges. "We must look at this subject in all its vastness, and "in all its bearings. It may be said that England is "the richest country; but because this country is "rich, it is no sound reason why it should pay the "railway companies more than necessary, or that "cheap travelling should not be provided for the "public. But there is no likelihood that the great "experiment of the greatest possible cheapness to "the public will be tried under the present system." That was the opinion of Mr. Gladstone in 1844, and our experience has confirmed the truth of that proposition.

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7366. Do you think it desirable that the fixed effect of a low tariff should be ascertained?—I think so, for this very reason, that it appears that the very basis of legislation on the subject is an accurate and clear knowledge of the effect a low tariff would have on the increase of passengers. You know exactly, for instance, the cost of transit, and you know precisely the fares that are paid in this country and abroad, but unless you acquire a knowledge of the number of passengers that would come under a low tariff, I think you are deficient in the very knowledge which is absolutely necessary to enable you to legislate properly upon the subject. If it should be the desire of the Commissioners to ascertain accurately the fiscal effect of low fares, nothing could be more easy than to have the experiment tried on a number of lines, and if it were recommended to Government, and the Government agreed in that view of the case, and recommended it to Parliament, in another year, or two, at the time when you may be prepared to make your final Report you would be able, definitely and distinctly, to say what was the effect of the low tariff, what increase of passengers it produced, and so be able to legislate satisfactorily upon the matter.

7367. That is to say upon a particular line?—Upon a number of particular lines.

7368. Do you think that this information would be of any use unless it were first settled that the railways should be purchased by the State?—I think it would be of every use. Assuming for argument's sake that the Legislature would deem such a change undesirable, but that they might think it necessary to make some arrangements with the companies for substituting a low tariff for the present high tariff, they would then have distinct and definite data to go upon, when it was ascertained what was the result of low fares, not for a short time, but for a lengthened period, and upon that data they might enter into arrangements with the companies without making any organic change in our railway system.

7369. On what lines would you recommend the experiment of low fares to be tried?—I would commence with the lines that I suggested to the Committee in 1844. I would take, for example, the London and Blackwall line. That line runs through a densely populated district, and omnibuses are running along side of the railway, and charge 3*d.*, between the City and Blackwall, whilst the railway company charges 4*d.* for second class, and 6*d.* for first class passengers. Now, inasmuch as the railway company can convey passengers at a twentieth part of what the omnibuses can, and the omnibuses earn a living by carrying at so much less, that would be a case where it would be exceedingly desirable to have a low tariff tried. Again, I might take between Liverpool and Manchester; there the population of those two towns amounts to something like 800,000; the lowest fare between the two places is 2*s.* $7\frac{1}{2}d.$, which is the extreme charge by Parliamentary trains, and inasmuch as passengers between Liverpool and Manchester could be carried for 1*d.*, the entire distance 31 miles, and they are not carried at less than 2*s.* 7*d.*, there would be a good opportunity of seeing what the effect of low fares would be; and I should try the experiment in the agricultural districts as well. At a meet-

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ing of the Social Science Congress in Sheffield a short time since Mr. Plimsoll went at great length into the subject, and advocated a trial on the Great Eastern line. According to his calculation, in two years, adopting a very low tariff, the revenue would make itself up again. I think it would be of the greatest importance to ascertain how far these theories would be borne out in practice, and to ascertain distinctly and clearly what the effect of a low tariff throughout the country would be. If a trial of this sort should be determined on care should be taken to select such lines as would not abstract traffic from other lines, so that the experiment could be fully and fairly tried.

7370. Would you guarantee the companies against loss during the time of the experiment?—As a matter of course they should be guaranteed by the Government against any loss.

7371. With regard to excursion trains what fares do you propose by them?—I propose first class, four miles for 1*d.*, that is ¼*d.* per mile; second class, six miles, and third class, ten miles.

7372. What are the fares generally now throughout England for excursion trains?—They are generally about one-third of the ordinary traffic.

I have prepared three tables which I will hand in, two show the different fares charged on the principal railways in the United Kingdom. The first is for ordinary traffic, the second for excursion traffic, the third table shows the loss arising from extremely low fares. The lowest express fare is on the South-eastern line, and their excursion trains carry third class passengers five miles for 1*d.*, and the first class for less than ½*d.* per mile.

The witness handed in the following tables:

TABLE No. 4.

Name of Railway.	Average Fares per Mile. Express. 1st Class.	Express. 2nd Class.	Ordinary. 1st Class.	Ordinary. 2nd Class.	Ordinary. 3rd Class.
	d.	*d.*	*d.*	*d.*	*d.*
North and South Western	—	—	0·6	0·5	0·3
North London	—	—	0·7	0·4	—
Stirling and Dunfermline	—	—	0·9	0·4	—
London, Tilbury, and Southend	—	—	0·9	0·7	—
London, Crystal Palace, and Victoria	—	—	0·8	0·6	0·4
Caledonian	—	—	1·2	1·1	0·7
Belfast and County Down	—	—	1·2	0·9	0·5
Leeds, Bradford, and Halifax	—	—	1·3	1·0	0·7
Limerick and Castleconnell	—	—	1·4	1·1	0·7
Lancashire and Yorkshire	—	—	1·6	1·3	0·7
Dublin and Drogheda	—	—	1·6	1·2	0·7
South Eastern	2·1	1·6	1·7	1·2	0·7
Glasgow and South-western	—	—	1·7	1·3	0·8
Great North of Scotland	—	—	1·7	0·9	—
Belfast and Northern Counties	—	—	1·8	1·3	0·8
London and North-western	2·4	1·9	1·9	1·4	0·9
North British	—	—	1·9	1·5	0·9
Edinburgh and Glasgow	—	—	1·9	1·2	0·9
Ulster	—	—	2·0	1·5	0·9
London, Brighton, and South Coast	2·6	1·9	2·0	1·4	0·8
Great Western	2·4	1·7	2·0	1·5	0·9
Dublin and Kingstown	—	—	2·1	1·6	0·9
London, Chatham, and Dover	2·4	1·7	2·1	1·5	0·9
Great Northern	—	—	2·1	1·6	0·9
North-eastern	—	—	2·2	1·3	0·8
Great Southern and Western	—	—	2·2	1·6	0·9
Bristol and Exeter	2·6	1·9	2·2	1·7	0·9
Midland Great Western	—	—	2·3	1·7	1·0
Midland	—	—	2·3	1·7	0·9
Dublin and Belfast Junction	—	—	2·3	1·8	1·0
London and South-western	2·7	1·9	2·4	1·7	0·9

Name of Railway.	Average Rates per Mile. Express. 1st Class.	Express. 2nd Class.	Ordinary. 1st Class.	Ordinary. 2nd Class.	Ordinary. 3rd Class.
	d.	*d.*	*d.*	*d.*	*d.*
Great Eastern	2·8	2·0	2·5	2·0	1·0
Manchester, Sheffield, and Lincoln	—	—	2·5	1·8	0·9
North Stafford	—	—	2·5	1·5	1·0
Cornwall	—	—	2·6	1·7	0·9
Leven and East Fife	—	—	2·7	1·7	0·9
West Midland	—	—	2·7	1·8	0·9
Wellington and Severn	—	—	2·7	1·7	0·9
Colne Valley and Halstead	—	—	2·8	1·9	1·0
Bideford and North Devon	—	—	3·0	2·0	1·0
Stamford and Rouline	—	—	3·0	2·0	1·0
Carmarthen and Cardigan	—	—	3·5	2·0	1·0

TABLE No. 5.

EXCURSION TRAINS—FARES PER 100 MILES.

——	1st Class.	Enclosed Carriages.
	s. d.	*s. d.*
South-eastern, to and from Ramsgate	3 8	1 8
London and Brighton, to and from Portsmouth	4 0	2 0
London and North-western, to and from Liverpool	5 0	3 0
Great Western, to and from Plymouth	6 3	4 2

TABLE No. 6.

Original Fares. Return Tickets.			Miles.	——	Reduced Fares. Return Tickets.			Loss in Dividends per cent. per annum.
s. d.	*s. d.*	*s. d.*			*s. d.*	*s. d.*	*s. d.*	*s. d.*
60 0	40 0	—	380	London and North-western.	7 6	5 0	—	10 0
60 0	40 0	—	410	Great Northern	7 6	5 0	—	10 0
10 0	7 6	—	134	South-eastern	3 0	2 0	—	—
8 0	6 0	4 0	46	Edinburgh and Glasgow.	1 0	0 9	0 6	20 0
8 0	6 0	4 0	55	Caledonian	1 0	0 9	0 6	10 0

7373. What reduction do you propose for the benefit of annual and season ticket holders?—I think it would meet all the necessities of the case if the charges were reduced to about one half of the present average fares.

7374. It would appear that travelling in Belgium is the cheapest on the continent; the railways there belong to the State, do they not?—They do.

7375. What is their financial position now?—At the time they were commenced the Government established a sinking fund for the purpose of paying off the debt that should be contracted in making them, and their financial position is so prosperous that in 21 years from the present time, in 1886, should their expenditure and receipts continue in their present state they will have cleared off the whole of the debt which was incurred in constructing them, so that the Government can either adopt a still lower tariff, which is less than one-half of what it is in this country, or continue the same tariff, and apply the overplus to the necessities of the State.

7376. What was the amount paid last year for passenger traffic in the United Kingdom?—15,684,040*l.*

7377. And what for goods?—18,331,524*l.*, making in all 34,015,564*l.* That is an increase over the year 1863 of about 2,850,000*l.*

7378. Are the charges for the conveyance of goods high?—The railway companies have permission to charge very high, and I believe that in most cases they do charge exceedingly high.

7379. There are different rates, are there not, for the several kinds of merchandise?—There are; they are generally divided into four classes. For the lowest class they are allowed to charge about 12*s.* 6*d.* per ton for each 100 miles; for the second class they are allowed to charge about 1*l.* 0*s.* 10*d.*; for the third class, 1*l.* 9*s.* 2*d.*; and for the fourth class, 1*l.* 17*s.* 6*d.* This classification is copied from an Irish Railway Act; the classification in English Acts is generally under five heads, but the rates are, I believe, essentially the same.

7380. Are these charges usually enforced?—That I cannot say; in many cases I believe they are; but I have no special knowledge of the charges that are made on merchandise, and that is a matter into which I do not intend to enter.

7381. What is the cost of the conveyance of goods on railways?—The cost may be taken at about 1*s.* 4*d.* per mile for 100 tons on railways of ordinary gradients.

7382. What remarks have you to make in regard to the coal traffic?—That is a very important traffic, especially for London. Coal can be conveyed from the northern counties up to London at the rate of from 1*s.* 6*d.* to 2*s.* 6*d.* per ton. The charge here in London is exceedingly high, about 28*s.* or 30*s.* per ton being the ordinary price, at this time of year, for the best coal, whilst the cost at the pit's mouth, in South Yorkshire, is not more than 6*s.* per ton, so that in fact it can be brought up to London for about 9*s.* per ton, and pay a good profit for carriage to the companies. It would be exceedingly desirable that the cost should be reduced in London to the public at large, and especially to the poor, who suffer great privations during the winter, owing to its extreme dearness.

7383. Is there not competition between the railways and shipping for the conveyance of coals to London?—The actual cost of the conveyance of coal to London, without leaving any profit whatever to the shipowner, amounts to about 5*s.* per ton, whilst by railway it can be conveyed for less than one half of that price. Consequently, there can be really no competition when the railway can convey it at so much lower rates.

7384. You consider that the conveyance of coal to London at a low price to the consumers is a matter of great public importance?—It is undoubtedly a matter of very great importance to all classes except the very wealthy.

7385. Do the manufacturers in London complain of the high price of coal?—They complain very much, and that they are not able to compete with manufacturers in the North on account of the very high price that they are obliged to pay. If they could get their coal here for about 12*s.* or 13*s.* per ton, it would make all the difference to them in their manufactures.

7385. Does that price affect the steamers that take in their supply of coal in London or any of the southern ports?—It affects them very much indeed, here. I have received a letter from the firm of Messrs. Harrington & Co., in which they go into details showing the great grievance which the owners of steam ships that take their departure from London and the southern ports suffer on account of the high price of coal, and they also enter into considerable detail showing the benefits that would be conferred on the London steam shipping and all steam shipping in the southern ports, if they could get coals at a reasonable rate. I think this letter of such importance that I beg leave to read it to the Commissioners. —"27, Leadenhall-street, E.C., London, 3rd November, 1865.—W. Galt, Esq.—Dear Sir.—Having perused your very important work on Railway Reform, we may observe that among the many and varied public benefits which would accrue from the adoption of your system there is one which strikes us most forcibly, and which appears to have been partially overlooked by you, we refer to the great impetus which would be given to our manufacturing and steam-ship enterprizes in London and other ports of the south of England, where we are in the habit of paying 20 to 25 shillings per ton for coal; with that article reduced, say, to ten or twelve shillings per ton, the benefit which would accrue to the consumers of goods is incalculable. When we inform you that our fastest steam-vessels which are engaged in crossing the English Channel burn, on an average, from five to six tons of coal per hour, and that even with this enormous cost our French trade is increasing to a very great extent, we do not exaggerate the benefits which would be derived from the contemplated reduction. Our Mediterranean, North and South American, and West Indian trades are now nearly all carried on by steam, the increased cost in the transit of goods being entirely borne by the consumers. The immense subsidies, which are annually paid to the Peninsular and Oriental, the West India Mail, and other companies for carrying the mails, would be unnecessary if we could obtain coals in London at 12*s.* per ton, and hence would arise a very great saving under that head in our expenses. The varied attempts which have failed to carry out steam communication with India and Australia, have failed from the same cause; and although merchants are paying 70*s.* per ton by steam to Australia against 35*s.* per ton by sailing ship at the present time, this rate is not sufficiently remunerative to induce shipowners to place enough steamers on the berth. We are convinced that the whole of our foreign trade must be ultimately done by steam, and that sailing vessels will only be the carriers of coal, timber, &c. or other materials of a like value, and can sincerely wish you every success in your attempts to inaugurate a great public boon which cannot fail to be appreciated by the country at large; and in drawing your attention to this question of coal supply, we are only actuated by a desire of seeing all parties of the community alive to the general good which must result from a uniform management of a great national interest like the railway system, and remain, Sir, yours truly,

"G. H. Harrington and Co."

7387. What is the annual supply of coal to London?—The annual supply is between 5,000,000 and 6,000,000 tons.

7388. How much of that comes by railway?—Last year about 2,300,000 tons came by railway.

7389. Referring back to the conveyance of general merchandise, are you of opinion that the same reduction should be made in the conveyance of goods as you recommend with regard to passengers, namely, to one third of the present average charges?—I think not. In my opinion it should entirely depend on the special case made out for each description of merchandise.

7390. Without any special knowledge of the subject, can you suggest any general principle which in your opinion ought to govern the reduction of charges?—I think that the principle ought to be this, in case it is shown that there would be a great increase in the quantity of merchandise sent for conveyance, there ought to be a reduction, that is to say, if the result of reducing the charges would cause a great increase of traffic; if, on the other hand, there could be no special case made out by which it could be shown that such an increase would take place, then I do not see what would be the necessity for making any reduction whatever, as it would prove very clearly that the cost of transit was no impediment at all to the trade; and if you show that then I do not see that in such a case there should be any change whatever made, unless there is some special hardship in regard to the trader.

7391. How do you propose dealing with parcels and packages?—I propose that a very considerable reduction be made in the charges for them, and a uniform rate of carriage established throughout the kingdom, something similar to the plan of the penny postage; that for a package of 3 lbs. there should be

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paid 4*d.*, of 7 lbs., 6*d.*, of 10 lbs., 10*d.*, and of 14 lbs., 1*s.*, to be forwarded by passenger trains.

7392. For what distance should that charge be made?—For any distance throughout the kingdom.

7393. (*Sir R. Hill.*) You mean any distance by railway, I presume?—No, I mean to any place in the united kingdom.

7394. Do you mean whether it is conveyed part of the way by railway, or the whole of the way by railway. Supposing it is a parcel addressed to some village 10 miles from a railway?—No, I do not mean that; I mean crossing the channel to Ireland, just in the same way as a letter would be taken. This table will give a general idea of the charges for parcels out of London; this includes the charge for booking, and may be taken as a specimen of the rates throughout the kingdom.

The witness handed in the following Table:

TABLE No. 7.

Charge for the smallest parcels on three of the principal railways out of London.

	London and North-western.	Great Western.	Great Northern.
	s. *d.*	*s.* *d.*	*s.* *d.*
Not exceeding 20 miles	0 8	0 8	0 8
„ 40 „	0 10	0 10	0 8
„ 80 „	1 0	1 0	0 10
„ 120 „	1 2	1 2	1 2
„ 160 „	1 5	1 5	1 5
„ 220 „	2 2	2 2	1 8
Exceeding that distance	2 8	2 10	1 8

7395. A letter would be taken, would it not, to the village?—Yes. But I would not take a parcel to any place beyond the delivery of the railway in the immediate neighbourhood.

7396. (*Mr. Roebuck.*) Do you consider the charges for packages, hampers, and heavy parcels high?—Yes, they are exceedingly high, and in most cases the rates are prohibitory in regard to merchandise, provisions, or commodities of no great intrinsic value. The carriage of a hamper from Dublin to London, not exceeding half a hundredweight, amounts to 5*s.* 6*d.*, and from a distant part of Ireland to London, if that weight is slightly exceeded, the carriage will amount to 8*s.* or 10*s.*; the carriage of a hamper, not exceeding 28 lbs., if sent by a passenger train on the Great Western, when the distance exceeds 220 miles, is 4*s.* 10*d.*, and heavier packages charged in proportion. The charges are about the same on other lines, more or less, as the case may be. I propose to make the maximum charges for parcels by goods trains throughout the kingdom, when not exceeding 28 lbs. 1*s.*, not exceeding 56 lbs. 1*s.* 6*d.*, not exceeding 1 cwt. 2*s.*; and when the distance does not exceed 50 miles, the charges to be one half of the foregoing rates.

7397. Do you think that the public would derive much benefit from such a tariff as you propose?—I think they would undoubtedly derive very great benefit if they could get everything carried for about one third of what they now pay.

7398. You have now enumerated the benefits which you consider would be derived from a low tariff upon passengers, merchandise, and parcels, would the country in any other respect derive benefit from the railways being in the possession of the State?—I think that one of the most important matters is with regard to the Post Office—to the carrying out fully of Sir Rowland Hill's plan with regard to the Post Office. "The subject (of the Post Office) was brought before "the House of Commons on the 4th of April 1864, "when Mr. Long moved for the appointment of 'A "'Select Committee on the Post Office, with an "'especial view to the improvement of existing "'arrangements for the transmission of mails in the "'provincial districts.' In many districts where "railway communication exists, according to the "statement of the honourable member, it had not "been taken advantage of, and mails were still sent "by horse and cart, and even by messengers on foot. "In some cases it took three days to get an answer "to a letter sent 10 or 20 miles into the country, just "as it did 30 years ago. Although there had been "for many years a railway between the important "towns of Hereford, Ross, and Gloucester, the mails "were still conveyed by a horse and cart as they "had been 50 years ago. It was the same in South "Wales; Newport, Cardiff, Merthyr and other towns "were similarly situated. Between Shrewsbury and "Liverpool letters were still sent by a mail cart; "they were 24 hours in passing between the two "towns, whilst passengers by train went in three "hours. In Kent and Sussex the postal communi-"cation was very imperfect; in some places not more "than nine miles apart, it required four days to re-"ceive an answer to a letter. Mr. Long proposed "that the chief and central post office should be "removed from St. Martin's-le-Grand to Charing "Cross, that there should be letter boxes at each "railway station, and mails sent by trains to all "stations along the lines. In Cornwall and Devon-"shire Mr. Wyld stated that there was great cause "of complaint in regard to the conveyance of letters, "and that the First Lord of the Treasury and the "Postmaster General would soon be compelled to "find a remedy for the evil complained of. Mr. "Bentinck suggested that as the railway companies "enjoyed a certain monopoly it should be rendered "obligatory on railways to carry mail bags at a "reasonable rate; and in cases where the corre-"spondence was not sufficient to pay for increased "accommodation, the Post Office might be empowered "to charge additional rates," and so on. There were a great many complaints of that sort, and it was proposed that all those places should be attended to and fitting postal accommodation given. "The "Chancellor of the Exchequer, whilst acknowledging "that the principle on which the Post Office was con-"ducted was fairly stated by Mr. Baillie, said if the "suggestion was acceded to, that a million and a "half should be laid out in providing additional "accommodation, the result would be, that there "would be a gap to that extent which should be "stopped by the laying on of a new tax, or the "augmentation of some tax already in existence."

7399. Do you know whether those statements are correct?—I do not know. I merely give them as they were given in the House of Commons, and I presume that they were correct, as they were uncontradicted. There are many other benefits besides the extension of post office communication the public would derive from the possession of the railways by the State; the large sums that are now paid for the conveyance of the military from one part of the kingdom to another, and the transport of military and naval stores, this expense would be almost entirely saved.

7400. The Act of 1844 comes into operation, does it not, on the 1st of January 1866?—It does.

7401. Do you propose that recourse should be had to the compulsory powers of that Act?—No; I do not think it is possible to carry it out by compulsory means, nor do I think it desirable, even if it were possible.

7402. You do not consider it practicable, then, to compel the shareholders to part with their property according to the terms of the Act, although both the Commission and the Legislature should desire it?—No; it would be impossible to deal with 400 millions worth of property by compulsory measures.

7403. Why do you think the attempt undesirable if it were practicable?—Because if the State thought proper it could, at a much lower cost than purchasing the railways, construct a few trunk lines radiating from the metropolis, charge a low tariff, and consequently all the other companies would be compelled to adopt it.

7404. Do you suppose it likely that in the event of the State wishing to possess the railways it would be driven to such an alternative?—No; I think nothing

more unlikely. There would not be the slightest probability of such a course being necessary.

7405. Do you think that the railways would be frightened into it?—No; I think that the railway companies would be exceedingly glad to part with their property on good terms.

7406. Are the shareholders satisfied with their present position?—No; they are greatly alarmed by their present position. In the next session of Parliament there are apparently as many new lines coming forward as there has been for many years. The great companies are attacking each other in different quarters, and the organs of the railway world seem to be in great dread of what the effect will be. For instance, Herapath's Railway Journal, in the last number, says that the London and North-western Company propose to make a new and competing line to connect Sheffield with Manchester, the Midland Company to make a line from Settle to Carlisle nearly parallel with the London and North-western and Carlisle; that the former intends to penetrate into the Midland district at Derby and Nottingham; and that if all which are projected shall pass, railway property in three or four years will be in a pretty plight. Under all those circumstances, I have no doubt that the railway proprietors would be exceedingly willing to part with their property.

7407. Have not the dividends and the prospects of the companies improved within the last few years?—The dividends have improved within the last year or two, but not their prospects.

7408. Have the promoters of new lines great advantages over the proprietors of old lines?—They have very great advantages in many respects. From the cheap way in which lines can now be constructed, the facilities in forming companies, the willingness of the public to contribute in making new lines, and the low terms on which landholders part with their property, all these changes give the promoters of new lines great advantages over the old companies.

7409. Is there any law or understanding, express or implied, between the State and the railway companies, by which there is any restriction placed upon the former with regard to granting competing lines?—None whatever. Whatever error the Legislature may have made in past times with regard to railway matters, they always took care to let it be clearly understood that they held themselves at perfect liberty to grant whatever competing lines they might think proper; and, indeed, from a very early time it was held out as a remedy against railway monopoly that the State would exercise the right of granting competing lines to mitigate the evils of monopoly.

7410. Was the right of the State to make competing lines mooted in the Committee of 1844?—It was. The President of the Board of Trade asked Mr. Hudson and Mr. Glyn if they considered the State had a right to construct competing lines. Mr. Glyn replied that unquestionably the State had a right to construct competing lines if it thought it necessary, and Mr. Hudson also admitted perfectly the right of the State to construct competing lines, but he qualified that admission by stating that it was first bound to buy up the old lines.

7411. Was there anything said as to the price at which they should be bought?—No; there was nothing said about that.

7412. Assuming that Parliament desired to purchase the existing railways, and that the proprietors refused to sell on such terms as Parliament might deem equitable, what course in such a case should Parliament pursue?—Either to give every facility for the encouragement of competing lines, or else the State to make a few lines itself.

7413. Is your supposition then, that the shareholders are willing to dispose of their property to the State, founded on the assumption that they have a dread of the interference of Parliament in such a way as you have described?—No; I do not think so. I believe that the shareholders, on account of the uncertainty of value attached to their property and its constant liability to attack (this year it is likely to be attacked to as great an extent as ever), would be very glad to dispose of it.

7414. Will you state the grounds of your belief, why, without any extraordinary interposition on the part of Parliament, railway proprietors would be desirous of disposing of their property to the State?—For the reasons I have stated, namely, the exceeding uncertainty of its value at the present time, owing to the constant attacks, as they term them, which are made upon it from year to year, and the certainty, as far as we can form an opinion from experience, that the protection will be less and less every year, and probably the fear that the new Parliament may take a different view of the right to protection from the old Parliament, and withdraw that which has hitherto been granted, inasmuch as the protection that the companies have is entirely exceptional, and is not afforded to any other class or interest in the country, but is merely held upon sufferance, and may be withdrawn at any time that Parliament may think proper.

7415. If the shareholders would consent to sell, how would you propose that they should be paid?—I should think in three per cent. consols, by the creation of stock.

7416. How did the Act of 1844 provide for the payment of the shareholders; how was the value of their property to be calculated?—According to the Act of 1844, the value of the property was to be calculated at 25 years' purchase on the average of the dividends of the three preceding years. That was the plan proposed by Captain Laws. I suggested that a more sure mode of getting at the value was to take the market price. In addition the shareholders were to be allowed the privilege if they did not think the purchase on the dividends a fair price, to refer the matter to arbitration.

7417. Is it quite clear from the wording of the Act, that it was the intention of the Legislature to give a bonus to the shareholders on the market price of their shares?—I think, on the whole, it is pretty clear that such was their intention. At the time the Act was passed consols were at par, and investments in railway stock would pay about 4*l.* 7*s.* per cent. Calculating it on that percentage 25 years purchase would have given a bonus of about 8 per cent. to the shareholders on the price of their shares. On the other hand it might be argued that this 25 years' purchase was to be calculated without any reference to the price of consols, and in that case it would give, at the present time, a bonus of nearly 25 per cent., taking the investments in railways to pay 5 per cent.

7418. What do you consider to be the proper test of the value of a railway?—I think that the proper test of the value of a railway is what the shares bring in the market; assuming, of course, that the shares have not in Stock Exchange phraseology been operated on.

7419. And what bonus do you consider that the shareholders would be entitled to?—Many would contend that the most satisfactory way of settling the matter would be to make a fair division between the shareholders and the State of the profit that would arise by the transaction, but the prospect of the nation wishing to purchase the railways is too remote to require any immediate consideration as to what should be considered fair terms.

7420. Do you think that the directors would give their support to carrying out the Act of 1844?—I have no doubt that one class of the directors would, namely, those who have very large investments in railways. But I think that another class, who perhaps may be called professional directors, and are in half a dozen or more different companies, and either make a living or a fortune by the fees they receive from different boards and stock jobbing in shares, would very naturally be opposed to the purchase of the railways by Government.

7421. Are not the English people generally very much opposed to Government interference in mercan-

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tile affairs and what is called centralization generally?—Very much indeed.

7422. They consider, do they not, that the system pursued by the continental governments in such matters is entirely opposed to the spirit of our constitution and the habits of our people?—Yes, they do.

7423. Do you coincide in those opinions?—Entirely so.

7424. But you do not consider that they have any reference to the subject of railway management?—Certainly not. That is entirely a different matter, inasmuch as railway management is virtually a monopoly; the principles of free-trade do not at all enter into the management of railways; and therefore it is a matter of which the State should have the supervision, and not trust to mercantile companies, by whom the interests of the public are entirely set aside.

7425. Do you, then, charge the directors of our railway companies with having abused the trust reposed in them by the Legislature; that, having got the control of the railways, they have broken faith with the public?—Nothing of the sort. I look at it merely on financial grounds. A railway director is in my opinion bound as a matter of duty to do the best he can for his shareholders, and charge that which he finds to be the best paying price. If he find, for instance, that by charging 3*d.* per mile to first-class passengers he can make $\frac{1}{4}$ per cent. more dividend for his shareholders than if he charged $\frac{3}{4}d.$ per mile, I consider that it is the duty of the director to look exclusively to the interests of his shareholders, and charge 3*d.* per mile in preference to charging $\frac{3}{4}d.$, although the increased profit would be so insignificant.

7426. You consider that the companies have a monopoly; but does not competition exist to a considerable extent between them? There are three railways, for instance, between London and Liverpool; do they not compete for the traffic?—No, we cannot call it competition; they divide the monopoly, but they do not compete. They agree as to the fares, and all charge precisely the same, consequently there is still a monopoly. Competition can only exist where there is such a number of competitors in the market as to prevent combination. I cannot assent to the proposition that merely because there are two or three companies carrying passengers it is the less a monopoly, because they agree upon certain terms.

7427. Is not that mischief common to many other companies, such as gas companies; do not they contrive to cheat the public?—No doubt they do exactly the same thing.

7428. Would you consider the railway monopoly destroyed by making perfectly free trade in the construction of railways, or at least requiring that nothing more should be necessary for railway promoters than to receive the assent of the majority of the landowners through whose property the line might pass?—No; I still think that it would be a monopoly, because the public could only make choice of a limited number of lines. If two or three lines were made and it was found that they ceased to pay, no more lines would be made, and the directors, not fearing further competition, would naturally agree to charge the highest paying fares, whatever those fares might be.

7429. You have referred to cases of competition for traffic between railway companies, in what respect would competition of that kind differ from competition between two rival lines of steamers?—The difference is this, that where there are two rival lines of steamers, each perseveres in maintaining a low tariff with the object of driving its opponent off, and one or other party is soon forced to submit; but in a competition between railway companies they know perfectly well that however long they may contend the lines still remain where they are; they soon see the absurdity and folly of competing when they can never drive each other away; and it is in that respect that railways must always in themselves be a monopoly, however much their traffic may be divided.

7430. You state, do you not, that if the directors performed their duty in the most unexceptional manner towards their shareholders and the public, that would not alter in the least your opinion of the present system?—That is so. It appears to me that the main matter to be considered is the amount the public pay at the present time to the railway companies. Last year they paid 34,000,000*l.*, and this year they will pay more than 36,000,000*l.* Now if the fares and charges were reduced to one-third of their present amount, it is perfectly plain that such a procedure would be in all respects tantamount to a reduction of 24,000,000*l.* in taxation. Of course, against that gain there would have to be charged the direct loss incurred by diminished charges. Whatever it should cost the country by direct taxation would be so much deducted; but inasmuch as I apprehend that it is the same to a man whether he saves 1*l.* in his tea or sugar, or 1*l.* in his railway fares, or any other matter connected with railways, if you gave him by payment, or gave the public by payment 24,000,000*l.*, it would be the same in every respect as if the taxation of the country were reduced 24,000,000*l.*, and the same, in fact, as if you swept away the customs duties entirely.

7431. As the difference in receipt between the two rates of charge is so comparatively trifling, would not the same object be effected by guaranteeing to each company the difference between the high and the low fares?—The great difference would be this, that if you once guaranteed a company their dividends, the State would take upon itself the responsibility of paying the dividends, and all inducements to economy and good management would be taken away.

7432. Supposing that the Legislature should be willing to carry out the Act of 1844, and the Government and the companies agreed to the terms that you have suggested, what profit would the State derive from the transaction?—About three and a half millions sterling, so far as the issue of stock was concerned.

7433. Have you made any calculation as to what the loss would be to the Treasury?—I should say that to the three millions and a half might be added the saving that would be effected by the consolidation of the railways under one management; that saving has been differently calculated by traffic managers, but the general opinion appears to be that there might be a saving of about one million and a half. That would raise the reserved fund that the State would acquire to five millions, and this sum it is presumed would make up the loss incurred by the reduction of charges.

7434. Would such a large increase to the National Debt, as the purchase of the railways would involve, affect the national credit?—I should think not, because you would have not merely the property worth the full value of the debt, but there would be a profit to the State of five millions sterling.

7435. Is the railway reform which you propose analogous to that of the Post Office?—Yes it is, to a considerable extent. The Post Office reform has reduced the postage to one-sixth of its former rate. Previous to 1839 the average postage on a letter was 6*d.*, and a fraction more; that was reduced by Sir Rowland Hill's plan to 1*d.*, and the increase in letters has been something about ten-fold since. At that time the gross receipts were 2,400,000*l.*, and the gross receipts at the present time exceed 4,000,000*l.* I do not for a moment suppose that there would be anything like a corresponding increase in the number of passengers by railways as of letters in the post-office, but if it were even three times the number, that would be quite enough, I apprehend, to guard the Treasury against what is called the "loss;" that is to say, the five millions, more or less as it may be, would make up the deficiency occasioned by low fares and charges if we suppose that some necessity exists for the same reduction on the carriage of merchandize as exists for the reduction of fares.

7436. Is the country at the present time prepared for such a change as you propose?—I should say not;

some time must elapse before the principles contained in the Act of 1844 be fully known.

7437. In your opinion should the Government take the initiative, and bring in such a measure?—Not until the country is fully prepared for it, which it certainly is not at the present time. I look forward to the time when it will be discussed in Parliament, and brought fully before the country; when the leading statesmen of this country will have the opportunity of fully expressing their opinion, so that by these means and by means of the press, the project will be fully known, and the Act of 1844, and the country be able to appreciate the benefits of carrying it out.

7438. That is the way in which you think that the change in the public mind should be brought about? That in my opinion is the way in which it should be brought about, gradually by the dissemination of opinion and by the discussion which it would bring on in the House of Commons. By that means the public at large would be fully conversant with the facts of the case and with the details; the measure would be fully canvassed in all its bearings, and it would then be open either to make some arrangement with the companies, if that should be considered desirable, without producing the organic change which was shadowed forth by the Act of 1844, or, if it was found desirable, the Act could be fully carried out.

7439. Do you see any indications of the change which you desire in the public mind now?—I think so. Within the last year public attention has been directed to the subject, and it has been canvassed to a considerable extent. But public opinion is not sufficiently matured to permit of action being taken on it. We find in this country a movement made through the different towns in matters which were considered as belonging entirely to companies, by which the municipal bodies are taking them into their own hands. We find, for instance in Manchester, that as to gas companies they are putting them aside entirely, and that they are taking the matter into their own hands. They see that what is called competition between different gas companies is all hollow and insincere, and that it is necessary that the public should take such matters into their own hands. In the same way I think it is exceedingly likely that public opinion before very long will be matured with regard to railway matters, and it will be understood that railways are a great national institution, and that so long as they remain the property of the companies the monopoly, under whatever name it is, must continue. It is not at all necessary that the Government should take the management of the railways into their own hands, but by leasing them out to companies they could secure to the country such terms, and place the companies under such conditions as would secure to the country the full benefits of its railways.

7440. (*Mr. Ayrton.*) Are the Commissioners to understand you to say that you propose to abide by the Act of 1844, or that you propose to take the railways from the Companies upon some new principle?—I think that it would not be practicable to carry out the Act of 1844. The Act gives compulsory powers, but I do not think it possible to carry them into execution; to deal with the four or five hundred millions of railway property upon the compulsory principle is, I think, entirely out of the question.

7441. Upon your principle, then, do you propose any new scheme for purchasing the railways quite apart from that Act?—Not exactly a new scheme. I would go, so far as principle is concerned, upon the principle of that Act, but still I would make it an entirely voluntary agreement between the Government and the companies.

7442. For what reason do you suggest or suppose that the companies would sell their undertakings at a less price than the shareholders can now individually sell their shares for in the market?—I do not suppose so; I should think that they would require a bonus of 15 or 20 per cent., and the Government would make the best bargain it could with them. No man would sell his shares for less, and I think that the Government could not procure them unless they would give a fair bonus.

7443. Your view is, that by voluntary arrangements between a railway company and the Government the company would sell its undertaking for its present value in the market, some bonus being given to it to do so?—Yes, with some 15 or 20 per cent. bonus, as the case might be, in the same way as all sales of the kind take place.

7444. When the Government has given this bonus, what do you propose to do with regard to the annual interest which would have to be paid by the public on the purchase money of the railway; how is that to be paid by the public; is it to be paid out of the general taxation?—It should be paid out of the general taxation. My idea is this, that all the railway property should be made the property of the State, and that they would lease it out to companies. There are different ways of managing it when once the State has acquired it, but following this plan of leasing the railways out to companies you make the terms first with reference to what the public require. You say to the company, You must carry the public on such and such terms; you must carry goods at such a rate, and you must carry parcels and whatever may be necessary, at a fixed tariff, and then you would lease it out to the company.

7445. But is the lessee to pay to the Government a rent for the railway equal to the interest which the Government would have to pay for the purchase money?—Yes, that is a matter of course.

7446. If the Government paid the bonus, the interest would be about equal, would it not, to the dividends that the shareholders now receive?—That is so.*

7447. The lease would be practically to pay to the Government a sum equal to the dividend that the shareholders now receive, and to carry at certain rates prescribed by the Government?—Yes.

7448. If they could get any one to take the railway on such terms?—Yes, if they could get any one to take it.

7449. If they could not get any one to take the railway when they had made the purchase what would happen then?—They could put it into a commission.

7450. Then they would manage it themselves?—No, they would not manage it themselves, but by a commission.

7451. Through an officer of the Crown?—No, not through an officer of the Crown. I do not think it would be desirable for the Crown to have anything whatever to do with it. But supposing that they could not succeed in letting the railway to a company at those rates, so as to secure the full benefit to the company, and supposing that it was necessary to put it into a commission, I should think that the commission should be nominated by the Crown, and be approved of by Parliament.

7452. Then you would establish a statutory commission directly responsible to Parliament?—Yes; responsible directly to Parliament, and at the head of that commission a man in the social position of our cabinet minister, and in the same way responsible to Parliament for the management of it.

7453. You would have in that case a body in the country not responsible to the Crown, but responsible directly to Parliament?—Yes, responsible directly to Parliament; the feeling of this country is opposed to the increase of Government patronage under these circumstances; if the railways could not be let out advantageously to companies it might be desirable to place them in the charge of a commission charged merely with executive powers, and Government say that they will have nothing whatever to do with the management of railways.

7454. It appears from the accounts of all the railways that with the existing charges and the existing system they pay their charges, and they pay the rent which you have just mentioned; how then do you

* See the first question in Mr. Galt's examination on the 14th November, No. 8413.

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make out that it only costs the railway companies one-fourth or one-fifth of the sum that you have mentioned to conduct their traffic, when it appears by the published accounts that the working of the traffic costs the railway companies the whole sum that they now charge?—No, they pay their dividends.

7455. You have stated, as I understand you, that the lease is to be on the condition of the rent being sufficient to pay the dividends?—It would not pay the dividends that they receive now.

7456. It would pay a sum equal to the dividends?—Yes.

7457. That being one of the charges of the railway, how then do you make out that it costs the companies the small sum which you have mentioned, when in point of fact the whole sum which they now receive at the existing rates only pays their working expenses, and pays the exact sum which you propose to reserve on the lease?—It must be remembered that the change to consols from railway stock increases the value of the railway property in the proportion of $3\frac{1}{2}$ to 5.

7458. What I understood you to say, was, that you had investigated the expenses of managing railways, and that you had discovered that a person could be conveyed (as is shown by the accounts) 100 miles first-class for 6*d.* I want to know how you discovered that, when it appears from the published accounts that the income of the railway companies at the existing rates only pays their working expenses, and pays the rent which you propose to reserve on lease?—Because the railway companies charge such rates that we find that they do not carry on the average more than 70 persons by each train, and consequently if they would carry treble the number of persons, there would be no more expense incurred in carrying 200 persons than in carrying 70 or 80.

7459. Your meaning is this, is it not, that it would be so, if their traffic could be made three or four or so many times greater than it is at present, without increasing their expenses?—Yes, without increasing their expenses.

7460. On that hypothesis, therefore, the charge is as you have stated?—That is so.

7461. Your statement was that in the existing state of things you had discovered that this was the cost?—What I meant to convey was this, that passengers could be conveyed at the rate I have stated, if a sufficient number were induced to travel, not that they actually were conveyed 100 miles for 6*d.* each.

7462. If I recollect rightly, your statement was, that you had examined the expenses, so that you had ascertained that that was the rate which it cost the companies to convey passengers?—No; my proposition was this, that they could be conveyed at that rate assuming that the trains were full.

7463. You mean this, do you not, that if full trains could be run and kept full all the way along the line, then that would be the expense?—Yes; they could be conveyed at that rate, but then I do not at all assume that the trains would be full, I do not at all assume that the trains would be more than a quarter full.

7464. Is your rate of 6*d.* upon the assumption that the trains would be a quarter full or quite full?—No; my assumption of 6*d.* for 100 miles for first-class passengers is merely showing what the cost is for which they could be carried.

7465. Under certain conditions?—Yes, under certain conditions.

7466. It is only an hypothesis?—Yes, it is only an hypothesis.

7467. And not likely to exist?—Not at all likely to exist.

7468. Then it was merely an abstraction?—Entirely so; except in the case of excursion trains. When the trains are full, then that state of things would exist when they carry their full number; but, of course, that does not at all apply, or would not apply, to the ordinary traffic trains, when there would not be more than one-quarter or one-fifth of that number.

7469. Upon what principle have you supposed that the traffic on our railways generally in England could double or treble itself in the course of any given time, apart from the ordinary views that we have of the increase of commerce and business from the reduction of prices?—The only reason that we can have to think so is, that when the railways adopt low fares the public rush in.

7470. Is not that the result merely of there being a sudden and exceptional vacuum into which they rush?—No doubt there is a good deal in that, and these cases are only exceptional, and are not such as you can legislate on, they afford no clear and definite data; it is only by having a satisfactory trial that you can really form a definite opinion of the result of low fares.

7471. Looking at the basis of railway income for merchandise do you think that there is any prospect of the conveyance of the great staples of the country, which make up that income, doubling or trebling in any very short period?—I doubt that very much, and therefore my remarks apply only to the passenger traffic. I should say that with regard to the carriage of merchandise there would be no occasion to make any reduction unless it could be shown that an increase of traffic would follow, and a merchant says, "I pay "so much for iron from London to Liverpool, I send "so much, I pay a certain rate, and I require a cer-"tain reduction;" if he admits, however, that the reduction he desires will not increase the traffic no reduction in my opinion should be made.

7472. For example, with regard to rates upon raw cotton and manufactured goods, do you think that a reduction would affect the quantity of raw cotton and manufactured goods conveyed between Manchester and Liverpool to any appreciable extent?—That I have no knowledge of. I do not propose to enter on that department of railway business. The only principle I should lay down is this, that unless it is shown to the satisfaction of the Commissioners that an increase in traffic would follow a reduction in charge no necessity for a reduction in the tariff exists.

7473. You do not, therefore, proceed upon any scheme of an absolute reduction of rates as regards merchandise, but that each case must be dealt with as it arises?—Yes, each individual case must be dealt with as necessity arises; for instance, in one case you must say, there is a necessity in this case that that rate should be one half of what it is, and in another case you should say, I do not see any cause for reduction.

7474. That is just as the railway companies are now dealing with the matter. If they think that they can increase the traffic in any particular commodity by cheapening the transit, and improving their receipts, they do so, do they not?—Yes. The only difference would be this, that the commission would naturally regard the public good; they would not go so close as the railway company would, and look merely to the turn of a little profit. The commission would act in a liberal spirit, and say, It is most desirable that the rates should be lowered; and, although there might be a loss for some time, yet still if on the whole they thought it desirable, they would make the reduction.

7475. Still, the project depending upon a positive reduction of rates applicable only to passengers, we are not dealing with the 36,000,000*l.* which you propose, but with the 15,000,000*l.*?—Yes, that is all I deal with positively; and, it is obvious that if you make but a small reduction in the freightage, there would be a large amount of profit, so as to ensure the public against any loss by the passenger traffic.

7476. Still, the actual and positive proposal is limited to the 15,000,000*l.* of the passenger traffic?—Yes; I only undertake to deal with that. I am told, though I cannot speak from personal knowledge, that a reduction in the rates for goods would be a great benefit to the country; but that is a subject I cannot enter into beyond the article of coal, which I consider of great consequence.

7477. Do you think that the requirements of the

country are such, that the ordinary intercourse of the public, apart from excursion traffic, renders it necessary that there should be this stimulus given to everything?—I think it desirable that everything, not merely travelling but everything in the country, should be as cheap as possible.

7478. Do you see any necessity for it? Do you know of any class of the community which are seriously inconvenienced by their inability to travel at the present time?—I think every class is inconvenienced; for instance, the persons travelling from Ireland complain of the exceedingly heavy charge of coming from Dublin and back again. They pay five guineas for a return ticket, and they say, "We have "constant occasion to come over to London on busi- "ness, but we are over and over again prevented from "coming on account of the high charges."

7479. Have you examined the question of the movement of passengers of this country as compared with their movement in other countries relatively to rates?—Our rates are far higher than those in any other country.

7480. Have you found, comparing the population and the number of passengers, that the movement of the people in this country is less than that of the people of other countries?—I have not entered into that part of the question.

7481. Your scheme proceeds entirely upon the assumption that the passenger traffic would increase in extent, so as to make good the loss that would otherwise arise from the reduction of the rates?—Yes, by the profit that would arise from the purchase of the railways, and their consolidation under one management.

7482. (*Capt. Galton.*) You stated that you would charge a uniform tariff; did you mean a uniform rate per mile?—Yes, a uniform rate per mile for each class.

7483. As applicable to passengers or to goods?—To passengers only.

7484. You would make no difference in the cases where there was steamboat competition carrying passengers?—No; I should make a uniform rate per mile over the whole country.

7485. If you carried at a low rate per mile, would you have any necessity for excursion trains?—I should have excursion trains.

7486. Why?—Because they carry the excursion traffic still lower than the ordinary traffic.

7487. Then you think that the principle of excursion trains is a good one?—I think it is. I think for large towns, say for such a place as London, it is a very great matter to allow the poor population an opportunity of going to the country.

7488. But you would carry your ordinary third or fourth class passengers at a farthing per mile?—Yes, at a farthing per mile.

7489. And you think it necessary to have excursion trains at a lower rate?—Yes, in order to enable a man to bring his family with him. The South-eastern Company carry at less than that now.

7490. You gave the Commission some examples of the small difference to the shareholders which a diminution of the passenger charge made, and you cited the case of the Edinburgh and Glasgow, and the Caledonian; is not it the fact that the portion of the traffic on which the low fare was charged has a very small proportion to the whole passenger and goods traffic that was carried on those railways?—I think that that was so on the Caledonian line; but I do not think it was so on the Edinburgh and Glasgow line.

7491. The distance between Edinburgh and Glasgow is nearly 50 miles, is it not?—Yes.

7492. Is not it the case that there are several towns of fair size on the line between Edinburgh and Glasgow?—Yes, there are.

7493. Between which a very considerable traffic arises?—Yes.

7494. And to those towns the reduction did not apply?—No; still the great traffic was between the two capitals, Edinburgh and Glasgow.

7495. Have not your researches led you to see that the amount of traffic between two places diminishes very rapidly in proportion to the distance between the two places?—Yes.

7496. When two places are far apart the number of people that travel is very much smaller than between places six, eight, and ten miles apart?—Yes, no doubt. Those cases which I gave I do not put forward as a complete proof of the success of low fares. I merely put them in for what they are worth.

7497. (*Mr. Lowe.*) With regard to the governing body of those railways, who is to appoint it?—I should think that in the first instance it would be desirable to lease the railways out to companies, whatever Government or Parliament may do at a future time.

7498. Then you have changed your opinion with regard to that, because I understood you to say that a body was to govern them with the rank of a Cabinet minister?—In the event of the lines not being leased out to the companies.

7499. Do you contemplate that event as possible?—I only contemplate it in the case where there should be no lessees found to take the railways on terms satisfactory to the public.

7500. Who is to manage this letting of the lines?—The Government.

7501. What department of the Government?—The Board of Trade I should think would be the best.

7502. On what conditions? Is it to be left to the Board of Trade to fix the conditions?—No, the conditions would be fixed by the Legislature. The tariff for passengers and merchandise would be uniform throughout the kingdom, whoever should manage the railways.

7503. And then you would put the railways up to auction, or would you ascertain their value by tender?—It would be a very good way to do it by tender, and to take the lowest tender; but that is all matter of detail.

7504. And if the terms were such that no company could be found to take the railways upon those terms, then the Government is to work them themselves?—You can scarcely conceive it possible that you would not get a company to do it. Companies are always ready to do business.

7505. If the scale were fixed at such a limit that it did not pay the company's working expenses, that would be so, would it not?—It is impossible to suppose a case of that sort; for instance, if you take the London and North-western, one cannot suppose that you could reduce the scale so as not to pay its working expenses.

7506. Not if you reduced it to one-third?—No.

7507. (*Mr. Ayrton.*) Was not it your proposal that it should be let on these conditions, namely, that the rates should be one-third of the existing rates for passengers, and that the rent should be equal to the interest upon the purchase money?—Yes.

7508. And that if no company could be found to take it upon those conditions, then somebody else was to take it?—Yes.

7509. (*Mr. Lowe.*) A commission?—Yes; but it might be done in another way. If a railway, or a group of railways, was let out on a contract to parties, and it was found that the company would not give as much as would indemnify the Government, then the Government in such case might pay something to make up the loss, if such a course was thought desirable.

7510. They should pay the company for working the railway?—Yes; they should pay whatever was necessary to make up the loss.

7511. Out of the general revenue of the kingdom?—Yes; out of the general revenue. My view is this, that supposing a universal reduction of charges on our railways were made to the amount of two-thirds, there would be 24,000,000*l.* saved to the nation. From

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that should be deducted what the Government would pay to the companies, and the difference would be the nett gain to the nation.

7512. That would be a subsidy out of the general revenue for the benefit of those who travel and who send goods by railway?—Yes, for all who derive benefit in any way from railways.

7513. And those who travel most and send goods most would gain most by that subsidy?—Yes; they would be the best contributors to the revenue

7514. Which travel most and send goods most, the rich or the poor?—I think the poor would travel most.

7515. More than the rich?—Yes, because you find that the receipts from the third-class travellers are greater than from the first-class.

7516. Is that because the individual poor man travels more than the individual rich man, or because the poor are more numerous?—Because the poor are more numerous.

7517. Then the individual rich man travels more than the individual poor man?—Yes; but if you reduced the individual poor man from a penny a mile to a farthing a mile, you would find that there would be quite a different state of things.

7518. By your proposition the individual rich man would be the person who would gain the most?—No, because the tariff is not reduced to the rich man in the same proportion as to the poor man. At the present time if you travel by express train you pay $2\frac{1}{2}d.$ a mile, and if you travelled by the express train which I propose, you would pay $2d.$ a mile; so that the rich man does not gain much, whilst the poor man's fare is reduced from $1d.$ to $\frac{1}{4}d.$

7519. Is $2\frac{1}{2}d.$ a mile the usual fare by express train in this country?—I think it is.

7520. Is not it $3d.$?—No, only $2\frac{1}{2}d.$

7521. How do you propose to provide for the permanent way under this system?—The company that takes the railway would be bound to keep it up.

7522. And how do you propose to enforce that obligation?—The same as any other obligation is enforced at law; the company must give proper securities for keeping it up.

7523. It would not, of course, be the interest of the company to keep it up unless there was some special provision with regard to it?—It would not be their interest, but they would be bound by the security in the same way as any one is bound by a contract to fulfil a particular obligation.

7524. You think that in that way the thing would be kept up?—It would be the duty of the Government to take care that it was kept up, by requiring certain conditions, and getting proper securities, and dealing with solvent men.

7525. Although it would be the interest of the company not to fulfil that obligation you think that the Government would be able to get it performed?—I do not see why they should not. It would be the interest of the company, no doubt, to do as little as they could.

7526. Do you think that the Government would obviate that?—Yes, by taking proper securities.

7527. Supposing that improvements were required upon a railway; take, for instance, the case of the Great Western building a new station at Reading, which is to cost 40,000*l.*, who is to do that under your system?—The State should do it.

7528. What principle would you lay down for the guidance of the State in doing it?—That anything that was done extra, any permanent improvement, should be for the benefit of the public. It would be necessary that the company, who would lease the railways, should keep them in perfect and proper condition, and give them up in the same condition as they got them, but in case any improvement was required the State should pay for it.

7529. You consider that these railway companies, tenants of the Government, would expect to make something out of the railways?—Yes; of course they would not take them unless they thought they would make a profit.

7530. Do you think that politics would have nothing to do with the letting of those lines?—Not if it is done by open contract.

7531. Would you bind the Government to take the highest bid in every case?—Yes, where there was proper security given.

7532. You would not look at the character of the persons tendering and their experience?—No; so long as it was a public company that gave proper security for the performance of the work, and they were in every way suitable.

7533. What do you mean by "in every way suitable"?—If they were able to carry out their contract and give proper security.

7534. That would be all that in your opinion would be required?—Yes, that would be all that would be required.

7535. Those railways have a great deal of patronage, have they not?—Yes.

7536. Do you think that you could make the Government the landlord without escaping at all events the suspicion, or probably the reality, of the Government using that patronage for political purposes?—I do not see what patronage they would have if they did not work the lines.

7537. But they would have power over those that did work the lines, would they not?—No; if they were leased out to companies, the company that got a lease for 21 years, or whatever time it might be, would be quite independent of the Government.

7538. I thought I understood you to say that the company undertook to fulfil definite obligations and gave security for their performance?—The company would undertake to carry at certain terms.

7539. And to maintain the permanent way?—Yes, to maintain the permanent way, and to pay the rent.

7540. Do not you think that those conditions would give the Government great power over the Company?—I do not see what the power is any more than if a tenant takes a lease from his landlord; he ought to be pretty independent of his landlord.

7541. But is he so?—He ought to be so.

7542. That is not the question that we have to deal with, the question is whether he is so?—I think he is.

7543. Are the tenantry of this country generally independent of their landlords?—Not tenants at will, but a tenant at will and a tenant having a lease are very different.

7544. Though the lease may contain very many burdensome covenants?—That is a different matter.

7545. That is the case here, is it not?—No, the covenant would be simply this, that the Company would engage to give up the line in the same condition as that in which they took it, and that they would engage to carry passengers and goods at a certain fixed tariff, and to pay a certain rent.

7546. Do not you think that a company which had the power of sending several members to Parliament would be dealt with more leniently by the Government on whose side it returned those members than a company which used its power the other way?—If you give no option, if you make it binding that you shall let the contract to whoever gives the most money, there is no option left in the power of the Government.

7547. When you have once got the company, supposing the company is letting the permanent way go out of repair, would not it be dealt with much more leniently by the Government if it supported the Government for the time being, than if it went against it?—If the Government break faith with the public and acts dishonestly, you can only go to Parliament for redress; you cannot provide against those things.

7548. You cannot provide against the Government using its powers for political purposes?—If the Government chooses to act dishonestly, then all the power of

Parliament would be employed to remedy that state of things.

7549. Do not you think that a very good reason for not adopting the system which you propose ?—I do not think so.

7550. Do you think that the Government never do use their power improperly ?—I would take such precautions that the Government should have no power in the matter.

7551. What precaution would you take ?—The precaution in the first place that you should let the railway to whoever gives the most for it.

7552. I am supposing the lease already made, and the company working it under lease, what precautions would you take to prevent the Government being loose to one company and rigid to another, according to political influence ?—I do not know what precautions you can take, except the precautions that exist at the present time against the Government doing wrong ; you have an appeal to Parliament if they act wrongly, and that is the only remedy you can look to.

7553. If the Government happens to have a majority in Parliament (which I suppose it would have from the fact of its being the Government) then I suppose the appeal would not come to much ?—It would come to very little, I suppose.

7554. (*Mr. Ayrton.*) Will you extend your answer with regard to the mode of dealing with the permanent way to the rolling stock, would the Government buy the rolling stock and lease the rolling stock, and have all the factories and the machinery under their control ?—I would say that the Government should take everything as it is, and have a proper valuation put upon the rolling stock, a valuation agreed on between the two parties, and at the end of the lease the same sort of valuation should be taken, so as to have any difference made up.

7555. And take it back again at a valuation at the end of the lease ?—Yes.

7556. What would you think would be a fair per-centage to allow to the lessees for the risk and the responsibility that they would incur in agreeing to take a railway at a certain fixed rent for a given number of years ?—That I cannot say anything about ; I would merely put it up to public competition, whoever would give the best terms, let them have it.

7557. As you would often put very large sections of a railway or whole railways up to competition, would it not be so great an undertaking that practically there would be no competition, just as we see when Government want to borrow 20,000,000*l.*, that there is really no competition ?—Then the question would be, whether it should not be put up in smaller sections.

7558. Then if it were put up in smaller sections would there not be a multiplication of the expenses of management, so that that great item of saving would not accrue ?—Mr. Watkin, who is a very eminent man in railway management, suggested the idea that if England were divided into four sections, that might be made very manageable, and the scheme would work very well.

7559. Still the responsibility of one section would be 8,000,000*l.* a year ?—Yes.

7560. That would be a very heavy transaction, would it not ?—Yes, no doubt.

7561. Do you think that there would be much competition in such a transaction as that ?—There is competition in everything.

7562. What do you think would be a fair per-centage upon the 8,000,000*l.*, would you say five, six, or ten per cent. to allow the lessee for the responsibility that he would undertake in engaging to pay 8,000,000*l.* to the government yearly, and carry on the traffic ?—That I cannot say.

7563. Would you allow him five per cent.?—I think he ought to have five per cent. profit.

7564. Supposing he were allowed five per cent., the allowance to the lessees on the whole 33,000,000*l.* would come to 1,500,000*l.* would it not ?—Yes.

7565. Would not that be exactly the sum which you say is now spent upon management ?—I have not stated any sum for management, nor can I enter into those details. I should take the general principle that the railways should be let out to companies upon the best terms that could be procured, and would fix the tariff ; but as to those minute details I can not at a moment's notice speak.

7566. Upon principle do you not think that the saving in the management would be absorbed in indemnifying the lessee for the risk that he would run in engaging to pay the Government absolutely a very large rent, and in engaging to carry on the traffic at fixed maximum rates of a very low character ?—That must be the look-out of the lessee before he would take it.

7567. Would not that be the practical result of the transaction ; do not you think that if he undertook to incur the risk that you would impose upon him, he would expect a rebate which would practically absorb all the saving in the management ?—No ; I think that there is such competition in England for works of that sort, that they would be willing to take it on terms that would not absorb the saving that I anticipate by carrying out that plan.

7568. (*Chairman.*) I understand you to say that although you think it desirable that the Government should purchase all the railways, your view is that public opinion is not sufficiently ripe on the subject for you to recommend such a transaction being carried out at present ?—That is my opinion.

7569. And you think that the plan ought to be tried experimentally on particular lines ?—I think that the experiment ought to be tried on particular lines.

7570. Do you mean to say that the Government ought to purchase a few lines such as those you have specified between Liverpool and Manchester ?—No.

7571. Did I rightly understand you to say that if the Government were to guarantee the companies against any loss it would lead to extravagance, and there would be no interest in trying the experiment fairly ?—I was speaking then of a permanent guarantee, I was not referring to a guarantee for merely a year.

7572. But would not a guarantee under all circumstances take away from the directors all motive to exercise economy, or to conduct the experiment fairly ?—No doubt a guarantee for a long time would do so, but I propose it merely for a short time, say a year, in order to try the experiment, and when the directors would, as I have no doubt they would, enter fairly into the question for a year and make a fair experiment, the public can arrive at a knowledge of the extent to which low fares can be carried.

7573. You think that it ought to be tried on a few lines such as those you have named, and that the Government ought to guarantee the directors against any loss for a year or two years ?—For a year at all events.

7574. Do not you think that a guarantee even for a year would prevent their giving the experiment a fair trial ?—I think not. If the directors of any company would pledge themselves to give it a fair trial for a year, I have no doubt they would fairly carry out what they undertook to do.

7575. Are not all the lines in this country so intermixed with one another that it would be scarcely possible to find any lines upon which the experiment could be fairly tried ?—There are many lines upon which it might be tried. Take for instance the London and Blackwall, or the Metropolitan line from the City to Paddington, or the North London, these do not interfere with other railways ; or take the most of the Eastern Counties lines, or the two lines between Liverpool and Manchester, and many others that might be named ; such lines as the Commissioners would, after due care and deliberation, select, not merely in the populous districts but also in the thinly populated districts, so that they may know what the effect of the low fares fairly tried throughout the country would be.

7576. Supposing the whole of the lines in the country

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were purchased by the Government, it is your opinion, is it not, that a uniform scale of fares should be adopted throughout the country?—That is my opinion.

7577. Are not there a great number of lines through comparatively thinly-peopled districts in which it would be quite impossible to expect that the trains could ever carry one-tenth or even one-twentieth part of the passengers that a train is physically capable of carrying?—I do not expect that in ordinary cases the trains would be one-quarter filled; and in those lines that your Grace is speaking of, it must be remembered that the Government would buy them proportionately cheap where there is a small traffic. Take for instance the Eastern Counties, you would buy the Eastern Counties at less than half the price for the same distance that you would buy the Great Northern. Therefore the Government do not run a risk in that way, because just in proportion to the value of the line would be the amount that they would pay. In a densely-populated district, where the traffic is great, they would pay more than if it were in a sparsely-populated district where there is a very small population, and where the shares are exceedingly low there the Government would buy the line in the same proportion.

7578. Are there not lines in thinly-peopled districts which cannot be bought very low, and which are paying very tolerable dividends to their shareholders at present?—Whatever they pay to their shareholders at present, the increase in traffic would be in proportion if you reduced the fares.

7579. Although it may be quite possible in very thickly-peopled districts to carry passengers at a very low rate, do you think it equally possible in thinly-peopled districts to carry at the very low fare which you have named?—I do not think that the increase would be so great, but, as I said before, it is to be remembered that you would purchase low in the same proportion. For instance, on a line that would carry two the proportion would be doubled; it would carry four, and on another that would carry eight per mile it would carry sixteen, so that the proportion would be kept up; you would buy at a proportionate rate, and therefore there ought not to be any very great difference with regard to the loss.

7580. Do you know enough of the price of the different lines to say that the Government would be able to purchase exactly in proportion to the probable traffic on the line?—No. I know, in a general point of view, the value of the shares in the lines. For instance, if you look at the Great Eastern, that goes through a thinly-populated district, and the shares are not one half the value of what they cost; their 100*l.* shares are less than 50*l.*; but if you take on the other hand the Great Northern, the shares in that line are above 130*l.*; and in the one case you pay nearly three times as much per mile as in the other.

7581. (*Mr. Leveson Gower.*) In the case of the Blackwall Railway, you have told the Commissioners that there are omnibuses running alongside it; now if the experiment were tried on that railway, what would become of the omnibuses?—It would do them up pretty quickly.

7582. Should you propose any compensation to the owners of the omnibuses?—No, I never heard of such a thing.

7583. With what fairness would you give a bonus to the proprietors in the purchase of their shares, whilst in the same act by which you ruin the omnibus proprietors you would give them no compensation at all?—It would be only following the accustomed rule; there was never any compensation given to the coach owners when the railways were established, or to the omnibus proprietors on the line. We must take things exactly as they are.

7584. But would it make no difference whether the cheapness of conveyance is created by money contributed by the public, or whether it arises from individual energy?—In all these cases you must look only at the public good; and I consider that it would be a very great public good in densely-populated districts like the Tower Hamlets, where the population is exceedingly poor, if you could carry them for a penny where now they pay 4*d.*

7585. Supposing the collier trade from Newcastle is destroyed by the greatly cheapened conveyance of coal, do you think that no hardship upon them?—All these things are hardships, but they are hardships which cannot be helped. They must either be endured or the progress of civilization stopped.

7586. Have you ever considered the result of your scheme upon the further extension of railways?—Not to any very great extent.

7587. Do not you think that that is a very important element in the consideration of the subject?—No doubt it is a very important element, but I should like to see this question settled first.

7588. You stated that there were some small railways whose prospects were rendered uncertain in consequence of their having to fight by reason of the establishing of fresh railways. I suppose that if your scheme were adopted those railways would not be made?—If my scheme were adopted, or, I should rather say, if Mr. Gladstone's scheme was adopted, if the Act of 1844 was fully carried out, as a matter of course there would be an end to all private companies.

7589. (*Capt. Galton.*) And to all extensions of railways?—No, not to the extensions of railways.

7590. (*Mr. Leveson Gower.*) Mr. Gladstone's scheme did not comprise any diminution in the charges by railway, did it?—Yes. He stated that he contemplated a reduction to one-third of the average fares, but he said nothing about goods.

7591. (*Mr. Ayrton.*) Under your plan, what would be done with reference to new lines of railway; should they be constructed by the State, or by the lessees, or by new companies?—I think that they should be constructed by new companies and bought by the State. Let any project come before Parliament and receive the assent of Parliament, and let the lines be constructed by private individuals the same as they are now, and be taken at a valuation when they are completed.

7592. You mean that they should be taken by the State whenever they desire to do so?—Yes. I am assuming first that the project must receive the sanction of Parliament; let the railway then be constructed by the parties who have obtained the Act, and then let the State take it at a valuation when the line is completed.

7593. How soon after the line was constructed should the State take it?—As soon as it was opened, or as soon as the value was tested by the amount of traffic on it; that, I think, would be the fairest way—to test the value by the traffic on it, and then to leave to arbitration the price to be paid.

The witness withdrew.

Adjourned to to-morrow at 11 o'clock.

Wednesday, 8th November 1865.

PRESENT :

The Right Hon. Lord Stanley, M.P., F.R.S.	A. S. Ayrton, Esq., M.P.
The Hon. E. F. Leveson Gower, M.P.	Capt. Douglas Galton, R.E., C.B., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq., M.P.
T. B. Horsfall, Esq., M.P.	William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Dr. W. Neilson Hancock examined.

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7594. (*Chairman.*) You were formerly Professor of Political Economy in the University of Dublin, and Professor of Political Economy and Jurisprudence in Queen's College, Belfast, were you not?—Yes. I was so for five years in one professorship, and for four in the other, but I have ceased to hold either for some time.

7595. Have you recently been engaged in collecting statistics and in making official reports on various questions relating to Ireland?—Yes; I made an inquiry into the general statistics of Ireland with regard to the Supposed Progressive Decline in Irish Prosperity about two years ago, and I have inquired into the taxation of Ireland, and into the arrangements for local government, and recently into the importation of cattle, and into the conduct of the labouring classes, and also into the statistics of crime.

7596. Has your attention been directed to the present state of railways in Ireland?—Yes. I was requested by Right Hon. William Monsell, M.P., who took a very active part in the matter last session, to consider the subject, and to give my opinion on it to the Commissioners. That is the origin of my looking specially into it.

7597. Have you formed any opinion upon any part of the present railway system in Ireland, which you think requires the attention of the Commissioners?—I think that what has attracted my attention most in the present railway system of Ireland is the want of success of Irish railways as commercial speculations, as shown in the table which I hand in (*see Appendix* AZ.) It appears from this table that two of the companies have become actually bankrupt, the Banbridge Extension and the Bagnalstown Railway Companies. And an Act of Parliament was passed last session to prevent the application of the Irish Bankruptcy Act to other railways. In the second place, there are several railways at a standstill; that is to say, their works are stopped at present. I have not detailed information as to them all, but I find two that I may mention, the Athenry and Ennis railway and the West Cork railway. Then there are six railways which do not pay dividends to all their preference shareholders.

7598. Can you name the companies that do not pay dividends to all their preference shareholders?—There are the Belfast and County Down, the Irish North-western, the Limerick and Foynes, the Londonderry and Coleraine, the Londonderry and Enniskillen, and the Newry and Warrenpoint companies. I may mention that the mileage of those that are bankrupt is 33 miles. I have not the names of all those that are standing still, but the mileage of those that are not paying dividends to all their preference shareholders is 263 miles. Then I find that there are ten lines in addition to those six that do not pay dividends on their ordinary shares. There is the Banbridge Junction, which has not paid a dividend for the last year, and only one dividend in the three half-years before that; the Cork and Bandon has not paid for the last three years; the Cork and Kinsale has not paid for the last three years; the Dublin and Meath has not paid the last three years; the Finn Valley has not paid the last three years; the Limerick and Castle Connel, no payment stated the last three years; the Limerick and Ennis, no payment the last three years; the Newry and Armagh no payment the last three years; the Portadown, Dungannon, and Omagh, no payment for the last three years; and the Waterford and Kilkenny, no payment for the last three years.

7599. What is the mileage of those railways?—The mileage of that class that are not paying their ordinary shareholders is 217 miles, and the mileage of the third and fourth class added together makes 480 miles of railway running trains and paying no dividends to ordinary shareholders. The next class of railways are those that pay dividends less than the rate of interest in the funds; that is, less than trustees' security; less than 3 per cent.

7600. (*Lord Stanley.*) When you say "less than 3 per cent.," do you mean the nominal value in the funds, or their real value?—The interest on the funds at present is 3*l.* 7*s.* 6*d.*, and I take the real rate of interest in the funds; the present rate of interest is 3*l.* 7*s.* 6*d.* at the last quotation. The Waterford and Limerick Railway has paid on an average 18*s.* 4*d.* per cent. per annum in the last three years. The Cork, Blackrock, and Passage has paid on an average 1*l.* 18*s.* 4*d.* per cent. per annum for the last three years. The Waterford and Tramore has paid only 15*s.* per cent. per annum on the same average. The Midland Great Western paid 5 per cent. in December 1862. The dividend fell to 4½ for two half-years. The dividend fell to 4 per cent. in June 1864, and in December 1864 to 2 per cent., and the last dividend was 2¼ per cent. So that in the last year the dividends have fallen from paying a very respectable amount to paying 2 and 2¼ per cent. I therefore take it as now paying less than the funds, although the average rate for three years is 3*l.* 14*s.* 2*d.*

7601. (*Mr. Horsfall.*) Do you mean at the rate of 2¼ per cent. per annum?—Yes. I take those figures from the ordinary Brokers' Share List. I just take the statement in the market as to the rate of dividend. The Great Northern and Western, the last dividend was 2*l.* 5*s.* per cent. per annum, and the average of three years was 2*l.* 15*s.* 10*d.* The Athenry and Tuam pays a dividend of 3 per cent., and has done so for three years. They have leased their line to the Midland Great Western for a term of years, and as long as that term lasts they are secure of that dividend; but it is not necessarily a permanent dividend. The mileage of the lines paying some dividend last year, but less than the rate of interest in the funds, amounts to 441 miles. The sixth class of railways are those which pay above the funds, but pay less than what the shareholders believe to be true commercial interest. The way in which I measure that is this, that if the shares are at par at their existing dividends, the shareholders believe they are getting a fair interest for their money; but if the shares are below par at the dividends they are paying, then the shareholders do not believe that they are getting commercial interest for their money. The lines in that condition are the Dublin and Belfast Junction; their shares were, before 19th October last, 68*l.* per 100*l.* of shares, that is to say, they are 68 per cent., or 32 per cent. below par, of the value of their shares, and they paid 3*l.* 10*s.* per cent. the last dividend, and 3*l.* 13*s.* 4*d.* per cent. on an average of the last three years. The Belfast and Northern Counties paid 3*l.* 10*s.* per cent. the last time, and 3*l.* 16*s.* 8*d.* on an average of three years, and their shares were at 78, or 22 per cent. below par. The Ulster Railway is paying 4*l.* and an average of 4*l.* 13*s.* 4*d.* per cent.; the price of their shares was in October 84 per cent., or 16 per cent. below par. The Dublin, Wicklow, and Wexford is paying 4*l.* per cent., and 4*l.* 3*s.* 4*d.* on an average of three years; their shares were at 7½ the 10*l.* share, or 75 per cent., or 25 per cent. below par. The Dublin and Drogheda is paying 4*l.* 10*s.* per cent., 4*l.* 3*s.* 4*d.* on an average of three years, and their shares were at 82 per cent., or 18 per cent. below par. The Great Southern and Western are paying 4*l.* 10*s.* per cent, and on an average of three years 4*l.* 10*s.* 10*d.*, and their

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price before 19th October was 91 per cent. or 9 per cent. below par. That is the most prosperous and the highest-priced line of that class. The mileage of the lines paying above the funds, but less than commercial interest, comes to 768 miles. There is one railway in Ireland whose shares are very largely above par, and that is the Dublin and Kingstown Railway; they have paid 9 per cent. for the last three years, and their shares were in October at 195½ per cent., or 95*l.* 10*s.* above par.

7602. (*Chairman.*) Is that the only railway in Ireland whose shares are at a premium?—Yes.

7603. (*Capt. Galton.*) Does the Dublin and Kingstown line of railway go to Wicklow?—No; it is leased to the Wicklow company, but they are separate companies. The Dublin and Kingstown company have six miles of railway; they have leased it to the Wicklow company on a perpetual lease, and they divide 9 per cent., so that I presume they are earning it.

7604. (*Chairman.*) The shares of the Dublin and Kingstown Railway are in the nature of preference shares are they not?—I think that it is a perpetual lease.

7605. What are the defects of the present railway system in Ireland, which you think require the attention of the Commissioners?—I think that the first view of the matter is, that the proposition that was stated by the Committee of the House of Lords in 1864 applies strictly to Irish railways. In the House of Lords in 1864 there was a special committee on railways, and they reported that when companies were not able to pay their ordinary shareholders, they were not in a satisfactory position for developing traffic or for working the railway successfully; and I find that that exactly coincides with my view, that if an undertaking is to be worked as a commercial speculation, the foundation of all commercial success is profit, and that where a commercial undertaking is really profitable, the public interests are really safe to a very large extent in the hands of persons who are working for a *bonâ fide* and large profit, but that when a commercial speculation is not successful as a commercial speculation there is not the same safety for the public interests in entrusting public functions to a railway company.

7606. (*Lord Stanley.*) Will you explain to the Commissioners what you mean by "the same safety "to the public interests"?—In entrusting public functions to them they are not likely to develop the traffic or to manage their affairs with the same liberality; they are likely not to repair the line adequately; and they are likely to let it run out of repair; and they are likely not to try experiments with the traffic, if that were necessary, not to make useful extensions, not to amalgamate, not to do any of those things which companies might be expected to do, and which they would do if they were making large profits.

7607. You mean that if the speculation turns out a bad one, the Irish directors are not inclined to throw good money after bad?—Precisely; and not only are they not inclined to throw good money after bad, but they are not likely to manage what remains of the bad money prudently.

7608. (*Chairman.*) Can you give us any instances of serious losses to shareholders in railways?—The most recent instance I can think of is the Cork and Youghall Railway, which has been recently bought by the Great Southern and Western Railway Company for 300,000*l.* It was stated in that case that the sum expended on that line itself had been from 600,000*l.* to 700,000*l.* and of course that loss must have fallen to a large extent on the shareholders.

7609. Do you mean that the 600,000*l.* or 700,000*l.* was actually expended, or that that is the nominal capital?—That is what is stated to have been the nominal expenditure on that line.

7610. Do you object to the payment of contractors in shares?—I think that one cause of lines not paying well is that really solvent companies are afraid to carry out extensions, and then they are got up by what are called speculative companies, and in those speculative companies it is very commonly stated that the contractors are largely paid in shares. I think that the payment of the contractor in shares is an objectionable thing in a public undertaking, because it is mixing two things together. The contractor has two divided interests. As a shareholder he ought to check the contractor, and as a contractor he ought to get the largest sum from the shareholders, himself and others. I do not think it is beneficial ultimately to the contractors; because if the rate of interest rises in the market, and if they have taken the lines as a matter of speculation, and are not regularly paid their money, they very often get embarrassed, so that I do not think it is beneficial to the contractors. I think that in the case of a public undertaking, when it is to be carried out by commercial men, it should be undertaken by real shareholders who are expending the money and checking the expenditure.

7611. Do you object also to the payment of landowners in shares?—I think that it puts the landowner in the false position of a man promoting a line that is not likely to pay. I think they ought to do what some proprietors do, and what is done in the case of all public roads, and that is, either not claim for the whole value of their land, or not claim for it at all: but if they do claim for it, the mixing up of the claim with the shares leads to lines being promoted which will not be likely to pay, and if they do not pay in the long run then I think that an amount of discredit frequently attaches to the parties concerned; for instance, in those bankrupt lines there are some very influential parties who appear as connected with them.

7612. (*Lord Stanley.*) What is your practical objection to landowners taking shares,—is it that they are likely to sell out, and therefore to throw a quantity of shares upon the market, and so to depreciate the capital?—I do not object to any landowner holding shares.

7613. But you do object to a man being paid for his land in shares?—I think that his being paid for his land in shares induces proprietors to promote lines that will not really pay in the long run. I think that parties are induced to take shares by hearing that the landowners are shareholders in the line, and thereby a loss happens to innocent parties; the landlord who take shares in a railway does not really get paid in the long run, and he incurs the discredit of having induced other parties to take shares who would not otherwise have done so.

7614. You mean that people are induced to take shares by hearing that Mr. So-and-so is a proprietor in the line, and they think that he is not likely to go into anything that would not succeed, and they are not aware that the benefit to him is not in the direct return from the line, but through his land being opened up?—Yes; and that that leads to a loss of credit afterwards, that the landowners do not, I believe, think of when they agree to take shares for their land.

7615. Still, is it not a great help to a small line that may have a difficulty in raising its capital if the landowner consents to receive payment for his land in shares?—I think it should be taken into consideration that if there is a difficulty in raising the capital, the line is likely not to pay.

7616. (*Capt. Galton.*) Do you mean that no line should be commenced unless the money for the working of it is *bonâ fide* subscribed?—No line should be commenced on the commercial principle. I will state afterwards how I think those lines might be made; but I mean that on the commercial principle no line should be commenced by a company that started as a commercial company, unless it is a *bonâ fide* commercial company, with capital subscribed, and unless it pays its way.

7617. (*Chairman.*) You object to what you call "speculative lines"?—Yes; what I mean by speculative lines, are lines which may generally be stated in the form described in Lord Stanley's words "lines "that find a difficulty in raising their capital." If a

line of railway is likely to be a profitable speculation it should have no difficulty in raising its capital. The fact that it has a difficulty in raising its capital shows that it is not likely to pay in the long run. But I think it very injurious, and I think that the list that I have given in shows that it is very injurious, to have those lines made on the commercial principle, when after a few years it turns out that they do not pay. Then there is very serious loss to the shareholders, who are induced by the great support that the line gets to take shares in it, and eventually find that they have lost their money.

7618. (*Lord Stanley.*) Do not you think that it is every man's business to look into the nature of his speculation before he embarks his capital in it?—Certainly.

7619. Do you think that a man has any right to complain if he puts his money into a losing speculation merely because other persons have also lost money in it, who are men of larger capital than himself?—He would be dissatisfied, nevertheless.

7620. (*Mr. Ayrton.*) Your view is that when a company is started on the commercial principle, the whole of the capital ought to be raised in cash?—No; I merely mean that it should be a sound commercial speculation, and that parties should not join in it for other objects than promoting the company. They may borrow, if they can borrow at 4 per cent. like solvent companies, upon debentures on a certain portion of their capital. There is no objection to that.

7621. Is it your view that as a test of a company being carried on upon the commercial principle, all the capital ought to be raised in cash, that is to say, brought to credit in cash?—Yes.

7622. You think that the capital ought not to be an aggregate of values suggested by various interests, but that the money ought to be brought in as cash for the shares, and then spent in the undertaking?—Yes, if it is to be conducted on the commercial principle.

7623. (*Chairman.*) To what causes do you attribute the state of things which you have pointed out with regard to the Irish railways?—I think that they have been too eager to make lines, seeing lines paying remarkably well in England. Some of the early lines in Ireland paid remarkably high dividends. The Kingstown line was the first line that was made in Ireland, and it paid very high dividends; and some of the English lines were realizing very large dividends indeed, and people were naturally led to make railways in Ireland, without calculating the exact extent to which the traffic would work out, and so it has turned out that the Irish lines have not paid so well as the best of the English lines. For instance, the London and North-western Railway, perhaps the largest in England, is paying 7 per cent. at this moment. After all its amalgamations, extensions, and everything, it is paying by the last accounts 7 per cent.; but amongst the Irish extensions a great number of lines were made that could not really be profitably made upon the commercial principle, and ought not to be made upon that principle.

7624. (*Lord Stanley.*) I understand your objection is that in Ireland a certain number of lines have been made which never ought to have been made?—Yes; on the commercial principle they ought never to have been made.

7625. And which never had a reasonable prospect of yielding a return?—They have never had a reasonable prospect of giving a dividend of 5 per cent. or paying the rate of interest that the directors had to pay for borrowed money, but they might have paid, if the land had been given by the proprietor and money advanced by Government at 3½ per cent.

7626. (*Chairman.*) Out of what fund are the county roads made and repaired in Ireland?—The county roads are made in Ireland out of the local taxation; the turnpikes have been abolished and the whole of the county roads are repaired out of the local taxation.

7627. Can the defects in the railway system in Ireland, which you have pointed out, be remedied by competition?—I think that they cannot, for this reason, that in Ireland the traffic is not large enough to bear competition. The very fact that the traffic is of so small an amount shows that it will not bear the extent to which competition is carried in England.

7628. Can you give any instances where in your opinion competition has been injurious to Ireland?—I may mention that there was a line made from Portadown to Omagh; that line does not pay itself a profit, and yet it diminished the profit of three other lines. It diminished the profit of the Londonderry and Coleraine line, of the Northern Counties line, and also of the Dundalk and Enniskillen.

7629. (*Mr. Hamilton.*) But have not the public gained anything by the competition in the reduction of rates?—No doubt they may have done so.

7630. (*Chairman.*) Have you formed any opinion as to whether there can be any adequate checks upon railway companies where there is no competition?—I think that the great check on all enterprises as commercial enterprises is competition; and that in the absence of competition there is not the same source of security.

7631. Are we to understand you to state that the best check upon railway companies is competition, and that you think it applies to railway companies as well as to all other undertakings?—So far as you trust to the commercial principle of management so far the safest check is competition; indeed the only complete check is competition.

7632. Do you think that the present defects of railways in Ireland can be remedied by amalgamation?—I think that amalgamations in Ireland have gone on very slowly and will go on very slowly.

7633. Can you state why amalgamations go on so slowly in Ireland?—I believe that the fact that even the best lines are making small profits is a very great reason why amalgamations go on very slowly. If a line is making a return above commercial interest, the shareholders will tolerate the directors entering into new speculations and buying up lines, and they can give very liberal terms in buying them up; but if a company is not making full commercial interest then the directors are very slow to enter into any speculation in that direction.

7634. (*Lord Stanley.*) When one speaks about amalgamations, if it were a question of fusing all the Irish lines into one, or two, or three great companies, there are some of those small bankrupt or nearly bankrupt lines which nobody would take at a gift; those lines that are paying no dividends, and those lines which barely cover their working expenses, would not be received into any system of amalgamation, because they would represent no commercial value whatever?—The traffic may represent a commercial value, although the line pays no dividend to the shareholders, because it may pay interest on its preference shares, or interest on its debts. Whether a line is valuable or not, it depends upon whether the traffic will pay for keeping the line in order and pay the working expenses, and if it does more than that it will be profitable for a company to buy it.

7635. (*Chairman.*) Do you see any danger attending further amalgamations without the check of competition?—Yes, a commercial monopoly would be created, and there would be no satisfactory check on fares for passengers or rates for goods. The towns would be very jealous of having their trade so largely dependent on a board composed often of merchants in another town.

7636. Do you think that the Irish lines could, with advantage, be amalgamated with the English companies?—I think that the Irish local traffic is so much greater than the through traffic that there would be very great jealousy if any large portion of the Irish lines were amalgamated with English companies.

7637. What effect is the present system likely to

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have on the extensions of railways in Ireland ?—I believe that in the present state of the money market and the state in which it is likely to continue, it will put a stop to even legitimate extensions. I think there may be speculative extensions made for motives of competition with different lines, or from other objects which would be, in my opinion, injurious.

7638. You think that there are extensions which are legitimately required at present in Ireland ?—I do not know whether any case might be made out of legitimate extension on the commercial principle, but owing to the discredit with which new lines are viewed now by the public, the difficulty in raising money would make it very hard to start any legitimate extension now.

7639. Do you ascribe much of the unprofitable condition of the Irish railways to the state of the country ?—I do not ; because I think that since the railways were made the country has been progressing in many respects very considerably. There was a temporary retrogression for three years, in 1860, 1861, and 1862, but since then the country has been improving again steadily. It is supposed by some persons that the state of the country is the cause of the unprofitable condition of the railways, but I may mention one or two facts : There have been about 1,900,000 acres of land reclaimed, which were reported unreclaimed in 1845, being more than one-half of what was reported by Sir Richard Griffith as then capable of reclamation, and there has been a very large amount of thorough drainage very successfully carried out.

7640. Do you take a hopeful view of the future prospects of railway traffic in Ireland ?—I do ; for I think that the really large questions to be looked at are how the different classes in the country are circumstanced that is to say, the landowners, the capitalists, and the labourers. The rent of land is rising, and the quantity of land under cultivation is increasing. The prices of the agricultural produce that forms the principal export to England are rising very rapidly and have been for a series of years, as for instance for cattle, butter, and other produce that are exported to England ; therefore I think that the position of landlords is improving in that respect. Then with regard to capitalists, the amount of capital accumulated in Ireland has steadily increased for a number of years. It was ascertained by a return that was made two years ago that the quantity of deposits in the Joint Stock banks had increased from about five millions in 1841 to sixteen millions in 1859. It diminished for three years afterwards, but that was owing to temporary depression, and I have no doubt that the amount has gone on increasing since 1863. The principal manufacture in Ireland is the flax manufacture, and in that manufacture power looms have been extended to linen, and the number of power looms has increased from about 3,000 to 10,000 within the last few years. In the same way the number of woollen factories over the country has increased very considerably, and all those facts indicate that there is a great activity in whatever manufactures we have in the country, and therefore there has been no retrogression but a progress in that respect. With regard to the labouring classes their wages have increased upwards of 50 per cent. the wages are going on steadily increasing, and will go on increasing, and their education is improved to a very large extent. During the period from about 1844 up to 1862 wages have increased 50 per cent. and the education of the labouring classes has improved. Persons who were not educated before the national system was introduced are all dying out and a whole generation are growing up who are more extensively educated than perhaps is the case amongst the labouring classes in any country in the world. The amount of serious crime has diminished about one-third in ten years, and the conduct of the labouring classes, particularly with regard to crime connected with machinery, has improved. That is a matter which I had to examine specially last year, and it turned out that there was almost a total absence of crime in connexion with any combinations or any opposition to the introduction of machinery. All these circumstances are very favourable, and I think that these are the lasting matters on which the traffic of the country depends, and if the different classes are increasing in wealth and there is a regular progress going on in the country, that is the lasting basis on which railways depend for payment.

7641. All those causes lead you to expect that railway traffic in Ireland will improve ?—They do.

7642. As a matter of fact, the returns of this year are considerably better than the returns of last year, are they not ?—Yes. There was a depression in the railways, in consequence of the three bad years which they had. It did not tell on the railways at once, because they had a profitable trade in what was evidence of suffering in the country, that is to say, they had a good trade in coals to supply the want of turf, and a good trade in importing foreign corn and Indian corn to supply the deficient harvest, so that they were really deriving benefit while the country was suffering. They were also benefited by the cattle being exported to pay the debts of the farmers ; but when the people were better off the traffic in coal and corn diminished, and the cattle traffic diminished slightly also. The first year after the three bad years the farmers were paying their debts ; the second year they were saving their money ; and it is not until the present year that they began to get the full benefit of prosperity, and so the railways to get the benefit of it also. The three bad years were 1860, 1861, and 1862 ; then 1865 is the third year from that, and accordingly in the latter part of this year the traffic is increasing.

7643. What is your opinion of the effect of emigration on railway traffic ?—I think that it has not affected the railway traffic, because it has been accompanied, and must necessarily be accompanied, in every case by a rise in wages, and the wages of the Irish population were so extremely low when they were numerous, that the former wages would scarcely admit of railway travelling by the poor at all. If the emigration were followed by a depression of the country, by a fall in wages, by a fall in profits, or by a fall in rent, then of course it would affect the traffic ; but the railway development in Ireland has gone on ever since emigration began.

7644. Do you see any prospect of increased traffic in coals ?—I do, for two reasons. The rise in wages for agricultural labour, I think, will go on faster in Ireland than it does in England. The tendency of Irish wages is to come up to the English level ; because, by the great emigration to America and the great facilities for coming to England the tendency of their wages is to go up rapidly to the English level. Therefore, the rate of wages for making turf in Ireland will rise more than the rate of wages in the coal mines in England. Another reason is, that there is a great deal of land that has been drained and turned into pasture which has a turf soil, and farmers will be much slower to break up pasture now it is so valuable to make turf out of it than they were in former times.

7645. (*Lord Stanley.*) Has the coal traffic increased, and is it increasing ?—It varies very much in different years. If a very dry year comes turf is cheaper than coal, but if a wet year comes the coal is cheaper than turf, so that unless you watch the statistics very closely for a series of years you would not have a correct view of the case ; but the tendency generally is towards increase in the consumption of coal.

7646. (*Chairman.*) What remedy have you to suggest for the state of affairs that you have described, first as to bankrupt lines and lines where the works have stopped ?—I think that where lines have become bankrupt, or where the works are stopped, Parliament should not give them extensions of time, or try to have them worked on the commercial principle. I do not think that such lines will succeed on the commercial principle. I think

that those lines should be examined, and if the traffic would pay for the cost of completing them, supposing the money to be advanced at 3½ per cent., then the Government might safely complete those lines. If the traffic will not pay for the cost of completing them at 3½ per cent. then if the localities take such an interest in the matter as that they would guarantee any portion of the cost of either keeping the railways in repair or of making them, so as to reduce it to a profitable speculation for the Government to advance money at 3½ per cent., then I think they might be completed and become public property.

7647. What would you do with respect to the money that has already been paid for them?—I would have the lines worked for about seven years, and if they realized any profit beyond what would pay the Government 3½ per cent. on what they advanced on them, I would then give the value of that excess as compensation to the existing owners.

7648. You would have the Government take possession of all those lines that are either bankrupt or where the works are not proceeding?—Yes; but I wish it to be understood distinctly that I think the Government should only do it on the principle of the general taxes not losing. It is not a question of transference of burden but it is simply a question of management.

7649. (*Mr. Ayrton.*) By "general taxes" do you mean the national exchequer?—Yes. It is not a question of contribution from the general Government, but a question of management.

7650. (*Chairman.*) Do you think that they should be taken possession of by the Government without the consent of the shareholders?—If they became bankrupt, Parliament should not, I think, on their powers expiring, renew their powers. As long as any powers that they have exist they should not be taken possession of; but when their powers expire, as is often the case from their not making the line in time, instead of granting a new bill, and giving debentures to private parties, and giving preference shares to private parties that will take it up as a speculation, when it really has been a very doubtful speculation in the way that I refer to, the Government should then take possession of them.

7651. (*Capt. Galton.*) The lapse of powers would not make the line lapse at all; the company would still own what land it had purchased?—Yes; but I think that where companies are not able to carry out the undertaking with which they are intrusted by Parliament, Parliament should not continue their powers.

7652. But that was not made a condition under which Parliament gave the powers originally, that they were to lapse to the Crown if the company failed in carrying them out?—No, but the plan that I propose would not injure them in the least, because, from the Government purchasing at 3½ per cent., while private parties would expect to realize at least 5 per cent., the nation would be giving them more than they could get from a private party.

7653. (*Lord Stanley.*) Does your proposal come to this, that the Government is to become the possessor of all the hopelessly bad lines, and that private proprietors are to retain all the good ones?—Not that the Government are to become the possessors of the lines, at least not on the present terms; that is to say, they are not to pay what has been expended upon them, but merely when a line will not succeed as a commercial speculation, instead of trying it with some new company, taking it up on preference shares, the line would be safer in the hands of the Government. And if any aid is to be given to the line by local taxation, as several counties have proposed, I believe that local taxation could not be brought in aid of the commercial principle. When it was tried at Galway by giving assistance to the Midland Great Western line, it worked unsatisfactorily. I believe that if the counties are anxious to have lines made, as the county of Kerry is stated to be, and to contribute a certain amount from the local taxation, it can only be wisely and prudently done where the line is public property. You cannot mix local contributions with the private interests of a company.

7654. Do you mean by "local taxation" county taxation or the taxation of Ireland generally?—County taxation.

7655. Does it come to this, that if speculators have carried lines of railway through a county which cannot pay for keeping them up, you propose that the Government should take possession of them, and that the deficiency should be made up by taxing the population of that county whether they will or no?—No, certainly not; I merely said that the Government should only take up a line, if it would be a profitable speculation for them, at 3½ per cent. on any Government advances, not otherwise.

7656. (*Mr. Ayrton.*) Do you mean if a county agrees to pay 3½ per cent. on the capital?—No, not on the "capital expended;" what I mean is this, that if a line would pay at 3½ per cent. on the Government advances necessary to complete it. The value of the line is what it is worth in the future, no matter what is spent upon it, if and it would pay to complete the line at 3½ per cent., then the Government should complete it and take charge of it; but if it would not pay that the Government should not touch it at all, unless the locality interested guaranteed what would be equal to 3½ per cent. on the sum they asked the Government to advance to complete the line.

7657. (*Chairman.*) Who is to be the judge as to whether it is likely to pay 3½ per cent.?—The Government officers should inquire into that before they take it, and not take the line without local guarantee if there was any doubt about the advances being secure.

7658. (*Capt. Galton.*) If it would not pay 3½ per cent. what would you do with it then?—The Government should not touch it unless the locality who were interested took it up, like the case of the Galway line, or the proposed Kerry line.

7659. Supposing the locality did not take it up, what then?—Then I would leave it to its fate.

7660. Would you leave it in the possession of the private shareholders?—Yes.

7661. And allow them to do what they like with it?—Yes; I would allow them to do what the law allows at present, I would not interfere with it at all, unless the line would pay 3½ per cent. on the Government expenditure in completion.

7662. (*Chairman.*) How would you deal with the lines which only pay dividends to the preference shareholders?—I think that as the 21 years runs out on those lines (and it appears from the dates of the first Acts in the table I have given in that there are several of them very near the limit of 21 years, as fixed by the Act of 1844), the Government should take the lines, the traffic should be valued, and the lines purchased by the Government at 3½ per cent.

7663. How would you deal with the lines that are paying no dividends to their ordinary shareholders?—As the 21 years run out, I would value their traffic, and purchase them at the same rate.

7664. (*Mr. Hamilton.*) What is this period which you have referred to?—The statutory period in the Act of 1844.

7665. (*Chairman.*) How would you deal with the lines which pay less than the rate of interest in the funds?—With regard to those companies, unless they were anxious to sell their lines, I would not interfere with them.

7666. With the remaining lines, those that pay above the interest in the funds, would you do anything?—Of course they are not wholly unsuccessful on the present system as commercial speculations; the commercial principle has not failed entirely with them, and there would be no occasion until the experiment of Government management had been fairly tried to interfere with them at all.

7667. You would have the Government purchase or take possession of the four first classes of lines; namely, those which are in a hopeless state of bankruptcy, those in which the works are stopped, those that pay no dividends to preference shareholders, and

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also those that pay no dividends to their ordinary shareholders?—Yes; and with reference to the fifth class, namely, those that are paying dividends less than the funds, if they were willing to sell them on the same terms as the other lines to the Government, their traffic should be valued, and the lines purchased, that they might have the option of selling, but it should not be compulsory.

7668. Supposing the Government had purchased any lines in the way you suggest, how would you propose that the traffic should be carried on?—I think that the traffic should be carried on by the Government entering into a contract with some of the existing solvent companies to keep the line in order, and to supply engines and carriages, and whatever was required at so much per train mile, but that the fares should all belong to the Government just as what is received for the post-office service belongs to the Government.

7669. How would extensions and new lines be made?—I think that all the lines that it would be really profitable to make on the commercial system in Ireland have been made; there may be one or two special bits, but in the main all the really profitable lines have been made, and I think that new lines should only be made like county roads, that is to say, the locality anxious to have them should offer to contribute a certain part of the expense or part of the maintenance of the way, or whatever was necessary to make the line really profitable, and then if the locality guaranteed what would make the line profitable in that way, the Government should advance the money to make it, and it should be public property.

7670. (*Mr. Hamilton.*) Then you consider that the Government should have the control of the rates?—Yes, in all cases. The Government should own the line and own the rates and tolls, and fix the rates.

7671. (*Chairman.*) Have you considered the effect which is likely to be produced by large reductions of fares?—I have no doubt, as a general proposition, that the tendency of very considerable reductions is to increase the traffic; at the same time I do not think that the traffic would be increased very rapidly; and I think that reductions of fares ought to be cautiously and tentatively tried, with a very careful consideration of the subject.

7672. Should you recommend that they should be reduced on any lines that are purchased by the Government without being reduced on all lines?—I think that the Government would be more likely to try successful experiments in the reduction of fares than commercial companies paying dividends from half-year to half-year, the directors of such companies being so much under the influence of the shareholders, who are alarmed at the slightest change in the dividend. I think that the post-office shows that a large reduction on a wide principle of calculation would be undertaken by the Government when private parties very often would not enter upon it, and that ultimately it would pay well, though temporarily it would not do so. I believe that it is only parties who have a very large and permanent interest in the railways, and the Government would be in that position, that would be likely to try the experiment to the full extent that would be desirable.

7673. (*Lord Stanley.*) You put it in this way, that the directors of companies being influenced by the shareholders, who are a fluctuating body, cannot afford to sacrifice and ought not to afford to sacrifice any present interest for a future gain?—They are very unlikely to do so. As a matter of fact the influence of the directors depends upon the dividends that they can declare.

7674. As a matter of fact a man who may be compelled by circumstances to sell out next year has fair ground of complaint if the company, in which he is a proprietor, has embarked money in that which, though it may bring them a considerable return at the end of 15 or 20 years, will in the meanwhile involve a loss?—Certainly; and I would mention that that is particularly applicable to Irish lines, because as their dividends are below commercial interest their shareholders are more sensitive about the slightest difference of dividend than if they were making a very large profit. If a line is paying 10 per cent. or 9 per cent., or 7 per cent., as many English lines are, the directors are free to do very much what they please, because the shareholders are getting more than commercial interest for their money, and are not so sensitive about the fluctuations of dividends as where the shares are below par.

7675. (*Chairman.*) Have you formed any opinion as to the extent to which it would be advisable to make experiments in the reduction of fares?—I think the classes that it would be most desirable to make experiments on would be two classes, third-class passengers, and new branches of trade or manufacture. I believe that the greatest chance of any improvement is by increased accommodation and increased facilities of third-class passengers. I do not think it would have the effect to the full extent that the directors anticipate, of inducing second-class passengers to go by third-class carriages, because it would bring a poorer class into the third-class, which would prevent the second class going as much into third-class carriages as is anticipated. New branches of trade and manufacture might be encouraged by special reductions of fare for two or three years.

7676. (*Lord Stanley.*) Are you in favour of lowering the fare, so as to convey third-class passengers below the actual cost of conveyance?—No; that raises the question of making a present from one class of the community to another class, which is a most dangerous question to enter upon. I have thought of it as a successful speculation, like the penny postage, that if you carry for a lower fare, and make it pay by larger accommodations and larger arrangements, it is wise to do it; but if it does not pay it should not be done at all.

7677. (*Mr. Ayrton.*) Do you consider the interest on the capital in calculating the fare to be charged for the conveying of passengers?—I consider that the cost of conveying the passengers is simply the haulage and maintenance of the way. When once the line is made the mode of managing the line is wholly independent of what it has cost; it is simply what you pay for keeping the line in thorough working order, and what you pay for carrying the passengers; it does not depend in the least upon what the line cost. When once capital is laid out upon land it becomes a natural agent, and the way of managing a railway is like managing the rent of land, which does not depend upon the expenditure upon it.

7678. (*Capt. Galton.*) You mean that you would purchase the railway and get the maximum net receipt out of it when it is made?—Yes; and the way to do that is to calculate, not what you pay for your line, but the cost of working the train and keeping the line in perfect order, and the necessary establishment charges, and to see how for that cost you can work it so as to make the maximum out of it.

7679. And fixing such a charge as would induce the largest number of people to travel by it?—I think the more you accommodate people, and the larger the number that you induce to travel upon your line, the more it will pay, although it may lose for a year or two.

7680. According to your last suggestion if a line were to lose for a year or two you would not get the maximum net receipt out of it?—By the maximum I do not mean the maximum from day to day, or from half-year to half-year.

7681. You mean that it would pay the best in the long run?—Yes; that it would pay the best in the long run; that is the principle on which to manage it, to get the maximum net receipt. One advantage, however, that the public would get if the railways gradually belonged to the public is, that the public would not work with the sole purpose of profit. Provided it paid well they might reduce the fares, and not carry on the line with a view to realizing a large

revenue out of the people who used it, as the private companies now do.

7682. If the public made the railways, they would have to arrange to procure a certain sum of money for making those railways, and they would have to pay a certain rate of interest upon that money,—would they not, somehow or other ?—Yes.

7683. And if it is not paid by the receipts from the railways, it must be paid out of the general taxation of the country ?—Yes.

7684. Do you mean that if the public made the railways they should charge a sum which would induce as many people as possible to travel without reference to paying the interest upon the money which had been advanced for making the railways ?—If the Government advanced money to make or purchase the railways, the fares should be regulated so as to pay $3\frac{1}{2}$ per cent. on the money.

7685. (*Mr. Ayrton.*) My question was whether the interest on the cost of making the railway was, in your opinion, a part of the expense which was to be covered by the fare ?—In the case of the Government making the railway, it is.

7686. Is it not so in the case of any body making the railway ?—The expense involves two things. For instance, one of those lines that is paying no dividend on its shares now costs perhaps 500,000*l.*, and Government buy it, say for 100,000*l.* I believe that the fare should pay the interest, not on the 500,000*l.* which has been wasted, but on the 100,000*l.* which is *bonâ fide* paid.

7687. The 100,000*l.* would be the cost of the railway to the person who bought it, therefore when you say that the fare ought to be such as would pay the expenses, one would wish to know whether in the expenses you include the interest on the cost of the railway to the person who then owns it ?—Yes, I include it on the cost of the railway to the Government.

7688. (*Mr. Hamilton.*) Do not you adhere to what you said a few minutes ago, that the object of management should be to get the greatest possible net receipts from the railway ?—That was rather a theoretic answer. If a person is the private owner of a railway, the policy on which he should manage it to make the greatest profit out of it, would be to consider what it cost him to carry each bit of traffic, and how he can make a profit out of it. And he should not consider the amount of money that he had spent on making the line.

7689. The object of management is to get the largest amount of net receipts, is it not ?—The object of private managers is.

7690. And it is not the same thing as endeavouring to carry the largest amount of passengers ?—No.

7691. (*Sir R. Hill.*) But in fixing the fare with the view of obtaining the maximum of profit, it is not necessary, is it, to take into account the cost of the railway ?—No.

7692. That may be utterly disregarded, may it not ?—Yes.

7693. And ought to be disregarded ?—Yes, in calculating the maximum of profit.

7694. What you mean I conceive to be this, that if the Government become the proprietors of the railways, with reference to the general advantage, then they would be in a different position from an ordinary proprietor who regulates the fares simply with a view to his own advantage, and that the Government might make reductions in the fares so long as the revenue derived therefrom covered the cost of working and the interest of the capital, even though those reductions should to a certain extent reduce the net profits.—Yes, and that is one reason that the Government can do what no private parties can do. The Act of 1844 was founded partly on that policy, because it limits the profits of railways to 10 per cent., and the object of that was to prevent their realizing the maximum profit that they might realize; and that limitation I think has led in a curious way to extraordinary amalgamations and extensions in England, because when the companies found that the profits on a certain bit of line ran up above 10 per cent., they thought it much more politic to extend than to have the Government tempted by their high dividends; whereas in Ireland, we have had no such motive to stimulate us to extensions.

7695. (*Mr. Ayrton.*) Do you speak of your own knowledge that any railway has been amalgamated from that motive ?—No, that is theoretic merely.

7696. It is not a conclusion from facts but is rather a logical suggestion ?—It is a political economy conclusion of the natural result of putting a limit.

7697. (*Chairman.*) Have you any opinion to offer to the Commissioners as to the connexion between the liability of railway companies, in case of accidents, and the reduction of fares ?—I think it is important to point out that one impediment to the reduction of fares which operates with railway companies is the very unlimited nature of their liability in case of accident, and I think that operates very strongly, particularly with companies that are barely paying, or making only a small dividend, for an accident with heavy loss will sweep away their whole profits for the half year. I think that if persons wish to be insured in a certain reasonable amount there can be no objection to that. There ought to be a certain amount to secure the good conduct of the company, and to provide a moderate compensation; but, assuming that prudent people have their lives insured, if persons wish to be extra safe it would be politic to have an extra fare. I think that the present system creates a risk to the company far beyond what the public get the benefit of. I would separate the insurance beyond a moderate sum. I think there ought to be a certain sum for the first-class passengers, a smaller sum for the second, and a smaller sum for the third class, with special provision for injury during life which a life insurance would not cover. The limit should apply fully in case of death; beyond that, if a person wishes to set a great value upon his life he should make a special arrangement, just as when you send valuable goods by railway, you have to declare the value of them, and make special terms. That matter has to be considered in any project for reducing the railway fares, because you have one element in the calculation which is not allowed for in the insurance. You do not alter the insurance, it remains constant, whereas if you limit the liability in case of a railway accident, you enable the fare to be reduced. The risk of liability is one cause of railway companies in Ireland having been afraid to try experiments of low fares; they say, if we develop the traffic we may get into an accident, and one accident will sweep away an immensity of profit while we are trying the experiment.

7698. (*Mr. Hamilton.*) Have you ever made a calculation of the proportion which the total amount paid in compensation by a railway company in any year bears to the total amount of passenger receipts on the line ?—In Ireland it is very small; it is not the amount in the aggregate but the risk. That is the very thing that I want to call attention to, that whilst it is very small in amount in the long run, it frightens the companies, because it may be immense; for instance, if they were carrying a committee of bank directors, or take the case of a train carrying the bar on circuit, the amount of compensation might be very large indeed; I mean that the accident might involve a very serious expense for compensation if some special class of persons were in the train.

7699. (*Sir R. Hill.*) That has in some instances materially affected the dividends of railways, has it not ?—It has.

7700. (*Lord Stanley.*) Have you considered at all the amount of saving that might be effected by a general amalgamation of all the railways into one or two, or at most three great systems ?—My own feeling is very strongly against it, if they are, when amalgamated, intrusted to companies. I think it would give infinite dissatisfaction if there were an attempt made to put all the railways in Ireland under one company. I think

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that the only safety in railways on commercial management is competition, and when you put an end to competition you are only safe in the hand of the State.

7701. But do you think that you can have competition where a single line is carried through a tract of country which barely suffices to support that line, and which, therefore, would not support a second?—No, we have not competition. Those are the very lines which would fall into the hands of the Government on the plan I propose, and those that would not be purchased at first would be principally those that are subject to competition at present.

7702. You do not think that on the whole much would be gained by a general amalgamation?—I think that a very great deal would be gained by a general amalgamation in one sense; that is to say, I believe that if the whole traffic of the country were worked on one uniform plan like the Post Office, a very much larger sum could be made out of the traffic, and if you handed it all over to one company they would make a large sum out of it, but the public would be very much dissatisfied.

7703. Are you speaking of the dissatisfaction of those very numerous persons who, as we have had it in evidence here, are employed as directors and otherwise upon the number of small railways now existing in Ireland?—No; I am not speaking of personal interests in the matter. I mean that the different towns would be dissatisfied if they had to go to a railway company in Dublin to decide how their trade was to be carried on; and if they were to be at the mercy of one company to decide whether particular arrangements should be made or not. The peculiarity of Ireland is, that it does not admit of a profitable competition.

7704. (*Mr. Ayrton.*) There are very few competitive lines in Ireland, I believe?—There are a good many. There are, for instance, two lines from Dublin to Athlone, then to Londonderry there are two distinct lines, and now there are practically two lines to Limerick, and there will very soon be two lines to Waterford.

7705. (*Capt. Galton.*) How do you make the second line to Limerick?—Through Roscrea and Castle Connell.

7706. The Roscrea and Castle Connell line belongs to the Great Southern and Western, does it not?—Yes; I mean that there are two lines for part of the way, not for the whole of the way.

7707. (*Sir R. Hill.*) Is that competition permanent in any case?—No, it generally ends in a compromise.

7708. Speaking as a political economist should you say that competition can ever be useful where the number of competitors is necessarily very restricted?—Its effect is diminished very much.

7709. You propose that the Government should become the proprietors of certain insolvent or semi-insolvent lines; those lines are scattered all over Ireland, are they not?—Yes.

7710. Do you make that proposition with a view to their being managed by the Government?—I do it on the simple principle that the commercial system of working those lines has broken down, and I believe that the only other system is that they must belong either to the local or the general government, and as most lines run through several counties they would naturally fall to the general government and not to the local government like the county roads. I may state that my view is that the Government should in process of time own all the railways.

7711. Your proposal is that they should take those unsuccessful lines as a step towards becoming the proprietors of all the lines in Ireland?—Yes, ultimately.

7712. (*Mr. Ayrton.*) Do you mean that the Government is itself to work the railways with a board of administration, or directors, or in what manner?—That they should work the railways as the Post Office is worked; that is to say, that they should enter into a contract for the trains and for the keeping of the line in order; and for every work that is necessary to be done, and that they should receive the fares or tolls in the same way as they receive the Post Office revenue.

7713. That they should appoint all the officers on the lines, and supervise their state of repair and efficiency?—They should appoint whatever number of officers was necessary to check the contracting companies, but the bulk of the employees would belong to the companies.

7714. Do you mean that they should lease the lines in whole or in sections to the companies to administer, or that they should direct the administration of the lines through officers appointed by the Crown?—No; I think that they should not lease them; they should enter into a contract for supplying the trains and for keeping the line in order, and the Government should receive the fares.

7715. Then the general administration would be by the Government?—Yes.

7716. Do you think that there would be any difficulty in giving to those officers appointed by the Government the power of fixing the fares at their pleasure, or do you think that it would be necessary for Parliament absolutely to fix the fares?—The fares of course would be fixed by a department subject to the control of Parliament; but there would be a very vigilant watch exercised against any abuse of power by the public and the contracting companies on the one hand, and on the other hand there would be such jealousy on the part of Parliament that any officers who managed the department so as not to pay would not long be retained in office.

7717. Then all the station masters, and the persons connected with the general administration of the company, would be officers of the Government?—No, only those who were necessary to receive the money and keep a check.

7718. Those who were necessary for the general management of the traffic would also have to be appointed by the Government?—Yes.

7719. (*Sir R. Hill.*) Do you think that under such an arrangement as that there would be the necessary vigilance to seek traffic and promote it in the highest degree?—I do. I think that the Post Office proves that.

7720. Would not it be a better arrangement for the Government to grant leases, so as to create individual interests in promoting the traffic of the lines?—I think that the commercial system has not shown itself successful except where there is a very large profit made by it.

7721. You appeal to the case of the Post Office; are you aware that in Ireland the Post Office is not self-supporting?—I am not aware of that fact.

7722. (*Capt. Galton.*) If the lines were possessed by the Government, would not it be of necessity that there should be a uniform rate of charge over the lines everywhere?—No, not necessarily so.

7723. Would not one district complain if they found that their goods were being charged a higher rate than another district?—I do not know that that would necessarily follow.

7724. Do not you think that political influence would be brought to bear upon the rates which were charged; supposing, for instance, that the charge from Dublin to Limerick were a larger charge per mile than the charge from Dublin to Belfast, between which places there is a ship competition, if the line were possessed by the Government would not influence be brought to bear to induce the Government to reduce the charge in the one case or the other?—I think that that could be met by arrangement.

7725. Still you admit that it would take place, and that there would be that private influence brought to bear?—If you laid down a fixed principle applying to all parties it would not.

7726. Do not the present rates for goods traffic on railways depend very much on the amount that the railway company can get, in consequence of competition by other ways; for instance, between Dublin

and Belfast there is a very active competition by ships?—Yes.

7727. Therefore the railway company cannot charge a higher rate per ton for goods which are to go from Dublin to Belfast than is charged by the ships which go there, whereas in going from Dublin to Galway the competition by ship would be much more difficult; or we will take Dublin to Athlone, in which there can be no ship competition, and probably the company would then charge as high a rate as Parliament had allowed them to charge; if the lines were worked by the Government would not it be necessary either for the Government to charge a higher rate between certain places than is probably now charged where competition exists, or else would they not have to reduce their charges over the whole country to a uniform rate, and that the lowest charge; would not that be the result?—The present system is not free from defects. For instance, some trades complain that the railway company will carry goods through Dublin from Liverpool to Sligo at a lower charge than they will make for carriage from Dublin to Sligo.

7728. Would not the result of the Government taking possession of the lines be that they must charge uniform rates?—I believe that the public would submit more patiently to any regulation made by Parliament with regard to the lines than they would to what exists at present. Their complaint I think is very well founded. A merchant at Dublin is carrying on his business there, and the railway company enters into a contract by which they carry goods through Dublin from Liverpool to Sligo cheaper than they charge him for carrying them from Dublin to Sligo. The company have the monopoly of the line given them by the Government, and the public are dissatisfied if a thing of that kind is done by a private party. I do not believe that local parties are able to force Parliament to do what is wrong. We have instances in Ireland where attempts of that kind have really ended unsuccessfully, and I believe that if Parliament laid down what would be found to be a just and fair principle they could carry it out, and the public would be satisfied with it; but if private companies do the business there is no appeal, and the dissatisfaction exists.

7729. You stated that you would recommend that the board which should have the management of those railways when under the Government should decide upon what should be the special fares in each case, subject to some general regulation by Parliament.

7730. You do not intend Parliament to legislate for every detailed fare which is to be charged?—No; I am merely suggesting; I have not gone into all the details of the plan. I merely state this proposition, that the existing system of commercial speculation has failed, and it is bringing discredit upon many men of good position. When I see men of property in the bankruptcy court as shareholders, when I see a most solvent company subscribing to bankrupt lines, and when I see the amount of discredit that is occasioned thereby, I merely tell you that the present system has failed and is failing, and will not succeed excepting in the most profitable districts. Therefore I say that you are driven by that to some system of state management, it is inevitable if you want the thing properly done. I have not considered all the minute details, but in proposing that the state should have the management of it, I do want the general Government to take it up instead of the local Government, because where lines run into different counties they can be best worked by the Government as part of a general system.

7731. You are of opinion that a monopoly in railways is not a safe arrangement for the public?—That is my opinion.

7732. Do you think that competition in railways is possible as a permanent arrangement?—No, and therefore I think that ultimately they ought all to belong to the State.

7733. (*Mr. Ayrton.*) Your whole proposal appears to be based upon the theory that if a line is not paying what is called commercial interest, it is not well administered by the directors;—is that theory based upon any investigation of the conduct of directors or is it to be considered merely as a speculative opinion?—I am not going into the question of the individual conduct of directors; I was asked to look into the matter, and I merely give that as a speculative opinion.

7734. It is not a conclusion drawn from an investigation of the conduct of directors in the administration of lines in the condition which you have mentioned, but it is a speculative opinion upon the possible operations of the human mind?—It is a speculative opinion, which has been stated by the House of Lords' committee, that where railways do not realize profits they will not be well administered.

7735. Your opinion is based upon the conclusion of the House of Lords' committee?—No; it is an entirely speculative opinion of my own, but I mentioned that their Lordships formed their opinion from an examination into the conduct of lines in issuing debentures and exceeding their Parliamentary powers. The House of Lords' committee arrived at it from a careful investigation of certain matters, with regard to certain lines in England exceeding their statutory powers in borrowing money. I arrive at it from theoretical considerations, that if an undertaking is to succeed as a commercial speculation it should be commercially successful.

7736. You think that the theoretical opinion which is so often broached, that people who are well off are disposed to let well alone, and are not the most active, and that the most active people in society are those who are always trying to better themselves, is an erroneous opinion?—I think that it applies to individuals, but I do not think that it applies to public companies.

7737. (*Sir R. Hill.*) Would not the undue influence that might be brought upon the Government to reduce the fares be neutralized if Ireland were bound to make good any loss that might result?—I think that it is a very difficult question to contemplate the effects of undue political influence; I am speaking as a political economist; as to the management of those lines, it is very hard to speak of the effects of undue political influence, or how it is to be corrected; I believe that Parliament is powerful enough to prevent undue political influence.

7738. If the railways of Ireland belonged to the Government, then the Government might be exposed to improper influence on the part of the inhabitants of certain districts of Ireland to reduce the fares; that is what is apprehended; but would not this danger be guarded against if any loss that might result from such reduction were borne by the parties who lived in the district?—Ireland has not a majority in the Imperial Parliament.

7739. Never mind whether it would be right or wrong to throw the loss upon Ireland, but assuming that the loss were to be thrown upon Ireland, would not that neutralize any undue influence upon the Government to reduce the fares?—It very likely would have that effect.

7740. (*Mr. L. Gower.*) Do I rightly understand you to be of opinion that the shareholders would never consent to a present sacrifice with a view to an ultimate advantage?—No, not that they would never do so, but that the tendency of shareholders, where the lines are paying a very moderate rate of dividend, is to be adverse to speculations of that kind.

7741. I presume if they were convinced that the sacrifice would be repaid, there would not be that disinclination?—Then we have to take into consideration what Lord Stanley has pointed out, that the shareholders are a fluctuating body, and not a permanent body, and that the same motive that actuates a private individual, who is always the same, does not actuate bodies that fluctuate by shares saleable from day to day.

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7742. Are the railways kept in a good state of repair in Ireland?—The solvent lines are very well managed.

7743. In those instances, the expenditure which is incurred by keeping the line in repair is a present sacrifice with a view to ultimate advantage?—It is with a view to an immediate advantage, because if the line were out of repair, and they had to pay for accidents, there would be an immediate loss.

7744. Still a railway might be deteriorating without resulting immediately in accidents and present loss?—There is nothing which so soon involves the risk of immediate loss as letting a line get out of repair, because one accident would be a very immediate loss, and prudent companies look to that very closely, and I believe they keep the lines in very good order.

7745. You do not think that the shareholders are as good judges of what would ultimately be profitable to the line as the Government would be?—I think with regard to large and extensive changes, with more distant returns, the Government would be better fitted to judge than the individual shareholders.

7746. Although shareholders are too timid in your opinion with regard to experiments, would there be no danger of the Government being rash in their experiments?—I think that they would not be rash.

7747. Would they have the same motives for prudence in the experiments that they might make as a private individual would have?—I think that in the present day in Parliament there is no quality that has more importance attached to it than financial prudence. In the Government departments there is extreme vigilance exercised, and there is no branch of the Government proceedings that has more importance attached to it than the statement of the Chancellor of the Exchequer as to how the public affairs are managed, and there is the utmost economy endeavoured to be carried out in all the different departments. In former times, when finance was less considered or studied by the Government, they would not have been subjected to this vigilance; but in the present day, when the greatest amount of attention is paid to the subject of making the different departments the least expensive and the most profitable, I believe it could be done. If the commercial system had worked successfully in Ireland, and if there were no insolvent lines, I would not have suggested any change. Change is necessary, because of the present unsatisfactory state of affairs.

7748. Do you believe that the Government establishments in England are as prudently managed as private establishments?—I think that some of them are as prudently managed as some public companies' establishments.

7749. (*Mr. Hamilton.*) You have referred more than once to an opinion or conclusion arrived at in the House of Lords, what is it that you distinctly refer to?—It is the report of the committee of the House of Lords in July 1864, and it is quoted in Hodges on Railways, in the appendix to the last edition. It is the "Report of the select committee appointed to "continue the inquiry commenced last session, and "report as to what legislative measures are desirable "for the purpose of restraining directors of railway "companies from exceeding the limits fixed by their "Acts of Parliament, and from evading those pro- "visions of their Acts of Parliament which require "that a certain portion of their authorized capital "shall be subscribed and paid for before their borrow- "ing powers can come into operation, and also to "inquire and report what securities can be given to "the holders of debentures as to the validity and "legality of the issue of such bonds." In paragraph 7 of that report it says, "The committee see no "reason why railway companies should continue "altogether free from the adjusting process to which "other trading companies are liable through proceed- "ings in bankruptcy." Notwithstanding this recommendation there was an Act passed last session to prevent the Bankruptcy Act extending to Irish railway companies. "On the contrary, they are of opinion that "the present practice by which the affairs of companies "practically bankrupt are patched up by successive "Acts of Parliament is injurious to the public, and too "frequently of no real benefit to the shareholders. "When a company pays little or no dividends on the "original capital, the working expenses are often cut "down injuriously, danger arises from insufficient ser- "vice, and the risk of present loss attending any re- "duction of fares, even with the fairest expectation of "future profit, is a bar to liberality of management. "For the public advantage it is desirable that a rail- "way should yield reasonable returns to those under "whose control it is placed; and when a company be- "comes seriously embarrassed it is expedient that the "concern should be transferred to others under whose "management it may be efficiently conducted. The "knowledge that such must be the result of mis- "management would probably have a most beneficial "effect on the proceedings of directors, and subject "the credit which they would be able to obtain to "some useful restraint."

7750. I understand that that recommendation goes to this, that railways should be taken out of the hands of those who have proved themselves incompetent to manage them?—Yes.

7751. But it does not follow from that that the Government should take them up?—No, I did not quote it for that purpose; I quoted it for one part of the proposition, that the commercial system breaks down when there is not commercial profit.

7752. Then it only goes to the extent of recommending that the property should be taken out of the hands of those who have proved their incompetency to turn it to good account?—Yes.

7753. It does not go beyond that?—No, for they go on to say: "With the present facilities for forming "companies, there would be no difficulty in finding "purchasers under sound and just regulations to be "provided in a public Act, whereby Parliament would "be relieved from having to deal with a class of private "bills which are very troublesome to settle, and are "never of a satisfactory character."

7754. There is a principle now under discussion, namely, as to whether the Government should undertake the management of railways or not; do not you think that it would put it under great disadvantage that the Government should have to make its first experiment on this *corpus vile* of bankrupt railways?—No; I do not think so. I think that the public would be more satisfied with trying the experiment in a case of that kind than with breaking up or attempting to interfere with companies which are not wholly unsuccessful on the commercial principle.

7755. But you were obliged in a prior part of your evidence to guard yourself by saying that the Government must be guaranteed locally or otherwise against loss?—But the company would not be bankrupt in the hands of the Government; they are bankrupt now, but if the Government bought the railways at a price that the traffic would warrant, the undertaking into hands of the Government at that low price would not be bankrupt then.

7756. (*Sir R. Hill.*) You spoke of the railway revenue in Ireland for the present year as being larger than that of the previous year;—do you infer from that circumstance that the amount will now increase and continue to increase?—Yes.

7757. Is not the revenue of the present year enhanced by the circumstance of the exhibition in Dublin being open?—Yes, it is enhanced by that circumstance, but I do not think that it depends upon that alone.

7758. Are you able in any way to separate the revenue derived in consequence of the exhibition being opened from the ordinary revenue?—The materials that I have do not enable me to do so; my impression from what I heard was that that was part of the cause, no doubt, but that it was not dependent upon that. I have inquired into the matter, and I find that the goods traffic has increased, and that would not be affected by the exhibition.

7759. (*Chairman.*) As a matter of fact is there a large influx of people into Dublin from the provincial parts of Ireland and the towns in the provinces to visit the exhibition ?—Yes, certainly.

7760. (*Sir R. Hill.*) You think that notwithstanding that circumstance the increase in the traffic is likely to continue?—I think so.

7761. (*Capt. Galton.*) You have stated that you would commence your experiment of the Government supervision of railways by taking those railways which were, as you say, bankrupt; that is to say, those which did not pay their preference shareholders, and those which did pay their ordinary shareholders, is that so ?—Yes.

7762. On looking at the map, I observe, that of the railways you mentioned, the only one of any great extent seems to be the line which runs from Londonderry through Enniskillen to Dundalk ?—Yes.

7763. The other lines seem to be these : first, there is the Banbridge Junction ; where is that ?—That is the little bit of line from Banbridge to Scarva.

7764. Then there is the Cork and Bandon; and the Cork and Kinsale, which is a branch from the Cork and Bandon line ; the Dublin and Meath; the Limerick and Castle Connell ; the Limerick and Ennis ; the Newry and Armagh; the Portadown, Dungannon, and Omagh ; and the Waterford and Kilkenny ; could not a number of those small lines which I have mentioned be advantageously worked in connexion with the Great Southern and Western Railway, and be amalgamated with it ?—Some of them might be, no doubt.

7765. Would not that be much more advantageous for their working than for them to be taken possession of by the Government, and worked as separate schemes ?—I think that they are very unlikely to be amalgamated. For instance, the Cork and Bandon line is in the hands of preference shareholders, and they think that they are safe enough, and they would not be very likely to sell the line ; and all the real shareholders must be powerless in the matter, as it is in the hands of the preference shareholders.

7766. Do not you think that it would be a better arrangement for the Government, after it had obtained possession of those lines, to lease them to this large line, of which they form very appropriate branches ?—What I recommend is, that the Government, instead of leasing those lines, in order to keep perfect control over the fares, so as to try any experiment or change that might be desirable, should contract with one of those existing large companies to work them, because the moment the Government lease them they deprive themselves of all control over the fares ; but I think that those large companies should be employed to work them.

7767. Is not one of the reasons why railways do not amalgamate in Ireland, that almost all the railways are connected with special seaports, and each seaport has its own individual interests ?—I think that that operates to some extent.

7768. For instance, especially in the lines to the north of Dublin ?—No, it does not, I think, operate especially in the lines to the north of Dublin.

7769. Does not it operate with regard to Belfast and Newry and Dundalk?—No ; I do not think that there is much rivalry as to the Ulster, Dublin and Drogheda, and Belfast Junction Railways. One of the reasons why those three lines do not amalgamate, I believe, is that the shares are at very different prices. For instance, the Dublin and Drogheda is 82 per cent., and the Dublin and Belfast Junction 68 per cent., and on the slightest mistake in amalgamating those two companies, or the slightest difference of value arising between them, one company would sacrifice its dividends. For instance, the one pays 4½ per cent., and the other 3½ per cent., and there are new lines being made, and they do not know the exact effect of them upon the traffic.

7770. Is it not the case that the directors of those several lines are each connected with the part to which the line runs ?—No ; the Dublin and Belfast Junction line does not run from an inland district to any port, it is a line from Drogheda to Portadown ; it runs parallel to all the ports. The line from Enniskillen to Dundalk runs to the port of Dundalk, and carries traffic going to England. The other line does not carry steamboat traffic at all, but traffic from Dublin to the north of Ireland. The lines that the steamboat interest is supposed to operate upon are the Waterford and Limerick, and the lines in connexion with it. The Great Southern Railway Company offered to amalgamate them, and they refused ; and that arose partly, it is supposed, from the people in the port of Waterford and people in Limerick being afraid that all their traffic would be carried to Dublin.

7771. In the north, which you know best, do you consider that that reason does not operate at all ?—Not between Dublin and Belfast. I believe that the interest of the different ports has led to a great deal of competition on the other northern lines. There is a great struggle between Belfast and Newry and Dundalk ; and one effect of having companies worked upon the commercial principle is, that you cannot prevent their being very much influenced by those considerations.

7772. Is it not beneficial to the ports that they should be influenced by those considerations ?—It leads very often to very unprofitable lines being made.

7773. Are not those unprofitable lines of advantage to the public ?—I think not. I think that for a particular district if they have one good port of departure and one good line to it, it is all they want ; and if there are two lines it is a very unsatisfactory state of things having lines that do not pay.

7774. If you have two lines to two ports you think that it is less advantageous to the public than having one good line and one good port ?—On the present system of making railways with a view to profit it is very unsatisfactory, having a number of railways that do not pay.

7775. Is it unsatisfactory to the people who travel by them ?—Yes, because the lines are not well worked.

7776. Is it not more satisfactory to people who travel to have a line which does not pay than to have no line at all ?—I think that it would be better to have one line that paid rather than to have two lines that did not pay well.

7777. (*Mr. Ayrton.*) The two lines do not go side by side ; they go through different districts, do they not ?—Yes. If a line is made on the commercial principle, taking, for example, that very line from Dungannon to Omagh, it benefits that district slightly ; but the main object of making that line was to get the Derry traffic and the traffic of a certain portion of that district of country for the Ulster line.

7778. (*Capt. Galton.*) It is more beneficial, is it not, for the public that they should have a line from Omagh through Portadown, to Belfast, and the line through Enniskillen to Dundalk, than that they should have only one of those lines, even though the line does not pay ?—When they do not pay, then you get into bad management.

7779. (*Mr. Ayrton.*) They need not use the lines, therefore they would be exactly in the same position ?—But that discourages railway enterprise generally, because no line is safe from a competing line being made which will destroy the profit of its traffic. There was a great contest about making the Drogheda line, whether it should go to Navan, or go by Drogheda ; it was decided to go by Drogheda, and after the Drogheda line was paying a very fair dividend for several years, the Meath line was afterwards made against the first decision, and the making of it took about 1 per cent. off the Drogheda dividend.

7780. (*Capt. Galton.*) Still it is more beneficial

Dr. V.N. Hancock. 8 Nov. 1865.

to the public living on the line, that the Meath line should be made, although it diminished the profits of the Drogheda company?—I think when a railway is made on the commercial principle, and it does not pay, its being made is an injury.

7781. (*Sir R. Hill.*) The shareholders on the line are a part of the public?—Yes.

7782. Must not their interests be taken into account as well as those of the residents upon the line?—Yes, certainly.

The witness withdrew.

Adjourned to Friday at half-past eleven o'clock.

Friday, 10th November 1865.

PRESENT:

J. A. Roebuck, Esq., M.P.
Sir Rowland Hill, K.C.B., F.R.S.
Capt. Douglas Galton, R.E., C.B., F.R.S.
William Pole, Esq., F.R.S., *Secretary.*

The Right Hon. LORD STANLEY, M.P., F.R.S., in the Chair.

[*There not being a quorum present, the following evidence was taken provisionally; it was accepted at the next official meeting of the Commission.*]

Mr. Edward John Cotton examined.

Mr. E. J. Cotton. 10 Nov. 1865.

7783. (*Chairman.*) You are connected with one of the Irish railway companies, I believe?—I am manager of the Belfast and Northern Counties Railway, which runs from Belfast to Portrush, Cookstown, and Carrickfergus.

7784. Has that company become connected with the Derry and Coleraine line?—We work that line at a mileage rate.

7785. I understand that you are here in order to give a contradiction to certain statements that were made in some former evidence which we have taken?—Yes.

7786. Have you seen the evidence of Mr. Roe?—I have.

7787. I think that the general purport of that evidence is, that upon the Derry and Coleraine line a very low rate of fares was adopted for a time; that at that low rate the line paid well, and there was a great increase of traffic; and that subsequently, when the line passed into the hands of the Belfast Company, that system was abandoned, and there was a return to the old rate of fares?—The tendency altogether of Mr. Roe's evidence, it is quite clear, is to lead the Commission to believe that the Belfast and Northern Counties Company upon taking up the line increased the fares, and that he, during the time of his lease, was charging some very low fares; indeed, I wish to state that when the line was handed over to us, all the fares and rates remained exactly as they were in Mr. Roe's time; the station-masters had no new instructions given to them, and the fares continued the same from the 10th of April 1861, which was the date that we took up the line, until the 1st of December 1863. The Northern Counties Company at that time increased their fares throughout their whole system 5 per cent. This also applied to the Derry and Coleraine line, and this is the only advance that has been made between the time of our taking up the line in 1861 and the present moment; but, as I stated before, for more than two years no deviation whatever was made; the only deviation now is an odd penny here and there. I beg to hand in a statement showing what the fares were in Mr. Roe's time as they were handed over to us, and as they continued up to the 1st of December 1863, and what we now charge.

The same was delivered in. Vide Appendix BB.

7788. Are the Commission to understand you to state that in no case has the increase exceeded 5 per cent. upon the rate of fares that prevailed in Mr. Roe's time?—No; that was the advance that was made throughout the whole line; but Mr. Roe would lead you to believe that immediately upon taking up the line we raised the fares from $\frac{1}{2}d.$, $\frac{3}{4}d.$, and $1d.$ per mile to $1d.$, $1\frac{1}{2}d.$, and $2d.$ per mile. I infer that from his evidence. He states, in answer to Questions 5740 and 5741, that he reduced the fares from $2d.$, $1\frac{1}{2}d.$, and $1d.$ to $1d.$, $\frac{3}{4}d.$, and $\frac{1}{2}d.$ per mile. This I state to be positively untrue. I will read to the Commissioners a statement made by Mr. Garrett, who was the ticket clerk in Derry and is a nephew of Mr. Roe, and another statement made by Mr. Hamilton, the station-master at Newton Limavady, a very intelligent man indeed, and you will find by those statements that no alteration was made. Mr. Garrett says:—"I beg to say that I was better than a year at "Derry station, while the Londonderry and Coleraine "Railway was worked by Mr. Roe, during which "time the ordinary passenger fares were quite the "same as the succeeding year that I was there under "the company's management; nor were there any "labourers' tickets issued at reduced rates; the summer excursion arrangements were alike both years "to the best of my knowledge." I wish to state that, with regard to the summer excursion arrangements, Mr. Roe had an arrangement for issuing very low fares from Derry and Newton Limavady to a place called Castlerock, a small seaside place, on two days in the week and on Sundays. When the Northern Counties Company took up the line, they carried on the very same fares, but they issued those tickets every day in the week, not only the two days on which Mr. Roe had issued them, but on every day in the week, and they also issued tickets at very low fares to Portrush, which is a more important watering-place in the neighbourhood. In fact, I have never heard any person on the line state that we have reduced the facilities in any way. I have heard many say how much better the line is worked, and how much better it is managed by the Northern Counties Company as compared with Mr. Roe's management, but I have never in any case heard the remark that Mr. Roe managed the line better or gave more facilities than the Northern Counties Company.

7789. Mr. Roe speaks in his evidence as having given special facilities to fourth-class passengers; that is to say, to harvestmen and others going in search of employment. Are those facilities continued?—He gave us no particulars of any such arrangement being made, nor can we find that any such arrangement ever existed on the line. With regard to that part of his evidence, I will read to the Commissioners the statement of Mr. Hamilton, the station-master at Newton Limavady, in one part of which he refers to this very subject. He says,—"Referring to the evi- "dence of Mr. Roe as to the management of the Derry "and Coleraine Railway, I beg to state that the same "rates and fares were continued under your manage- "ment from April 1861 until December 1863, which "Mr. Roe speaks of as having increased the receipts "on the line; with this exception in your favour, "that you gave cheaper fares and greater facilities to "excursionists, &c. during the summer months. II. "I am not aware of any tickets ever being issued at "$1\frac{1}{2}d.$ per day to labourers, nor of any extra facilities "being granted them beyond this, that during spring "or harvest, companies of labourers were granted "return tickets at single fares, from station to station, "but only upon special application; nor were la- "bourers in the habit of going to any station from "this, but Broighter and Newtown Junction, the ordi-

" nary single fares to which being 2*d.* and 3*d.* respec-
" tively ; the total amount of traffic for these tickets
" not being 10*l.* per annum. III. In Mr. Roe's time
" fewer passenger carriages were in each train than
" have been since, which may account for the trains
" not appearing so full. Passengers now have proper
" accommodation ; then they had often to go in cattle
" and goods waggons, when there was any over a
" limited number ; and while some parties may
" grumble at the small increase in fares, not one in
" twenty of those who travel would wish to come
" back to the old system of slow trains and bad
" accommodation. IV. The rates for coal, grain,
" &c. are the same as Mr. Roe charged, any increase
" being in cartage at Derry. V. I state positively
" that any decrease which has taken place cannot be
" attributed to increase of fares or change of manage-
" ment, but to the depression in the markets for
" agricultural produce during the last three years,
" upon which produce the Derry and Coleraine line
" is wholly dependent. Your obedient servant,
" D. Hamilton." I may state that there are no labourers travelling about the line. I do not know whether your Lordship knows the line at all ; but the district is not very largely populated, and there are no people travelling about in that way.

7790. Is there any other part of Mr. Roe's evidence concerning the line with which you are connected on which you desire to offer remarks ?—I wish to hand in a time table of Mr. Roe's for January 1861, and also a time table of our company for this month, (*delivering in the same*) just to draw the Commissioners' attention to the fact that in Mr. Roe's time only first-class and second-class tickets were issued by some of the trains, whereas throughout the whole of the Northern Counties system we issue first, second, and third class tickets by all trains. I would also state that on the 1st of October 1862 the Northern Counties Board decided to issue third, second, and third class return tickets by all the trains. We had previously issued them on the Carrickfergus shore line, but had not carried it out throughout the whole system. We commenced to issue third-class return tickets on the 3rd of April 1859, and issued them throughout the whole Northern Counties system.

7791. That was in Mr. Roe's time ?—Yes. At that time the line from Ballymena to Portrush belonged to Mr. Dargan ; we have since purchased the line from him, but he fell into our view at once, and agreed to issue third-class return tickets in connexion with us with all our stations. I had a good deal of correspondence with Mr. Roe on the subject, and it was not until the 1st of May 1860 that we induced Mr. Roe to issue in connexion with us the third-class return tickets. With regard to goods, I may state that no advances have been made in the goods rates. In some cases we have made reductions to secure the traffic, and some slight adjustments have been made. I may mention that Mr. Roe carried grain from Newton Limavady to Derry at 120 lbs. to the cwt., and charged 3*s.* per ton. This was contrary to our arrangement, and contrary to every railway arrangement, to carry at 120 lbs. to the cwt. ; we arranged with the parties to carry 112 lbs. to the cwt., and charged 2*s.* 9*d.* per ton, so that we gave them rather more than the allowance, and they were quite satisfied with the arrangement. The rates may have seemed raised to Mr. Roe, if he has got hold of any of the rates upon the line, because since the Derry Bridge was opened we have included the cartage at Londonderry, but in reality we have only added the cartage, we have not increased the rates. Mr. Roe mentions the Londonderry and Fleetwood rates as being lower in proportion than the local rates. Clearly they are, but then the Derry and Fleetwood rates have not been altered since Mr. Roe's time. The arrangement was made when he was there, and we have extended the system a good deal. We book now in connexion with the principal towns in England, but in most cases we get pretty nearly our local rate from Derry to Belfast. I may say that we carry at low rates from Derry to Belfast, because we have competition by steam-boat, which has the effect, of course, of keeping down the rates ; but we get in the case of the cross-channel traffic, in most cases, quite as much as our local rates. Mr. Roe comments upon our having no interest whatever in the Derry and Coleraine line now, inasmuch as we work it at a mileage rate. I would explain this, that since the 10th of April this year we have been working the line at a mileage rate. Previously we had a lease at 10,000*l.* per annum ; but we found that we were losing money by that arrangement, and we offered to work the line at a per-centage, but the Derry and Coleraine Company preferred making an arrangement with us at so much per train mile for a stipulated number of carriages per passenger train, and for a stipulated number of waggons per goods train. I contend that we are interested in the traffic, because the heavier the traffic becomes the more trains we shall have to run, and the better it will pay us, and the more mileage we have the better it will pay us. A good deal of the traffic on the Derry and Coleraine line is in connexion with the Belfast and Northern Counties, and therefore we are in another way interested in securing the traffic to the line. I may say that our principal object in keeping a connexion with the Derry and Coleraine line is to keep up a proper system with our own company, which works from Belfast to Coleraine. When Mr. Roe had the management of the line there were three companies from Belfast to Londonderry. This did not work very well, and we then purchased from Mr. Dargan the line from Ballymena to Portrush, and we thought it advisable to lease the line from Coleraine to Derry, and since then I need hardly say that the trains have kept better time and been worked with more regularity than they were under the three managements. Sometimes one company would not wait for the other, and the trains were very often late on the Derry and Coleraine line, for Mr. Roe did his utmost to get all the traffic he could, and he did not object to stop at a great number of very small places which the Northern Counties Company thought it inadvisable to continue. I may say that I am very much in favour of systems like the lines from Belfast to Derry and Belfast to Dublin being worked under one management. I think that they are worked far better and far more economically. There are now three lines from Belfast to Dublin, but I think they would be worked far better if it was only one system.

7792. (*Sir R. Hill.*) You mean that there is one line under three companies, not that there are three independent lines from Dublin to Belfast, but that it is one line divided into three portions ?—No, there are three separate companies.

7793. (*Mr. Roebuck.*) Are there three lines of railway from Dublin to Belfast ?—No, only one line, but there are three companies.

7794. (*Chairman.*) Is there any other point in connexion with Mr. Roe's evidence which you wish to notice ?—Mr. Roe attributes the reduction of the receipts to our advance of the fares and rates. I deny altogether that those fares and rates have been advanced ; but I think it is as well perhaps for me to explain that we have had two or three very bad years in Ireland, particularly in the agricultural parts of Ireland ; and in addition to that, very soon after we took up the lease of the Derry and Coleraine line a new line was opened, the Dungannon and Omagh, making a second line from Londonderry to Belfast. We used to get a large traffic from Strabane and Omagh in pork and flax, and we also got a good many passengers from that district as far down as Enniskillen. We lost all that upon the opening of the Dungannon and Omagh line ; and in addition to that we have been obliged, to avoid opposition, to make an arrangement with the other companies to give them a proportion of the traffic, and of course that has tended to reduce the receipts. This year the traffic has a good deal improved, and the receipts upon

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the Derry and Coleraine line for the year 1865 are considerably more than they were. On the Northern Counties, for instance, we are at this moment up very nearly 10,000*l.* on the 10 months as compared with last year. The north of Ireland is in a very prosperous state at present. In Belfast the people are, I believe, coining money; never were they in so prosperous a state, and we are reaping the benefits of their prosperity. I will hand in a statement which shows the receipts on the Derry and Coleraine line from 1860 to the present time. I give the year before Mr. Roe left and the four or nearly five subsequent years.

7795. (*Sir R. Hill.*) Will you tell us what the receipts were in each year?—In 1860 the total receipts, which include the cartage in Londonderry, were 17,959*l.* 5*s.* 6*d.*

7796. Do these receipts include goods as well as passengers?—Yes, they include goods, passengers, and mails. We have made up the year ending the 3rd of November 1865, and the receipts are 17,274*l.* 17*s.* 6*d.* Also during that year we have had to pay considerably to the other companies, besides losing a very large traffic from the opening of the Dungannon and Omagh line.

7797. (*Capt. Galton.*) The sum you have mentioned is the total receipts?—Yes.

7798. (*Sir R. Hill.*) The total receipts after deducting the payments of which you speak?—Yes, after deducting those payments. The first year that we had the line our receipts were more than they were the last year that Mr. Roe had the line. Our receipts for the first year were 18,552*l.* Perhaps I had better state the receipts of each year, beginning with 1860. In 1860 they were 17,959*l.* 5*s.* 6*d.*

7799. At that time Mr. Roe had the line?—Yes, in 1861 the greater portion of the time we had the line, and the receipts were 18,552*l.* 14*s.* 8*d.* In 1862 we were beginning to feel the opposition a little, and the receipts were 18,369*l.* 8*s.* 6*d.* In 1863 which was a very bad year, we had no corn moving, and no potatoes being shipped, which seriously affected the Derry and Coleraine line, and the receipts went down to 17,791*l.*, which was not a very large decrease, but still it was a falling off. In 1864 the receipts were 16,206*l.* 7*s.* 1*d.* In that year we felt more severely the effects of the opening of the opposition line, and we paid to the other companies nearly 600*l.*

7800. Which 600*l.* is deducted?—Yes; everything is deducted.

7801. (*Capt. Galton.*) In what way did you pay it; was it as a share of the traffic?—The arrangement is this: that we put our traffic and their traffic into a common fund, and we give them a proportion of it in order to avoid opposition. I may say that we give them a proportion which is considerably more than they carry.

7802. And the result is that you carry a greater amount of traffic?—Yes, we carry nearly the whole of the traffic, and have to pay them over the net receipt.

7803. (*Sir R. Hill.*) Is it divided equally?—No, they get less than half of the receipts.

7804. You have such accounts as will show that you paid to the company 600*l.* out of your proper traffic?—Yes.

7805. (*Capt. Galton.*) Is it a proportion of the Londonderry traffic?—The 600*l.* is the Londonderry and Coleraine proportion of the whole amount.

7806. I mean, is the traffic that you divide Londonderry traffic?—Yes, the Londonderry and Belfast traffic; all traffic passing through Belfast; all traffic coming into England and Scotland from Londonderry; simply Londonderry traffic.

7807. I think you stated that this year, 1865, you have already received 17,274*l.*, as compared with 16,206*l.* last year?—Yes, about that.

7808. (*Sir R. Hill.*) I understood you to say that that was for the year ending at this time?—Yes, for the year ending the 3rd November 1865 we received 17,274*l.*; that was for the year beginning the 3rd November 1864.

7809. (*Capt. Galton.*) Are the receipts which you have been giving us all for the years ending the 3rd November?—No; the previous years are for the years ending the 31st December.

7810. Which would correspond, would they not, with the Board of Trade returns?—Yes, they should do so. I think it is very likely that in the Board of Trade returns they have deducted the Derry cartage. I have included that in this instance, because we could not arrive at what Mr. Roe's cartage was, and we thought that it was only fair to include the Derry cartage for that one year, as it was included in his statement. I also see by Mr. Roe's evidence, what we never heard of before, namely, that he includes profit on the coal traffic that he carried on the line. He not only includes the rates that he charged for the carriage of this coal, but, as I read it, he stated in his evidence that he included the profit which he made upon the sale of those coals. He never stated this to the Northern Counties Railway Company, and I may say that it was upon his figures altogether that they relied in taking up the lease of the line at 10,000*l.* a year. We also gave Mr. Roe an amount for giving up his lease.

7811. (*Sir R. Hill.*) Are you sure that Mr. Roe includes the profit on the coals?—I merely take his own words in answer to question 5877.

7812. In that question he was asked, "You were a "coal dealer?" to which he replied, "I imported the "coal, and gave a commission to the station-master "to dispose of it. I charged the regular reduced "rate over the line, and gave the line credit for it in "the receipts." There is nothing there about profit from coals?—I read it in that way. I understood it to mean that he gave the line credit for the coal profit.

7813. You are aware now that that is a mistake?—Yes, I will take it so. I only saw this part of the evidence this morning.

7814. (*Capt. Galton.*) Will you explain about the Derry cartage. You included the Derry cartage, but now there is no charge for cartage. Is that because the bridge now connects the railways together at Londonderry?—No, the bridge makes it a further distance from our station into Londonderry.

7815. Is there no railway bridge?—No, there is no railway bridge at present; there will be a tramway underneath, and all traffic has now to be carted across the bridge over into the town of Derry. We are on the opposite side of the water.

7816. Any traffic going on by the other railway has a break in its communication?—Yes.

7817. (*Sir R. Hill.*) And that cartage you included in the receipts?—Yes, it was included by Mr. Roe. We would not have included it, but we thought, for the sake of comparison, it would be necessary to include it.

7818. Does it appear in Mr. Roe's evidence that it is included?—We have his books, and we know that everything was included. Mr. Roe publishes at the end of his evidence a statement of the traffic, where I see he also states that, during the year 1860, the first-class fare is 1½*d.* per mile, the second-class 1*d.*, and the third-class ½*d.* and a fraction, and in some portion of his evidence he states that he had only tried it for six months, but I can assure you that he never tried it at all, or, at least, I never heard of it, and he never gave us the information. He handed us over the fares when we took up the line, and those fares were acted upon up to the 1st of November 1863, when this small advance that I have mentioned was made.

7819. Will you state to the Commissioners what the fares were that he handed over to you; first, what was the charge for first-class passengers?—The first-class fare from Derry to Coleraine was 5*s.* 6*d.*, that is exactly 2*d.* per mile.

7820. And you say that he had always charged 2*d.* before you took the line?—Yes. I not only state

that that is so, but I corroborate it by a letter from the booking clerk in Derry, who was there some time before Mr. Roe left, and also from the station-master of Newton Limavady, who has been there for some years.

7821. What was the charge for second-class passengers ?—4*s.* for 33 miles, that is just about 1½*d.* per mile.

7822. Instead of 1*d.*, as stated by Mr. Roe ?—Yes, instead of 1*d.*, as stated by Mr. Roe ; and the third class was 2*s.* 8*d.* for 33 miles, or nearly 1*d.* per mile ; it is now exactly 1*d.* per mile.

7823. Are we to understand that you directly contradict the statement which Mr. Roe made ?—I do, most positively.

7824. (*Chairman.*) Have you formed any decided opinion as to the possibility of developing Irish traffic largely by greatly lowering the rates ?—My impression is most positively that the Irish traffic is fully developed at present.

7825. Do the railroads take all that there is ?—I do not say that if you were to reduce the fares one half you would not increase the number of people that travel. I think you would, but I feel quite certain that you would diminish the amount of receipts. I am speaking now generally of business lines. I am not speaking particularly of any short pleasure line. My impression is, that for a short pleasure line you cannot have the fares too low. In our system, during the summer time, we issue tickets at very low fares indeed to our watering-places. We take people to Portrush very often at ¼*d.* per mile, and all our arrangements are very low in regard to anything in the shape of excursion traffic. We also issue from a great number of our stations market tickets at single fares, particularly for short distances ; we had found that the people used, four or five, to club together and get one car, and it was necessary for us to meet that, and I introduced the system of market tickets upon the line, and I think that they have been advantageous to the company. Mr. Roe mentioned something about market tickets, but I cannot find that he ever had anything of the kind. We issue some now on the Derry and Coleraine line, which he had not when he was there ; but generally on business lines, my impression is, that the present fares are considered very fair. I have heard very few complaints in the north of Ireland as to the present fares.

7826. (*Sir R. Hill.*) Will you state to the Commissioners what your present fares are ?—Our fares are about 2*d.*, 1½*d.*, and 1*d.* per mile, some of the first class and second class are a trifle more, about 5 per cent. more in some cases, but the third-class fares are generally under 1*d.* For instance, the third-class passengers from Belfast to Ballymena form a very considerable portion of our traffic, and we carry them that distance, 33 miles, for 2*s.* 6*d.*, and give them third-class return tickets at a fare and a half.

7827. (*Capt. Galton.*) Is not that a high charge for the labouring people in that part of the country compared with the rate of wages ? — The actual labouring class who get 8*s.* or 9*s.* a week cannot afford to pay anything ; they are working all their time, and they cannot afford to travel.

7828. But in this country the labouring classes travel, though in many parts of the country they do not get above 8*s.* or 9*s.* or 10*s.* a week ?—They certainly travel very little in Ireland ; they have very little to spare when they have paid for their living and the support of their families. The wages, in the north of Ireland particularly, are very much advancing, and I believe they will very soon get up pretty nearly to what they are in England, and then very likely they will travel more.

7829. (*Sir R. Hill.*) You gave us the total charge that was made between Derry and Coleraine during the time that Mr. Roe had the lease of the line, are the present charges made by your company the same? —No ; I explained that they are 5 per cent. higher. They were the same up to the 1st of December 1863, but since that period the first-class single fare from Derry to Coleraine, which is a distance of 33 miles, is 5*s.* 9*d.*

7830. What was it under Mr. Roe ?—5*s.* 6*d.*

7831. It was raised from 5*s.* 6*d.* to 5*s.* 9*d.* ?—Yes.

7832. Then as to the second class ?—It has been raised from 4*s.* to 4*s.* 2*d.*

7833. And the third class ?—It was raised from 2*s.* 8*d.* to 2*s.* 9*d.*

7834. (*Mr. Roebuck.*) What was the immediate consequence of that rise ?—I believe most positively that the railway company have made the whole of the 5 per cent. that they put on the fares.

7835. Was that in consequence of your raising them 5 per cent., or in consequence partly of the improved condition of the people ?—There is no doubt about this, that the increased receipts have been to some extent from the improved condition of the people, because our increase is considerably more than the 5 per cent. ; but my impression is this, that a small advance of 5 per cent. would not stop any person from travelling. If we had advanced the fares considerably, then I think it would have affected the receipts very much.

7836. Supposing that you had not made an advance of 5 per cent. upon your traffic rates for passengers, and taking into consideration the improved condition of the country, would not you, without that raising of the 5 per cent., have obtained the same quantity of money ?—I think not. I think we have made the 5 per cent.

7837. (*Sir R. Hill.*) You think that the advance of 5 per cent. did not in any degree check the traffic ? —No ; I should state that we did not advance this 5 per cent. on the short stations out of Belfast ; it might have affected the short distances where there was a large traffic, but we only carried it out upon the longer distances. My impression is that we have received the whole of that 5 per cent. extra.

7838. If an advance of 5 per cent. did not check the traffic, would another advance of 5 per cent. check it, do you think ?—Some years ago the Great Southern and Western Company added 10 per cent. to their passenger fares, which at that time were very similar to ours, I think, 2*d.*, 1½*d.*, and 1*d.*, they added 10 per cent. to their receipts, and I always understood that they considered that they made the 10 per cent.

7839. Do you think that a third addition of 5 per cent. would not check the traffic ?—I think that any advance requires to be done cautiously, and with a great deal of consideration. I gave the matter very considerable attention before I advised the directors to put 5 per cent. on the fares, and it was then done cautiously, and we made some exceptions.

7840. (*Capt. Galton.*) You think that a slight rise of 5 per cent. at a time by steps would have no effect in decreasing the traffic ?—I do not say that. You may get up to a very large fare.

7841. On the first of December 1863 you raised the passenger fare 5 per cent ?—Yes.

7842. Then there is no comparison to be instituted from the Board of Trade returns ?—No. I have a statement here of the receipts of the Northern Counties Company, and I can give you the figures.

7843. You raised the fares in November 1863, then the year 1863 and the year 1864 will afford a fair comparison of the results of the rise of the fares ? —Yes, and I can give you 1865 also.

The same was delivered in. Vide Appendix.

7844. It appears from the Board of Trade returns that the number of passengers on the Londonderry and Coleraine line for the year 1863, when you had the lower fares, were 153,963 ?—I have not got an account of the number of the passengers. I have only got the money receipts.

7845. By the Board of Trade returns it appears that in 1863 there were 153,963 passengers, and that in the year 1864, after you made this rise, there were 148,000 and upwards, being a decrease of 5,000 passengers ; but that in the money receipts the total

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receipts from passengers of all classes in the Derry and Coleraine line were 9,379*l.*?—My statement gives 9,817*l.* 6*s.* 5*d.* for 1863.

7846. The Board of Trade return for the year 1864 gives 9,083*l.*, therefore there is a falling off both in the number of passengers and in the receipts from passengers in the first year after the rise of the fares?—Yes; but in 1864 we had to pay a considerable sum to the Omagh route, which we had not done in 1863.

7847. But that would not affect the number?—No; it would not affect the number, but it affects the amount.

7848. To what extent does it affect the amount?—About 300*l.* My statement is this, that in 1863 the receipts were 9,817*l.* 6*s.* 5*d.*, and in 1864 they were 9,507*l.* 0*s.* 7*d.* I do not know whether some deductions may have been made in that amount, but this is the actual traffic as given to me by our audit superintendent.

7849. On referring to the Board of Trade returns, which divide them according to the different classes, we find that of the first class, in the year 1863, there were 19,872, as compared with 18,800 and some odd in 1864; of the second class there were about an equal number, namely, 29,000 and a few hundreds in the two years; and of the third class there were, in 1863, 104,530 as compared with 99,500 and odd in 1864. Therefore in the third-class passengers there was a falling off of about 5,000?—I can account for that pretty nearly in this way; that in 1864 a line was opened from Londonderry to Lough Swilly, and a large number of those excursion passengers who used to go to Castlerock went to Lough Swilly the first year that that line was opened. I think we did not lose so many this year. People are gradually getting back to the old place, but Lough Swilly being a new place of attraction, they went there. The number appears very large, but the money would not appear so large, because the fares were very low.

7850. The receipts from the third-class passengers were 4,345*l.* in 1863, and 4,100*l.* in 1864?—Yes; and I think that that would be accounted for to some extent by the allowance for the other routes, and the falling off owing to the number of passengers going to Lough Swilly instead of Castlerock and Portrush.

7851. (*Sir R. Hill.*) With those disturbing causes in operation, are you enabled to say that that advance of 5 per cent. on the fares did not injure the traffic, and that the actual falling off was not owing to the advance in the fares?—I think that is shown by this fact, that in the year ending November 1865 we have received 9,820*l.*

7852. (*Capt. Galton.*) Between the two years 1863 and 1864 you had realized very nearly the same amount of receipts from the traffic, although you did not carry so many passengers?—Yes.

7853. At any rate the increase in the fares has been an inconvenience to the public?—I have not heard much about that; it is not much talked of.

7854. It has been a practical inconvenience to the public, has it not?—I believe you have had no people coming from our district to make any complaint on that score.

7855. It is a general deduction from your figures; you considerably decrease the numbers, but you have got the same amount of money?—I state that there are those other causes in operation, namely, the Lough Swilly line opening, and also the allowance which we have had to make to the Omagh route, which we had not to make in 1863.

7856. (*Mr. Roebuck.*) That would not affect the number of passengers, would it?—Yes, it would, very much; because the number was very large that used to go from Derry to Castlerock, as compared with the money received, and those people went in 1864 to Lough Swilly, to this new place which was opened.

7857. Your payment to other companies would not affect the number?—I do not know whether it would affect the published number. They have not furnished me with the numbers in this return, but the money amount which they have given me does not agree with the Board of Trade returns.

7858. (*Capt. Galton.*) The Board of Trade returns were given in by you, and therefore we may assume that they are correct?—I do not know by whom they were furnished; I suppose by us, not by the Coleraine Company.*

7859. (*Sir R. Hill.*) Will you give me again the total receipts for passenger traffic on that line for 1863; I understood them to be 9,817*l.* 6*s.* 5*d.*?—That is so.

7860. And in 1864, 9,507*l.* 0*s.* 7*d.*?—Yes.

7861. How much in the year ending the 3rd November 1865, which is just completed?—9,820*l.* 14*s.* 2*d.*

7862. Then we find that the receipts for the year just completed are practically the same as for the year 1863; is not that so?—Just about the same.

7863. But in the interval between those two years you raised the fares 5 per cent.?—Yes, we did.

7864. And you stated to the Commissioners just now that you gained the 5 per cent.?—In the interval we have had to pay a proportion to the other route, and we have also lost some of those passengers who used to go over our line to Castlerock, and who now go upon the Lough Swilly line.

7865. But the broad fact is, that you raised the rate 5 per cent., and got as much and no more after raising it than you did before. How then can you appeal to the facts of the case and say that you gained your full 5 per cent., whereas in reality you gained nothing at all?—In stating that we gained the 5 per cent., I referred more particularly to the whole system.

7866. We wish to confine your attention to this particular line between Londonderry and Coleraine, and to ascertain what was the effect upon that line of advancing the fares 5 per cent. It would seem by comparing 1863 with 1865 as though the effect was to leave the traffic receipts precisely in the same state?—There were those other causes which I think operated very considerably upon the receipts. I spoke more particularly with regard to the whole system, and I should like to give the amounts received throughout the whole system.

7867. We will confine your attention to this particular line. Mr. Roe's evidence had reference to the line between Londonderry and Coleraine, and you state in effect that that evidence was misleading?—Yes, certainly.

7868. We can only ascertain whether or not it was misleading by obtaining from you the facts confined to that line?—If Mr. Roe had stated in his evidence that we had raised the fares 5 per cent. since the 1st December 1863, I should not have come here to-day, because that is a fact. But he stated that the fares that he had charged were $\frac{1}{2}d.$, $\frac{3}{4}d.$, and 1*d.*, and that we raised them to 1*d.*, $1\frac{1}{2}d.$, and 2*d.*, and that I say is certainly contrary to the facts of the case.

7869. That we understand; but in addition to that you tell us that the raising of the fares 5 per cent. did not in your opinion reduce the traffic, but that the company got the whole 5 per cent.?—I say that in that statement I referred more particularly to the advance of 5 per cent. throughout the whole system.

7870. Then are we to understand that upon the Londonderry and Coleraine line there was not any gain in consequence of the raising of the fares?—I think there was, because I think that the opening of the Lough Swilly line interfered with our receipts, and we also had to pay an amount to the other route which we had not to do in 1863.

7871. How much will you have to pay in 1865?—I suppose very nearly 400*l.* for passengers.

7872. And in 1863 you paid nothing, I believe?—

* Witness subsequently explained that there was in reality no discrepancy, the return furnished to the Board of Trade showed passengers as a separate item, whereas the return handed to Commissioners by witness included parcels, horses, carriages, and dogs.

In 1863 we paid 58*l.*; we commenced at the end of 1863, and we paid 58*l.* altogether that year for goods and passengers.

7873. In the meanwhile was not the population increasing, and does not the population of Londonderry increase very much?—My impression is that the population throughout the Derry and Coleraine district is less than it was in 1863. A great number have emigrated from that neighbourhood.

7874. Have you closed any of the smaller stations between Londonderry and Coleraine?—We closed a small place called Wilsborough, which was kept open for one gentleman named Major Scott; and we closed another place which was kept open only for two or three houses, a place near Magilligan. We closed them immediately on taking up the line.

7875. Do you know what were the earnings at those stations?—Something very small, or we should not have closed them. I may say that Mr. Roe advised us, on taking up the line, to close those and one or two others. One station which we thought of closing, and which he advised us to close, was Ballykelly, but we found that the Derry and Coleraine Company had some old arrangement with the Fishmongers' Company, so that we were unable to close that station. I may say that there is another station a mile from it, so that it was thought that one station would be sufficient.

7876. You work the Londonderry and Coleraine line at a mileage rate, do you not?—Yes we do.

7877. Have you any objection to state what that rate is?—None whatever. It is 2*s.* per mile up to 7,500 miles per month, beyond that 1*s.* 8*d.* per mile.

7878. And is there a limit to the length of the train?—Yes; the passenger trains are not to exceed seven vehicles, and the goods trains are not to exceed 25.

7879. Do you count the engine and tender along with the carriages?—No.

7880. The passenger trains are not to exceed seven carriages?—They are to be seven carriages, and if they exceed that number we have power either to put on an extra engine, or to run extra trains.

7881. And what expenses are included in that 2*s.*?—Everything.

7882. The repair of the roads?—When I say everything, I mean everything but the renewal of the line. The renewal is still in the hands of the Derry and Coleraine Company. They find rails and sleepers for renewing the line, and we find the station-masters and everything else.

7883. You find carriages and engines?—Yes.

7884. And police?—Yes, everything.

7885. And lighting?—Yes, everything but what we call the renewal of the line, that is to say, the rails and sleepers, which are to be found by the Derry and Coleraine Company.

7886. (*Capt. Galton.*) It would appear that you have diminished the number of trains on the line during the year 1864 as compared with 1863?—No, I think not; I think they are the same.

7887. The Board of Trade return gives 17,158 passenger trains in 1863 as against 16,000 and some hundreds in 1864?—I am not aware of that.

7888. And the miles run by the trains were 437,500 in 1863, as compared with 422,900 in 1864?—There must be the same number of trains. I do not remember any alteration.

7889. I am speaking now of the whole system?—I remember that we arranged to run a goods train as a passenger and goods train, and saved a train on the Northern Counties system. I thought that you were speaking of the Derry and Coleraine line. I think it is very likely we did reduce the mileage a little, but it will be very much increased this year. I can explain exactly how it was. In 1863 we ran an express train from Belfast to Portrush; in 1864 we did not run that train; but in 1865 we did run an express train, and we have decided to run that train next year also.

7890. (*Sir R. Hill.*) How many passengers will each carriage convey?—I suppose we might take them upon the average as 35 or 40.

7891. Take a first-class carriage, how many compartments has it?—Four compartments; a full first-class carriage would hold 32 passengers.

7892. Your gauge is rather wider than ours, is it not?—It is; our gauge is 5 feet 3 inches.

7893. Do you doubt the accuracy of Mr. Roe's statement as to his having paid a rental of 10,000*l.* a year, and still obtained a profit from the line?—I have no means of knowing whether he made a profit or not; but he stated, when we were abou taking up the line, that he had made a profit; and our company gave him 1,000*l.*, besides taking all his stores off his hands and everything he had at full cost.

7894. Since that time the line, I think you stated, has not produced a profit?—No; we considered that we lost money by working it; but it was not so much that that we felt as the renewal of the line; the line had run down a good deal, and a great portion of it required new rails and sleepers, and under the old lease we were bound to do everything that was necessary. Now under this new arrangement we are not bound to renew the line, which is a very serious matter. A very considerable portion of the line required almost immediate renewal. They have renewed one mile, and the rails are, I believe, in Londonderry at this moment for the renewal of rather more than another mile of line.

7895. Will you explain the mode in which the receipts upon the line are now disposed of; do you hand them over to the Derry and Coleraine Company?—We hand them over to the Derry and Coleraine Company, less our working expenses.

7896. And is the balance sufficient to pay the interest upon the capital expended on the line?—No, there is not sufficient at present to pay the bondholders, but the traffic has improved a good deal, still I do not think they will have sufficient to pay the bondholders.

7897. Then the ordinary shareholders, I should presume, get nothing?—I think they never expect anything.

7898. (*Capt. Galton.*) Who pays the whole staff of the line?—We do.

7899. Do you find the whole staff?—Yes.

7900. And you maintain the line?—Yes, we maintain the line at our own expense, but we do not renew it. We find everything that is required for the maintenance of the road, but we do not find the rails and sleepers, and the materials for renewing the line.

7901. (*Sir R. Hill.*) Do you re-ballast it when necessary?—Yes, for the ordinary maintenance of the line we do.

7902. (*Capt. Galton.*) In what way is that renewal of the line provided for?—It is expressly provided for in our agreement with the Derry and Coleraine Company, that if they do not renew immediately the different portions of the line that are worn out, we are to have the power to do it, and charge it to them, and deduct it from their receipts.

7903. Have you the sole decision as to whether the line is to be renewed or not?—We have.

7904. Could you, at your own will and pleasure, require that every part of it ought to be renewed?—No.

7905. Is there an arbitration clause in the agreement?—Yes, there is an arbitration clause, if they think that it does not require renewal. They have an engineer of their own, and they send him to our engineer, and then they arrange between them as to what is necessary to be done. We have sent them in an application now to renew some portion of the line.

7906. (*Sir R. Hill.*) Does your company determine upon the fares to be charged over the Derry and Coleraine line?—No. We have carried on the arrangement which was in force when we had the lease of the line, and the Derry and Coleraine Company have power to alter any fare or rate that they like, provided they do not go below 1*s.* a ton for goods,

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that is the only restriction which we have made. They have it in their own hands to do anything they like. Mr. Tyrrell, who has just died, acted for them. He was a good deal in Londonderry, and he was their chairman, and every suggestion that he made during the summer was carried out. He was quite satisfied, and expressed himself very often as quite satisfied with all our arrangements.

7907. (*Capt. Galton.*) Is the Belfast and Northern Counties Railway connected with any other railway, besides the Derry and Coleraine Railway ?—The only other line with which it is connected is the Carrickfergus and Larne, which is a short line that we work.

7908. It is not connected with any line to the south ?—No, not at present. There is a line being constructed from Antrim to Lisburn, but it is not finished yet, and that will connect us with the Ulster Railway, and all the railways as far as Dublin.

7909. Do you suffer any inconvenience from the want of communication with the lines south of Belfast? —I think not.

7910. You think that it would be of no advantage to the public if the lines to Belfast were united together ?—I think that it would be an advantage to the public if there was communication between the two lines. Our station is some distance from the Ulster railway station, and the Belfast Central Railway Company have a Bill for connecting the two lines.

7911. Do you think it would be convenient for yourselves if trains could run direct from Dublin to Londonderry by your line ?—No, there is no chance of that, because the other is the shorter route.

7912. Do you not think it would be convenient either to yourselves or to the public?—Not from Dublin ; but from Armagh, Portadown, and other places on the Ulster line it would be an advantage to run on one system : not perhaps to Londonderry, but to Ballymena. Ballymena is a large place, and the centre of the linen trade ; it is about the best place in the north of Ireland, excepting Belfast, for the linen trade.

7913. Then you think that there is public inconvenience in the lines not being connected at Belfast ? I think that it would be an advantage if they were connected, and Bills were passed last year and the previous session for that connexion.

7914. Why has it not been carried out ?—It is in the hands of some financial company, I think, who have not yet carried it out. The shares are not taken in Belfast. In fact, I do not think the shares are issued. It is in the hands of a financial association.

7915. Has the Belfast and Northern Counties Company made any efforts to procure that junction ?—We are to have a meeting on the subject with the Belfast Central Company, I think, next week.

7916. (*Sir R. Hill.*) You have had some experience of competition between railways, have you not? —Yes.

7917. Will you state to the Commissioners your opinion as to the advantages or disadvantages of competition between railways, so far as the subject has come within your experience ?—I think, as far as Ireland is concerned, that there is not sufficient traffic to support competing lines ; but in England, between some points I am sure that there is sufficient traffic.

7918. Confining your attention to the instance of competition which has arisen under your own notice, namely to the line between Belfast and Londonderry, which competes with you, what is your opinion as to the advantage of that competition ?—I consider that a second communication is of no advantage in the world, so far as between Belfast and Londonderry is concerned. No doubt it is a great advantage to many places on the Irish North-western line to have communication across from Omagh to Dungannon, and through to Belfast that way ; but so far as Londonderry is concerned, it is of no advantage, for hardly any one goes that route. I may say that 19-20ths more go by the Northern Counties' route to Belfast, that is, our route. We have a better service of trains, and we have made such arrangements with the other company that they have never attempted to compete with us.

7919. The competition has not led to any reduction of the fares ?—No, certainly not.

7920. Then it would appear from your statement that the instance of competition which has come within your knowledge has had no effect advantageous to the public, whilst it has been injurious to the shareholders ?—Clearly so, as far as the communication between Belfast and Londonderry is concerned. I wish the Commissioners to understand that, because the making of the line from Dungannon to Omagh made this connecting link ; but I do believe that the making of that line was of advantage to a number of people who live on the Irish North-western line, and who live between Omagh and Dungannon. You see that the making of that line formed a competing route, but in addition to that it gave a connexion with Belfast from all that district, which they very much wanted.

7921. There is no competition as between the intermediate stations on the one line and on the other line ?—No.

7922. The competition is between the terminal points ?—Although there is no competition, we lost very considerable traffic by the opening of that line not only from Londonderry, but from Strabane and Omagh, and even as far as Enniskillen. We used to bring pork and a very large quantity of flax from Strabane and Omagh, all of which we lost on the opening of this Omagh line.

7923. Still looking at the whole results, in your opinion there has been no advantage to the public living at the terminal towns from the possession of this competing line ?—None whatever.

7921. While on the other side the competition has injured the shareholders of the Derry and Coleraine line ? — Clearly, and of the Northern Counties line also.

7925. (*Capt. Galton.*) You think that there is not a sufficient amount of traffic in your part of Ireland to justify the establishment of competing lines ?—I think there is not in Ireland at all.

7926. And you are in the richest part of Ireland ? —Yes. I have been eight years the manager of the Belfast and Northern Counties line, and I was previously the manager of the Waterford and Kilkenny line, so that I know something of the southern district, and certainly there is no traffic to pay for competition. I know Ireland pretty well, having lived there for 12 years, and I certainly do not think that there is any room for competition.

7927. You think that the position of Ireland with respect to railway accommodation is different from that of England, in which there is a basis for competition ?—I think there is room for competition between some particular points in England where there is a very large traffic.

7928. (*Sir R. Hill.*) That is to say, when there is traffic enough for two lines, you think it is well that there should be two lines ?—Yes, that is my opinion ; but that is not likely to exist in Ireland.

7929. (*Chairman.*) In fact, if two companies did begin to compete in an Irish rural district, it would probably come to this, that they would half ruin one another, and then they would combine ?—Yes.

7930. (*Capt. Galton.*) And raise the fares ?—Yes. In the session before last we opposed successfully a line that was proposed to be made from Armagh to Cookstown. We, in connexion with the Ulster Company, opposed that line, which would have had the effect of dividing the traffic from Cookstown to Belfast. The traffic as it exists from Cookstown to Belfast very little more than pays the working expenses, and to come and divide that traffic would be very serious to the Northern Counties Company.

7931. Did not you state that the line from Cooks-

town was going to be extended ?—No ; we threw out a Bill in 1863 to connect Cookstown with Armagh.

7932. What was the line that was to have a junction with the Ulster line ?—That is from Antrim to Lisburn, and that line is partially made.

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The witness withdrew.

Adjourned to Tuesday next at half-past 11 o'clock.

Tuesday, 14th November 1865.

PRESENT :

The Hon. E. F. Leveson Gower, M.P.	A. S. Ayrton, Esq., M.P.
Sir Rowland Hill, K.C.B., F.R.S.	Capt. Douglas Galton, R.E., C.B., F.R.S.
J. A. Roebuck, Esq., M.P.	J. R. M'Clean, Esq., Pres. Inst. C.E.
Geo. Carr Glyn, Esq., M.P.	William Pole, Esq., F.R.S., *Secretary.*

The Right Hon. LORD STANLEY, M.P., F.R.S., in the Chair.

Mr. Frederic Hill examined.

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7933. (*Chairman.*) I think you are assistant secretary to the Post Office ?—Yes.

7934. Have you held that office for the last 14 years ?—I have.

7935. And during your tenure of that office has your attention been directed to questions of railway management and legislation as regards railways ?—It has.

7936. Have you had to do with the railway department of the Post Office ?—I have.

7937. And with the making of contracts with the various companies ?—Yes.

7938. Has your official experience in that position made you aware of any difficulties arising under existing arrangements in obtaining the postal facilities that are required ?—Yes.

7939. Would you explain a little in detail what those difficulties are ?—The difficulties consist very much in the want of a real power of obtaining the use of the railways upon what we may deem to be reasonable terms. In the present state of the law, in case we cannot come to terms with any railway company the case is referred to arbitration, and I need not say that the natural leaning of arbitrators would be in favour of the smaller power rather than of the greater. The general idea that the purse of the State is almost inexhaustible seems to have the effect of inducing arbitrators to award terms which, as far as we are able to come to a correct judgment on the subject, after taking the opinions of engineers, are often very much too high. This curtails the use of railways, and makes us fearful of entering into engagements concerning them, and of employing railways even where the public, and we believe the railways themselves, would be much benefited if we could so employ them. We are deterred by what we consider their generally excessive charges.

7940. When you say that the terms fixed by arbitrators in your judgment are too high, I suppose the arbitration is conducted in the usual manner, each party choosing one and the two choosing an umpire ?—Yes, quite so.

7941. I presume that it does not appear that the business of conducting those arbitrations falls constantly or frequently into the same hands ?—No.

7942. Therefore, what you complain of is the general tendency on the part of all that class of men to whom arbitration is referred to overcharge a Government department because it is a Government department ?—Yes ; we think that we stand very much towards railways, as railways stand towards private individuals. We apprehend that there is a similar tendency in juries to award excessive compensation in the case of railways, owing to the magnitude of the concern and the idea that the railway company is a wealthy body ; and the same feeling acts injuriously towards the Government as represented by the Post Office.

7943. Then that feeling, whatever may be its force, operates in every case where Government has to deal with individuals, and it would operate as in favour of individuals more strongly than as in favour of large railway companies ?—We think so ; at least it is my impression that it would be so.

7944. Are there any other inconveniences to which you wish to call the attention of the Commissioners, besides that of not obtaining sufficiently favourable terms in cases of arbitration ?—No, excepting that that circumstance very much diminishes the use of railways, and the public might have many more mails carried by the railways than is the case under present circumstances. I believe that in Belgium, where the conveyance of the mails by the railways is not attended, under ordinary circumstances, with any expense to the Government, and in France also, a more frequent communication takes place between town and town in many instances than is the case with us, notwithstanding the far greater magnitude of the correspondence in England and the much greater necessity there is for frequent communication than exists upon the Continent.

7945. We hear sometimes complaints made that in places between which there is railway communication the mails are nevertheless sent by horse and cart, or in some other mode apart from the railway ?—Yes.

7946. Ordinarily where that occurs, is it owing to the circumstance that the charge demanded by the railway company is too high ?—Not always, nor necessarily, as frequently it happens that the communication, especially in the night, can be made quite sufficiently fast without the use of the railway. A mail from here to Brighton, for example, could be sent by a cart, if despatched at night, so as to arrive at Brighton and be in as good time for the first delivery at Brighton as if it arrived four or five hours earlier. It frequently happens that the mail would be merely lying useless in the office if it arrived earlier. Then it would be quite reasonable for a railway company to charge heavily for a special train to run in the night when there are few passengers to assist in paying the cost of the train. Consequently it is often the cheaper mode to send mails by carts, and the object is as fully attained as if they were travelling at the rate of 40 or 50 miles an hour.

7947. It happens, as a matter of fact, does it not, that you have very frequently to require railway companies to run special trains for the conveyance of the mails, that is to say, to run trains at hours at which they would not run them by their own choice ?—I cannot say that that very frequently happens. We fix the times ; but in fixing the times, of course, for our own advantage and for the saving of the public money, we endeavour to make the times tally as nearly as possible with those which would suit the public wants.

7948. But as a fact, I suppose you have to pay, not merely for the actual service which you command, but for the disturbance which you produce in the

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time table by interpolating a train which the company is compelled to run whether it wishes or not?—Certainly; and an arbitrator would take that into consideration, and fairly so.

7949. You have stated that in some foreign countries, especially in Belgium, the mails are carried without cost to the State; is that because the railways are the property of the State?—Frequently because they are the property of the State. We know that in France they are not the property of the State, although the State has a reversionary interest in them, and ultimately they will all become State property; but there the general arrangement is that the mails and troops and some other things which I need not specify, shall be carried by the railway companies without charge; at least so far as letters are concerned that is the case. The question has arisen, whether the exemption from charge properly extends to patterns and some other matters; but as far as letters are concerned they are conveyed without charge by the railways as one of the terms upon which the concession of the railway is made, unless a special train is required. If a special train is required, even in France, a payment is made, but so long as the Post Office can make use of the ordinary trains, they pay nothing for the transmission of their mails.

7950. It, in fact, is a tax imposed upon those railway companies in another form?—It is so.

7951. And under our system, if Parliament had at any time thought fit to make it a condition of granting a concession to any new line that they should carry the mails gratuitously, there is nothing to prevent their so doing?—No.

7952. What I mean is this, that there is no necessary connexion, as I understand it, between the property of a line being vested in Government, and the fact of the mails being carried gratuitously?—No necessary connexion.

7953. (*Sir R. Hill.*) It is not the desire of the Post Office, is it, that the mails should be carried gratuitously?—No, it is not.

7954. The Post Office would prefer paying the companies a remunerative price, to having the mails carried for nothing, would they not?—Yes, so long as it is not more than a fairly remunerative price.

7955. And is it not for this reason, viz. that the Post Office are of opinion that the service would be better performed if paid for, than if it were not paid for?—Yes. We think that if it were paid for according to a reasonable tariff, then, in case we increase the service there would be no feeling of aversion to it, and no obstacles quietly thrown in the way, or anything of that kind.

7956. Are there not great difficulties in the way of the Post Office availing itself of the ordinary trains of companies, that is to say, of those trains which the companies run at their own times, and at their own speed, stopping where they please, and putting them on or taking them off as they please?—Yes; no doubt that is so.

7957. Is it not a condition under the law, as it now stands, that if the Post Office employs one of those trains, it must fix the hours of starting, so as to prevent the railway company from altering them, if it should desire so to do?—I am not aware of that interpretation of the Act.

7958. Such is the case, and that is one great obstacle in the way of the Post Office employing the trains to the extent that it would desire to do. I think I could call to your recollection cases in which the Post Office has had to pay very highly for sending a very light mail by trains which the company had established for their own purposes. There was an instance as regards the South Wales railway, was there not?—Yes.

7959. And did not the Post Office attempt to avoid that difficulty by including in their notices to the railway companies a permission to alter the trains whenever they pleased?—Yes; I now remember that it was so.

7960. And did not the companies assert that the Post Office must absolutely fix the hours, and that such a notice as that giving the companies permission to alter their hours was, therefore, of no avail, and consequently that the charge to be determined by arbitration must be one taking into account the fact that the company had not the permission to alter the hours of its trains, was not that so?—I believe that the particular contract that you are referring to was under your management rather than mine; and it is evident that you have a clearer recollection of the details.

7961. That is the state of the law; its restrictions have probably passed from your recollection from the circumstance that the Post Office has now for many years, acting very much under your advice in the matter, entered into contracts with the companies to have the use of all their ordinary trains?—Yes.

7962. (*Chairman.*) Do you think it would be possible to substitute for the system of separate arrangement in each case any system by which a fixed invariable payment should be made, and so doing away with the necessity of arbitration?—No; the circumstances are so very various that it would be impossible. Take the case of a swift train travelling by night to suit the necessities of the Post Office as compared to sending a mail by ordinary train travelling by day. The cost to the railway company and the sum, therefore, which we ought to pay is very different under such different circumstances.

7963. Will you allow me to ask what it is that you suggest; as I understand, you do not propose that the mails should be carried gratuitously, and you do not consider that the system of arbitration could be superseded in favour of one of a uniform invariable payment to be got at by any fixed rule?—I do not.

7964. What third alternative then remains?—I think that if the Government were entering into arrangements with any particular railway, there would be no difficulty in foreseeing the ordinary circumstances under which that railway would be used, and that it could be arranged that for sending mails by their own trains when we did not disturb their times, the charge should be so and so, and that if a train be made special, if it be by night, it should be so and so, and by day so and so; and that the varieties in the tariff would be sufficient to meet the case of any particular railway. The speed must of course be taken into consideration also.

7965. That is to say, you think that a system of fixed payments could be adopted, only that they must vary according to certain circumstances, which could be foreseen beforehand?—Yes, certainly.

7966. (*Capt. Galton.*) You would have a tariff for mails put in the Act of Parliament, as it were, just as they have for their first, second, and third class passengers?—Yes, supposing that the present system continues. Of course if the railways were the property of the State, and if they were to let them out, then it would become the subject of a clause in the lease.

7967. You are speaking now of the present system continuing?—Yes.

7968. But has not it always been within the power of the Post Office if they thought fit to propose it to parliamentary committees?—It has.

7969. Why have they never done so?—We have attempted it several times, but so much opposition on the part of the companies was apprehended that no measure has ever been carried into effect.

7970. Then the present system is really due to the fact that Parliament has not thought it right to require the conveyance of the mails at any fixed scale of charges?—I do not think the Treasury have ever gone so far as actually to bring a Bill into Parliament; but the matter has been one of frequent communication between the Post Office and the Treasury, and means have been taken to judge of the amount of opposition that would be offered to any such measure.

7971. (*Mr. Roebuck.*) Have you ever taken means to test the opinions and feelings of Parliamentary

committees, because in their hands lies the power of determining that matter and of deciding upon the mails ?—Of course, being a subordinate department, all that we can do is to represent our difficulties to the Treasury and leave it in their hands to take what steps for remedying them they think proper.

7972. Has the Treasury then ever taken the means of ascertaining the feelings and opinions of committees ?—I think not ; as I stated before, I think that the matter has never proceeded so far as to go before Parliament.

7973. (*Mr. Glyn.*) In the case of some of the late amalgamations that have gone on, have the Post Office ever attempted in them to introduce any tariff, or any proposition of the nature to which you allude ?—No ; we have not done it ourselves ; we cannot do more than represent the difficulties to the Treasury, and suggest to them what to our minds is the best means of remedying them.

7974. (*Sir R. Hill.*) The Post Office has no representative in the House of Commons, has it ?—No, certainly not.

7975. (*Mr. Glyn.*) Has it ever been represented to the Treasury that if such a thing was to be done, the case of an amalgamation of two railways would be a very opportune occasion for bringing the matter forward ; has it gone as far as that ?—No, I think not, and I am not quite sure that in equity an amalgamation would afford an opportunity.

7976. (*Chairman.*) It would hardly be fair, I suppose, to make the granting of power to unite conditional upon those companies making a financial arrangement more favourable to the Government than that which exists ?—I think not ; that is the impression on my mind.

7977. (*Mr. Ayrton.*) Are you not aware that it is a common practice in the House of Commons in granting any new powers whatever to a railway company to alter the terms upon which it conducts its traffic, to alter its rates, and to insist upon the alteration of its rates as a condition precedent to granting those powers ?—I cannot say that I am positively aware of that. I have a strong impression that it is so.

7978. The Post Office would have the same appearance, would they not, as any other party might have before a committee of the House of Commons in proposing a new tariff ?—Yes ; but we cannot appear as the Post Office. As I stated, we are subordinate to the Treasury, and it is the Treasury which communicates with Parliament.

7979. Why cannot you appear before committees of the House ?—We could appear before committees of the House if we were so instructed by the Treasury.

7980. Have you ever asked the Treasury to be allowed to appear before committees of the House of Commons ?—No. What we have done with respect to the Treasury has been to represent the want of greater railway facilities, and to suggest that these should be obtained by the passing of an Act in which a tariff should be introduced.

7891. (*Sir R. Hill.*) Bills have been prepared with that view, have they not ?—Yes.

7982. A Bill was brought into Parliament some years ago, was it not, having that among other objects in view ?—I had forgotten that the matter had ever proceeded so far as the actual introduction of a Bill.

7983. It made some approach to it, did it not ?—Yes.

7984. And was not that Bill met by the violent opposition of the railway companies ?—I believe it was. That Bill was more under your care than mine ; but my impression is that there was at any rate the indication of a very strong opposition.

7985. (*Mr. Glyn.*) That Bill was to get rid of the power of arbitration altogether, was it not ?—I do not know that it altogether superseded arbitration. It was to give us the means of sending mails according to fixed charges.

7986. And for regulating the charge for conveyance without arbitration in many cases, if not in all ?—If it was a fixed charge, of course the very object was to supersede arbitration.

7987. (*Chairman.*) I think that you have expressed an opinion that it is desirable that the State should become the proprietor of the railways ?—I have.

7988. And at the same time that it is not desirable that the State should undertake the management of the lines ?—That is my opinion.

7989. You do not contemplate, as I understand, that any railways should be purchased by the Government by the payment of a sum down, but rather by a fixed annual payment ?—I think it is very important that that alternative should be kept in mind, that it is not necessary that the payment should be made at once by a fixed sum.

7990. In other words, the arrangement which you propose would be something of this nature, would it not,—that the actual shareholders of a company should have guaranteed them a fixed instead of a fluctuating dividend upon their shares ?—Exactly.

7991. And that then all risks arising out of the management of the railway should fall upon the State ?—Yes, such risks as would exist. I do not think myself that there would be risk ; but if there should be a risk, of course the Government must bear it.

7992. Supposing the case of a line being made which only pays 3 per cent. under the new management, and suppose that the shareholders in that company had compromised their claims for a fixed payment of $3\frac{1}{2}$ per cent. upon their capital, in that case there would be a loss of $\frac{1}{2}$ per cent. to the State ?—If the railway yielded in the shape of rent only 3 per cent., while the Government was bound to pay $3\frac{1}{2}$ per cent., so far as the share capital, in the ordinary sense of the term, is concerned, that would inevitably follow; but we all know that there is another, and very important part of the capital of a railway, which is not represented by shares, but by bonds ; and as respects that portion of the capital, with the superior position of the Government for borrowing money, it would be quite possible that it should be even paying a higher per-centage to the ordinary railway shareholders than the Government are receiving in the shape of rent, and still, by means of the other portion of the capital, they may recoup themselves.

7993. Then, as one source of profit, you look to the fact that the Government would be able to borrow its capital at $3\frac{1}{2}$ per cent. or thereabouts, while the railways are paying $4\frac{1}{2}$ per cent. ?—Yes, certainly.

7994. On the other hand, have you considered what the amount of the loss to the State would be in the case of a compulsory purchase, or do you not contemplate compulsory purchase ?—I do not contemplate compulsory purchase at all.

7995. Then you must offer a price which will induce existing shareholders voluntarily to surrender their property ?—Yes.

7996. I presume you would lay it down that in such a case the majority of the shareholders in each company should have power to bind the whole ?—Yes ; as I suppose they have now in the decision of any other question.

(*Mr. Ayrton.*) They have not now the power to bind the whole of the shareholders in dealing with the railway ; all that they have the power to do now is to give their assent or dissent to a proposed Act of Parliament ; it is the Act of Parliament that binds the minority.

7997. (*Sir R. Hill.*) All that would be required would be to give that power of assent under Act of Parliament, is not that so ?—Yes, certainly ; whatever power may be requisite. If the power does not exist it would have to be supplied by Act of Parliament.

7998. (*Chairman.*) If your object is to induce a very numerous proprietary body to surrender property which they at present hold, must you not for that purpose offer them terms certainly higher than the market rate ?—Yes, certainly.

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7999. Then you must admit that in the first instance there must be a loss upon the purchase?—No, I should not call it a loss.

8000. That is to say, that the purchase would be made upon terms more costly to the purchaser than an ordinary bargain in the open market?—Yes.

8001. (*Sir R. Hill.*) But you expect that the Government would recoup itself through its power to borrow money upon better terms than the railway companies can borrow money?—That is one way. I expect that the Government would get a very great advantage in that way; but I expect that it would gain advantages in other ways.

8002. (*Chairman.*) I understand you to propose that each railway should be let upon lease, either for a number of years or terminable at moderate notice?—Yes.

8003. Would you put up a line to open competition?—Certainly.

8004. Imposing, I suppose, certain conditions as to charges, and also as to precautions for safety, and so forth?—Exactly.

8005. Do you consider that the bridges, viaducts, embankments, and general permanent way ought to be left to the leasing company to take care of, or should the care of them be left to the State?—That they should be left to the leasing company to take care of. The leasing company should be required to keep them always in good condition.

8006. And for that purpose it would be necessary, would it not, to have frequent inspection?—Yes, for that and other purposes, in order to see that all the terms of the lease are acted upon.

8007. Have you considered at all in what manner the very large amount of capital should be raised that would be necessary for paying off the charges upon those lines?—I stated, I think, in answer to a previous question, that I do not think it necessary to raise the capital at all. I believe that the fact of the Government, by undertaking to pay a certain dividend, and by succeeding, as I fully expect it would, in obtaining a rent for the railway fully adequate to meet its obligations, would render it unnecessary that any amount of capital should be raised.

8008. But in that former answer you were speaking of share capital, were you not?—Yes.

8009. In the question that I put to you now I speak of that which is invested in debentures?—I should expect that the rent would cover the payments for the debentures as well as for the ordinary shares. Then, as those debentures fell in, the Government would be able to reissue them upon much more favourable terms than the company could.

8010. You would simply as they expired offer the holders the option of taking a lower rate of interest, or of being paid off?—Yes.

8011. Have you considered at all what department, or whether any existing department would be capable of managing this enormous business of leasing lines from time to time?—So far as I have thought upon that point, it seems to me to be desirable to create a special department, of course, however, to be under one of the main departments of the Government; but I do not apprehend it to be necessary to create a large department, nor do I suggest that the Government should make any attempt to obtain immediate possession of all the railways, I think it is desirable to proceed gradually.

8012. You would buy them up gradually one by one?—One by one, or group by group, trying of course, as far as possible, to get railway possession of a whole district.

8013. If you propose that the purchase should proceed by voluntary means only, would it not come to this, that the State would be very soon in possession of all the worthless lines, and that all the lines giving a large return would remain in private hands?—No, I think not; I do not see that that follows at all. I think that the State must proceed in a very blundering way if it arrives at that result. The worthless lines may be supposed to have something like a worthless price; something exceedingly low; and if the value to the shareholders is exceedingly small, they will be but too happy to part with the railway for a very moderate sum.

8014. (*Sir R. Hill.*) You do not propose that this department should be required to purchase a railway, whether it thought it advantageous or not, do you?—Certainly not; the Government should act upon the ordinary principles of commerce.

8015. (*Chairman.*) Do you think, as a matter of fact, that you would find proprietors equally ready to part with what is known as an improving property as to part with one that yielded very small returns for some time past?—I should think that they would at a given price. I think that every railway would have its price. Of course, if a railway is improving, the proprietors will take that into consideration before they accede to any specific offer for its purchase.

8016. Have you considered the case of small lines situated in the centre of a group of lines which have been already purchased by the State? I am supposing your plan to have been some years in operation, and the principal lines of a district to have been bought up by the State, but the system of State management cannot be worked until the whole of the lines are in possession of the State; would not that give to any small company that held out longer than its neighbours a power of commanding almost its own price?—It would, undoubtedly; and I think that in such a case as that it might be necessary to obtain compulsory powers in the same way as a railway company obtains compulsory powers to compel any particular landowner to sell his land.

8017. I wished to see whether we were coming to that, whether in fact your plan is not optional purchase as long as the proprietors are willing to sell, and compulsory purchase if they are not willing to sell?—No, I do not say so. Your Lordship has put the case of a small line acting as an obstruction to a large organization; that seems to me to be a very different case from that of a great line where there is no such obstacle created. In the one case I think compulsory powers might fairly be applied, but in the other I should not propose them to be applied at all.

8018. Have you considered how the system which you propose would work as regards the construction of new lines?—Yes, I have.

8019. Clearly it would rest, would it not, with the Government to determine whether a new line should or should not be made?—Not with the Government, but with Parliament; as is the case at present.

8020. Supposing all the existing railways to be in the hands of the State, I presume that you would not then allow new lines to be made and to remain in the hands of individuals?—Yes, I would.

8021. (*Sir R. Hill.*) That is to say, if Parliament gave permission?—Yes, if Parliament gave permission. If Parliament, acting on behalf of the State, is of opinion that the State would be benefited by the construction of the proposed line, I should hope that Parliament would at once sanction its construction.

8022. (*Chairman.*) And those new lines would remain in private hands, while all the existing lines of the country were in the hands of the State?—They would not necessarily remain in private hands, because I should propose to apply the same principle to them as to existing lines. Suppose a desire for the formation of any particular line to arise, and a body of proprietors is formed for the purpose of making that line. They would apply as now for an Act, and I should hope that under the altered arrangements the sole consideration with Parliament would be, will the country, as a whole, be benefited or not by the construction or this new line—is it a mere contrivance for getting traffic from a very near line—is the mere object competition—or is it to provide for a want for which no provision exists at present; and is that want so imperative as to make it right for Parliament to grant the powers to take possession of a person's land? and so forth. Upon the

whole will the country be benefited by this new line or not?

8023. Are the Commissioners to understand you to put forth this as an expression of your opinion, that by the system which you propose the State would acquire property of greater value than the price which it gave for that property, and that at the same time the ex-proprietors of the railroads would have a dividend upon the average higher than that which they now receive?—Yes; I entertain that opinion decidedly.

8024. According to your proposal, everybody is to gain all round, the State as the purchaser, and the proprietors themselves are to gain?—Yes.

8025. In part that gain is to be made, as I understand, by the lower interest which is to be paid to the debenture holders?—In part.

8026. Have you at all considered what the effect of adding to the liabilities of the State to the extent of 150,000,000*l.* or 200,000,000*l.* would be upon the rate of interest at which the State can borrow?—I do not think that it would have any appreciable effect upon it.

8027. You think that whatever the amount of new liabilities contracted may be, the State will still be able to borrow at $3\frac{1}{2}$ or 3 per cent., as it does at present?—Yes, so long as there is a valuable consideration for it; so long as there is property to show for the liabilities, I do not think that the State would at all suffer in its borrowing power by possessing the railways.

8028. (*Sir R. Hill.*) But you do not consider it an essential part of the plan that the State should borrow money at all, do you?—No; I have stated so.

8029. (*Chairman.*) You look forward to the very great economy in the working of those lines as another source of gain?—To a great economy.

8030. Will you explain in what way you think that great economy would arise?—I think that it would arise in various ways. First, from the greater facilities that would be afforded for securing a good organization among the railways generally. We will suppose for a moment that the Government is in possession of the railways. In letting out any particular railway it would secure by the terms of the lease that trains running upon that railway and then on to an adjoining railway should go under arrangements suitable to both railways; that there should be nothing of the kind which is known now to exist from time to time, namely, that positive obstacles instead of facilities are created with respect to the junction of railway and railway. Then all those obstacles would be removed, and facilities would be secured in place of them. Then I think that the persons who are likely to act as the lessees of railways would probably be a much smaller body than the large body of proprietors, and they would have a keener interest in the economical management of the railway than can be felt by gentlemen in the position of railway directors who have very many other avocations besides that of railway management, and who have not so large a stake as those lessees would have. I think that it would become a kind of profession. Persons who had an especial aptitude for administration of that kind would by force of competition obtain the lines, and the lines would, I think, be more economically and efficiently managed than by the present half-honorary boards.

8031. (*Mr. Ayrton.*) Does the answer that you have just given depend upon the assumption that the Government has possessed itself of all the railways in the kingdom?—No, not of all the railways in the kingdom. If it were in possession of only two railways, if those railways lock into each other the principle would to a certain extent come into operation.

8032. (*Chairman.*) Do you consider that there would be any saving of the present Parliamentary contests between companies?—A very great saving.

8033. I see that you have stated that; but I wish to understand in what manner that saving would arise, because, if I understand your plan clearly, you propose that there should still be as at present power to new companies to create new lines?—Yes.

8034. There will, I presume, be the same power in landowners, and other persons interested in opposing them, to oppose them?—Yes.

8035. Those landowners, I presume, will as at present be supported directly or indirectly by great companies who would fear competition by the new projected lines?—No; if the property of the company became that of the Government, those great companies would of course cease to exist.

8036. But take the case of lessees having a 21 or 30 years' lease, for I presume you would make it a long lease; would they not be very much interested in the carrying of a new line parallel to theirs that might take away half their traffic?—I am of opinion that if any new lines be granted which could in any way injure the lessees of an existing railway, that railway would in equity have a claim to reconsideration as regards the amount of rent; and that such reconsideration should be provided for in the lease.

8037. Then if they lost by the competition of the new line Government is to recoup them?—I do not say so. If a new line is created, and they inform the Government that they consider that that line will injure them, they should have the right of referring to some tribunal or other to reconsider the question of the rent; whether their rent ought or ought not, under the circumstances, to be reduced.

8038. Let us see how that will work for the prevention of Parliamentary contests between companies. You have all the former elements of competition, you have landowners and the men who are interested who will oppose, and you have companies whose traffic will be threatened by the making of new lines. The only difference, as I understand, is this, that the State will also be a party interested, inasmuch as the State will be a loser if the traffic of the existing companies is taken away?—Yes; but I think that a very material difference; because Parliament, representing as it does the State, would feel, that if this line, which the necessities of the State do not require, were permitted, it would very much diminish the value of property belonging to the State.

8039. Passing from that, do you consider that a large reduction both in passenger fares and in the cost of the conveyance of goods, might take place without ultimate loss to the companies or to the State?—I do not presume to say so, other things remaining as they are. I have not that knowledge which would enable me to say that the railway companies could, without injury to themselves, reduce the fares; but my opinion is, that under the arrangements which I have described, the force of competition between those who offer themselves as lessees would bring about a large reduction of fares.

8040. They would compete one against the other by offering the lowest tariff?—Exactly.

8041. But does not that kind of competition exist at present wherever you have any two lines running between the same points?—Even where you have two lines running between the same points, in my opinion it does not exist. In my opinion, effective competition is impossible in railways, because you cannot admit an unlimited number of competitors. There are two railways, and as there are only two they have nothing to do but to come to an understanding, and the competition is knocked on the head.

8042. (*Sir R. Hill.*) Have you any objection to put in this paper which you have prepared as a summary of your evidence?—I will put it in with pleasure.

The same was delivered in, and is printed at the end of this Evidence.

8043. (*Chairman.*) You have stated that you would not consider the sum which the Government would pay by way of annuities to railway proprietors as a Government loan, but would not the shareholders so consider it; what would be the difference between an annuity payable to a body of railway proprietors

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and an annuity payable to the ordinary holders of consols?—No essential difference in my opinion, but I think that the effect upon the public mind would be very different. In the one case there is no necessity for creating a great mass of Government stock, and in the other case there would be.

8044. It would be a new form of permanent annuity differing only in a particular name from the other permanent annuities payable at the Bank of England?—Exactly.

8045. (*Mr. Ayrton.*) As regards the public who hold those shares it would be only a variety of permanent annuities payable at the Bank of England under different names?—Quite so.

8046. If the Government were paying permanent annuities they must either pay those permanent annuities at the rate of $3\frac{1}{4}$ per cent., their existing rates, or they would pay them at higher rates?—Yes.

8047. If the Government are borrowing money or paying annuities at higher rates of interest, would not that have the effect, if it were for a very large sum of money, say 400,000,000*l.* sterling, of depreciating the value of consols, out of which permanent annuities are now paid?—I think not.

8048. You think that you could go on creating permanent annuities to that extent without affecting the price of the annuities?—It may go on, I think, to any extent as long as you have productive power affording the means of paying those annuities.

8049. The parties who buy these annuities, you think, in estimating their market value are not guided by a consideration of the quantity of those annuities that exist in the market, and that that does not influence the price?—If a great quantity came into existence suddenly of that or any other article, the price would no doubt be affected; but the Government is merely stepping into the place of the railway directors who are at present making this payment, and it would be able, I think, to pay somewhat more; but the great mass is merely a substitution of one thing for another.

8050. But when the nature of these securities will have changed, they will then become Government annuities, will they not?—Certainly.

8051. Do you think that the fact of those annuities having 200 or 300 different names would not rather depreciate their value than increase it?—No, I think not at all.

8052. You do not concur in the opinion which has been generally expressed by financiers, that it is better to borrow annuities on the large security of consols than to borrow in small quantities under different names, and that small quantities always obtain worse rates than annuities in the larger stock?—That is a refinement that I do not pretend to have gone into or to be able to judge of; it seems to me that so long as the Government, when extending its obligations, can point to a substantial property possessing adequate productive power, the security of the Government is not injured at all by its possessing that property subject to those obligations.

8053. (*Sir R. Hill.*) The arrangement would not divert the capital from its present form of investment at all, would it?—Not at all.

8054. There would be no increased demand upon the capitalists of the country?—Not a shilling.

8055. (*Mr. Ayrton.*) You do not contemplate the annuities being a special charge upon the particular railway; you consider those annuities as part of the public debt, and all the annuities which the Government agreed to pay would be part of the public debt?—It would be under the responsibility of the Government and the security of the Government; the Government security would be attached to every portion of it.

8056. Would it be a debt chargeable specifically upon the particular railway with which it was originally connected, or would it become merely an annuity payable by the Government?—It would become an annuity payable by the Government.

8057. Then the Government would come back, would they not, to the position which we were in before Mr. Pitt passed his celebrated Act for establishing the consols, when we had a great variety of debts of different denominations?—Your memory of the history of that time is superior to mine.

8058. Would it not be the case that instead of having one consolidated debt they would have a great variety of debts?—Their present debt would remain of course as it is at present, and in addition to that they would have at their disposal a great variety of annuities, or you may call them debts,—in one sense of the term they are debts, but they are debts for which there is substantial property; therefore in another sense I should say that it is no debt at all.

8059. As you have explained that the annuity is not to be charged upon the particular railway, what would the public, who hold the annuities, have to do with the railways?—They would have nothing whatever to do with them.

8060. Then would it not simply be a public debt chargeable upon the property of the nation generally, upon the taxes?—No. Of course, if the Government so blundered in its proceedings as to purchase those railways for more than their real worth, then it becomes a debt chargeable upon the taxes, but if they managed it as I believe they would, there would not be a shilling charged upon the taxes.

8061. As regards the holders of the annuities, they would simply have a claim upon the general resources of the nation?—Yes.

8062. You do not mean that those annuities are to be mixed up with the particular railway which the Government sanction originated?—No.

8063. Then it would be simply an addition to the public debt of a great many denominations of annuities?—As I say, it is a debt in one sense but not in another.

8064. As regards the holders, how would it be?—As regards the holders they would have the public security.

8065. Then the Government would have simply so much more power than they have at present?—Yes.

8066. (*Sir R. Hill.*) If it were thought by Parliament that any advantage would result from consolidating those claims by taking a step similar to that which Mr. Pitt took long ago, would there be anything to prevent Parliament taking that step?—Nothing whatever.

8067. Then that inconvenience, if it should prove an inconvenience, could be entirely put an end to whenever Parliament thought fit?—Most easily.

8068. (*Mr. Ayrton.*) With regard to the lease which you propose to grant, have you fixed in your own mind any particular term for which the lease should be granted?—I think that no term should be fixed. One can more readily speak of any matter by referring to the practice in another case with which one is familiar. In addition to my having had the railways in my department, I have the packet contracts, and it has devolved upon me to prepare the form of tender for those contracts; and, with reference to the particular point which we are now speaking of, I may mention that we never put down, This is a contract for five years, or for seven years, or for ten years; but it stands in this form:—For what sum will you engage to perform this service according to the stipulations now presented to you (going at a certain speed, leaving at a particular time, and so forth); for how much per annum will you perform this service? and how much will you strike off if the contract be made certain for five years, or for seven years, or for any other number of years that you choose to specify? When we get tenders it is generally found that while the service would be performed for a certain sum if the contract were terminable on a notice of 12 months, it would be undertaken for a smaller sum, if made certain for five or seven or ten years. Then when we have ultimately to decide which tender we will accept we balance matters in our minds and consider whether the disadvantage of being bound for a certain period is more than counterbalanced by the lowness of the subsidy

upon which the service would in such case be performed.

8069. In that case you generally find as a principle, I presume, that the longer the lease is the less the rate that you have to pay ?—Yes.

8070. Do you think that there is an accurate analogy between your entering into a contract for the conveyance of the mails by a line of steamers and a contract for the entire use of a railway ?—Yes ; I am not aware of any fault in the analogy.

8071. Is there not this fault, that in the one case the servant has only a small part of the undertaking, and in the other case has the whole of the undertaking ?—I do not know how you can say that it is a small part of the undertaking in the one case and the whole of the undertaking in the other.

8072. Would not the analogy be more correct if yours was a contract for the conveyance of the mails by railway than if it is for the conveyance of the mails by steam-boat ?—I do not see it.

8073. Has not a steam-boat generally other objects in view besides the mere conveyance of your mails ?—So have railways.

8074. In the one case it is the whole undertaking, and in the other it may be a very insignificant part of the undertaking ?—I do not see that myself.

8075. You do not think that the conveyance of the mails, which may be only a tenth part of the earnings of a steam-boat, is a different thing from a contract regulating the use of the whole of the steam-boat and all its earnings ?—I see no essential difference in the comparison.

8076. (*Sir R. Hill.*) It is a difference in degree only, is it not ?—It is a difference in degree ; I do not see any difference in principle.

8077. (*Mr. Ayrton.*) Do you see any difference in the circumstances of a railway and a steam-boat in this respect, that the steam-boat can be sold and moved about to other places when the contract is over, but that a railway cannot ; do not you see that difference in the analogy ?—I do not think that it affects the analogy, but there is no doubt that as a fact you are correct in making that statement.

8078. Is there not another distinction, that in the one case the crew are a class of people that may be shifted about from vessel to vessel, and in the other case the establishment must be in its character permanent ?—I do not see how that affects the analogy.

8079. You do not think that a person making a contract would be likely to consider that matter ?—No ; but even if he did, it does not seem to me to affect at all the principle upon which the Government should proceed.

8080. Do not you think that the lessee of a railway, who would be responsible for the duties performed by his servants, would have to consider the fact whether he hired the servants himself or not ?—Yes ; I think that that is a most important thing for him to consider ; but as a matter of course, he should make his own selection.

8081. In making a contract with a steam-boat he has the selection of his officers ?—Yes, certainly.

8082. If a railway were let for a year only, would you grant to the lessee the power of selecting his officers on the railway ; and would you have the officers liable to be turned out at the end of the year ?—Yes, every one of them. He is responsible for the management, pecuniarily and in every other respect, and his responsibility would, in my opinion, fall to the ground if he had not the selection of his own officers.

8083. Do you propose that the Government should prescribe exactly the trains that are to be run ?—No, not at all.

8084. Then who is to secure the correspondence of the trains that you have mentioned if the Government have not the power to prescribe the trains that are to be run ?—Without prescribing all the trains, I would secure a controlling authority to prevent breaks.

8085. I was asking you whether the Government should possess the power of prescribing the trains that are to be run, and you say not at all ?—I say that I do not advise that the Government should prescribe the trains.

8086. How will they obtain any correspondence of trains by their leases ?—By reserving the power. There is a great difference between having the power and using it, and using it in a small degree and using it in a great degree. They should reserve the power to prevent those breaks and those obstacles which are now created.

8087. You would reserve to them, probably, the power that is now reserved to the Postmaster General with reference to the mail trains, that is to say, the liberty, if he thought that the public interest required it, to interfere and prescribe a particular train to be run ; is that the power that you would reserve ?—I am not prepared to go so far as that. I am prepared to say that there should be a controlling authority. If there is any discussion as to the propriety of using it in any particular case the question might be referred to a prescribed tribunal or to arbitration ; but power should be secured to prevent that which now occurs, namely, the creation of obstacles to the union of the trains of one railway with those of another.

8088. What I want to know is this : How is the Government to obtain from the public by the lease the profit which you suggest ? Is it by describing at the time of the lease all those profits as conditions of the lease ; or is it by the Government reserving to itself the liberty of directing the lessees in the enjoyment of their lease to do anything that the Government may require, or what ?—I propose, as regards the particular matter now under discussion, that the Government should reserve certain powers.

8089. Will you define the powers that it should reserve ?—Among other powers, that of preventing the lessee of one railway so managing as to throw unnecessary obstacles in the working of an adjoining railway.

8090. The two lessees being competitors would naturally claim, would they not, the right of carrying on their business each of them as he might think most advantageous to himself ?—He might claim it ; but if specific powers are given in the lease he would claim in vain if he proposes to benefit himself by injury to his neighbour.

8091. Is it your experience in the Post Office that when the Post Office claims any of these rights of regulating trains, it is expected to pay very heavily for the exercise of the right ?—When we exercise powers which compel railway directors to run trains at times when the public do not require these trains we certainly have to pay heavily for them.

8092. Whenever you insert that power they make you pay heavily for it ?—Yes.

8093. If the Government reserve to itself that right, would it not be a material element in fixing the rent to be paid that the Government possessed that power, and do you not think that it would diminish very much the rent to be paid if there were such an indefinite power in the Government to interfere with the traffic ?—I do not propose an indefinite power. And as regards the matter in question, it must be remembered that the power may just as likely be used for the benefit of the particular lessee as for his injury ; while it would prevent his injuring his neighbour it would prevent his neighbour from injuring him ; therefore I think that any person who thought of becoming a lessee would not object to the existence of such a power in the contract.

8094. Have you considered the area that should be granted to each lessee of railway property ?—No ; my general idea is, that if the principle be approved and adopted the railway property will gradually become the property of the State ; and as each addition is made a lessee would be required to take the management of that particular line. Ultimately, if all the railways should become the property of the State, then the railway territory would no doubt be carved out in that way which, upon the whole, was found to produce the best working and the lowest tariffs.

8095. In the meantime you would merely lease out

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the lines as they happened to be surrendered to the State ?—Yes.

8096. Each separate line ?—Yes, certainly.

8097. Are we to understand you that the option of surrendering the line is to be entirely with the Government, and not with the owners of the line at all ?—Do you ask whether I suggest that the Government is to have compulsory power of purchase ?

8098. No, that the option rests entirely with the Government whether they will accept the purchase of the line ?—I cannot say, entirely, because it will rest equally with the proprietors ; they may refuse to sell and the Government may refuse to buy.

8099. The Government is to have the power of refusing the offer, however reasonable the proprietors may think it ?—Certainly.

8100. What reason have you for supposing that the lessees would be persons at all different from the present proprietors and directors of railways ?—We know that in all other matters where companies of the kind are not formed, a person generally speaking chooses his profession according to his ability and his inclination. A man is not half a cobbler and half a blacksmith, but devotes himself to a single employment; and when that is the case we generally find, I think, the greatest amount of success. I think that if a few men of administrative power clubbed together and inspired others with sufficient confidence to advance them capital, and then gave themselves up entirely to the management of a railway, they probably would manage that railway very much better than an ordinary board of directors.

8101. Why are we to assume that the lessees would be individuals of this character rather than joint stock companies ?—Because I think that they, with the prospect of an equal amount of gain, could underbid any joint stock companies in the tender. I think that able administrators giving their whole time and mind to the management of the railway would be able to conduct that railway so as to produce a given profit, though upon a lower tariff, than a body of ordinary directors.

8102. Do you find that that principle holds good in the tenders for the conveyance of the mails ?—We have not an opportunity of judging.

8103. You offer tenders to the public to contract for the conveyance of the mails, do you find that those individuals whom you have described come forward to tender to convey the mails, or do you find that companies come forward to tender ?—Generally companies ; but sometimes an exceedingly small company. Take, for example, one of the best and largest contracts that we have had, namely, the one with Sir Samuel Cunard's company, I believe that there are only three or four persons, if there are so many, forming the whole company.

8104. Is not that now a joint stock company ?—No.

8105. Do you think that you would find the individuals who would be requisite to carry on the business of lessees ?—I think now that happily the law has been so amended as to enable persons to advance capital without the risks of partnership, such men as those I have referred to would have no difficulty in raising the necessary capital. Hitherto the law has interposed obstacles and given large companies special advantages.

8106. Have you observed at all the tendency recently, of commercial speculation to change from private enterprise to joint stock companies and large undertakings ?—I have.

8107. Have you observed at all the general character of the direction of those joint stock companies that you see advertised in the papers ?—I have observed that, in many cases, the boards of such joint stock companies are formed of most respectable men.

8108. Do you think that the character of those boards of directors offers any guarantee for better management than the character of the boards of directors of railway companies ? — Yes ; I think that in many cases it is so. In many cases I think that the company is formed round about, as it were, an existing effective management, and that this management becomes the nucleus of the company. That has been so in many cases. Take, for instance, Mudie's Library. Mr. Mudie was a successful manager of a very large concern ; a company is formed ; but he is retained as manager. We know that was much the same in the case of Morrison, Dillon and Company.

8109. My question was with reference to the general character of the direction ?—It is not a matter in which I have any very extensive knowledge. The cases that have fallen under my observation are very much of the kind that I have mentioned, in which there is an effective management and a company is formed round about it, the management remaining very much as it was.

8110. In the case of railway companies, would not a person who has been managing a railway be just as effective a manager as in the case you have put Mr. Mudie would be if he became a director of a new company ?—If a particular railway was very ably managed under his direction, the probability is that those who might succeed as lessees would be only too happy to engage his services.

8111. (*Sir R. Hill.*) Would not the managers themselves frequently become lessees ? — No doubt, they frequently would.

8112. (*Mr. Ayrton.*) That is to say, if they have the capital ?—Or if they inspire capitalists with sufficient confidence to induce them to place capital at their command.

8113. But it would require considerable capital, would it not, on the part of the lessee of an undertaking which was to pay a rent of a million a year ?—I do not think it would necessarily, because we know that the payments to a railway company are in ready money.

8114. Do you think it would be safe for the Government to lease property worth a million a year to a person of no capital ?—I did not say so.

8115. Would not the Government expect the person to whom they were going to lease a property worth a million a year to have a considerable capital by way of guarantee to them ?—The Government would expect that he should be able to afford them ample security that the terms of the lease would be acted upon. In our own contracts we require that security should be given to us in a certain sum, according to the magnitude of the service, that the contract will be really fulfilled.

8116. In that case the parties that make the contract produce all the property themselves for carrying out the contract, and own the property, do they not ?—Not always.

8117. Ostensibly it is not their own property ?—Not always. We require, as I say, security ; but another person may give that security.

8118. Apart from the security in the case of the Post Office contracts, the parties who make the contract ostensibly own all the property that is required in order to carry out the contract ?—Yes, generally they do.

8119. Therefore there is no analogy in that case, is there ?—I beg to differ in opinion from you. I think there is.

8120. Is there not a great difference between owning a railway and not owning it. In the case of the lessee of a railway, the lessee would own nothing, whereas in the case of a contract with the Post Office he owns everything ? — The circumstance which makes the things strictly analogous is this, that in both cases adequate security is required. Whether that security may arise from owning a particular property, or owning an estate in Australia, or having half a dozen of the leading merchants in London putting their names down for 50,000*l.* apiece, is a matter of indifference ; we require in each case good security.

8121. Is it not a great difference, when one makes a contract, whether the person who is to fulfil it produces all the property for the purpose of fulfilling it, or whe-

ther you give him your own property to fulfil it with ?—Not so long as he gives you ample security ; that covers everything in my opinion.

8122. (*Sir R. Hill.*) Is there anything to prevent the lease requiring a weekly payment of the rental ?—Nothing at all.

8123. Then, in point of fact, all the security that would be required would be something sufficient to prevent the railway being thrown up by the lessees if they found that the lease was not profitable to them ?—Yes, and also for keeping everything in good working order and good condition.

8124. (*Mr. Ayrton.*) What would be a fair deduction to allow a lessee taking a lease of a railway, and who engaged to make an absolute payment of rent, for his own profits and risks ; what per-centage would you allow him upon his rent ?—The highest per-centage that competition would give him.

8125. In making an estimate, what per-centage would you allow ?—I do not pretend to say.

8126. If you lease the property the lessee expects, does he not, a certain rebate from its absolute value for his profits and the risks that he runs ; what would you allow him ?—I do not pretend to allow him anything ; I would allow him every farthing that competition would give him and nothing more.

8127. In making an estimate, how much would you allow ?—I do not require any such estimate.

8128. In making an estimate in your own mind of a transaction of that kind, you must make that allowance ; if you are going to buy property on the one hand, and to let it on the other, you must consider what you will allow from the absolute income for the lessee's profits and risks ?—It does not appear to me in the case now under consideration of the least use to make any such estimate. All the estimate that I have to make is, the amount necessary to meet the obligations incurred ; and that is rent.

8129. If you were going to buy property with the view of letting it again, how are you to insure that you will let it again so as to cover the interest on the purchase money unless you go into these considerations ?—You must judge as well as you can from all the kinds of evidence that you can collect, and you would consult persons well able to form an opinion as to the amount of rent that a third party would be willing to give for that particular property ; and before you strike your bargin you must be careful not to exceed in your purchase the sum which would be represented by the rent,—that is all.

8130. If you have not gone into this matter how are you able to suggest that the Government would let the property on a rent which would repay the interest that they would have to pay ?—I say that those who efficiently managed the department would make inquiries upon that subject before they made their purchase ; that they would satisfy themselves that they shall be able to obtain a rent corresponding with the amount of interest, and sufficient to pay the dividends that they engage to pay before they say "aye" to the purchase.

8131. (*Capt. Galton.*) In what form would the security that you suggest should be taken for those leases be given ; is it to be a sum of money deposited in some particular funds or place ?—No ; all that I should require would be such a security as would satisfy any reasonable person that in case of defalcation the Government would be indemnified.

8132. I observe that you suggest that at the termination of the lease, or at any intermediate time, if either party desire it, the whole property should be assessed, and any falling-off made good by a money payment ?—Yes.

8133. If an insolvent company had undertaken a lease of the railway how would you get your money ?—You must have such security before you sign the lease as will satisfy you that that provision of the lease can be effective.

8134. In the same way I presume you would enforce that clause that any deficiency in a railway should be made good at any time ?—Yes.

8135. Then in letting those railways the lowest tender would not be the only thing that you would consider ?—No. In our own tenders we announce in every case that the Postmaster-General does not consider himself bound to accept the lowest tender or any tender.

8136. And you would therefore let the public department that was to make those contracts consider any circumstances connected with those different companies as to the responsibility of the parties and other conditions ?—Yes, certainly; not only would I let them, but it would be their imperative duty to do so.

8137. Therefore do you think, in considering these sorts of questions, it would be possible that political bias could ever enter the judgment of the department and so have an influence upon its contracts ?—The responsibility to Parliament is such that I should think not.

8138. Has such a case ever taken place in the Post Office as regards contracts ?—No, certainly not, so far as the Post Office is concerned.

8139. Then you think that a Government department could be entirely freed from any bias of that sort, and that any contract made under a Government department of that sort might be made perfectly free from any political bias, and that is your experience of all contracts of which you have cognizance ?—No, I do not go so far as that.

8140. (*Mr. Ayrton.*) It does not rest with the Post Office, does it, to accept the tenders finally ?—No.

8141. (*Capt. Galton.*) If it was possible that such political bias could enter into the making of the contract, could not it also enter into the question of a strict enforcement of the contract, as for instance, if a company allowed the line to fall into disrepair and get badly worked, is it not as possible that the same influence might be brought to bear upon the Government to prevent the due conditions of the contract being enforced ?—Yes, in the same way that influence would be brought to bear still more strongly, I should think, upon any body of directors. But we see in countries abroad, where we believe there is certainly not more political honesty than at home, that the Government proprietorship seems to be very successful in its results, that the fares are low, and that the Government is not a loser thereby ; and we do not hear of those political influences.

8142. To what railways do you specially refer in regard to which the Government proprietorship produces those results ; have you cognizance of any railways, excepting the Belgian railways, or are there any others that you would refer to ?—I was referring chiefly to the Belgian railways ; bearing in mind those of France also.

8143. But in France is it not the case that the railways are practically in the hands of the companies just as they are in England ?—Yes, but there is a very important question that has to be decided from time to time about the concession of the railways. I do not pretend to be thoroughly versed in French politics, but I do not remember its ever having been alleged that a concession had been made from political or from private considerations. I should think that the very thriving character of the railways in France would show that the concessions have been honestly obtained.

8144. What are the advantages over the present system which you expect to derive from the purchase of the lines or the obtaining of the lines by Government, and then leasing them out to other companies ?—It involves many of the advantages that I have already had the honour of stating to the Commissioners.

8145. Are they stated in the paper which you have handed in ?—Yes, some of them.

8146. I presume that the principal of those great advantages is that you consider that a lease would afford a means of obtaining competition for the public at stated times which they cannot now obtain ?—Yes, that is so ; or rather I would not go so far as to say, which they cannot now obtain, but that a system of

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leases opens a door to any amount of competition in the management and makes it a safe plan for the Government to hold the property. I should not consider it a safe plan if the Government undertook the management.

8147. Then you look upon it as a great advantage for the Government to have the possession of the railways, provided the plan could be made safe ?—Exactly.

8148. (*Sir R. Hill.*) It is rather an advantage to the public, is it not, that the Government should have it ?—Yes.

8149. (*Capt. Galton.*) Why is it an advantage, except that it can obtain a reduction of the fares at stated intervals by competition ?—To go over a little again the ground that we have gone over, I believe that if the Government is the proprietor of the railways, the railway property will not be damaged from time to time as it is now by the creation of such lines as the Trent Valley line.

8150. As regards the shareholders ?—No, as regards the public. If the State holds the property, it becomes a question of the public, not of the shareholders.

8151. The damage to the railway property which now exists is a shareholders question, is it not ?—Not merely a shareholders question.

8152. Is it not for the advantage of the public that as many railways should be made as can be made ?—No, I think not. I think that if you have two railways where one will serve the purpose, the staff of officers upon each will not be so strong as it otherwise would be, and their management will not be so good, and the fares will not be so low.

8153. You mean if you have two railways running close side by side ?—Yes ; so as to compete with each other without creating a large addition to the traffic sufficient to make up for the competition.

8154. Take for example the two lines from London to Birmingham, do you think that if one line could carry the traffic between London and Birmingham it would be an advantage to the public to have only that line rather than that they should have the second line which they now have ?—Yes ; supposing of course that that line is sufficient for the extent of the traffic, and that you have a sufficient number of rails and so forth.

8155. Still taking the case of London to Birmingham, the London and North-western line runs from London to Birmingham straight, and the Great Western line by means of a divergence, is not it a great advantage to the public in the district through which the Great Western runs that that line should be constructed ?—As I say, there are two kinds of advantage ; if the railway belonging to the Great Western Company is sufficiently distant from the other railway as to make it much more convenient for a large number of persons to travel by it than by the first railway, then the country is benefited.

8156. But let us go to every case of competition which we can find in the country, take for instance the London, Chatham, and Dover line as far as Chatham ; there are two competing lines, one of which runs by the side of the Thames, and the other line runs six or seven miles inland; is not it a benefit to the inland district to have that second line, though perhaps one line might have carried all the traffic that goes from London to Chatham ?—No doubt it is a benefit to that district.

8157. (*Sir R. Hill.*) Is there any competition in respect of the intermediate stations ?—I think none whatever.

8158. The two lines are not competing lines in respect of places which are not served by both, are they ?—No.

8159. (*Mr. Ayrton.*) There are no competing lines in that sense ?—I do not think there are ; I think that competition is a mere delusion.

8160. (*Sir R. Hill.*) There is competition, is there not, as regards the traffic between London and Birmingham, or as between London and Dover, but not as regards the traffic between the intermediate stations ?—Precisely so.

8161. (*Mr. Ayrton.*) If there is no competition there is no evil to correct, and if the evil does not exist, there is nothing to correct in that respect ?—Yes, there is ; because you may have lines unnecessarily multiplied, and the country, generally, injured.

8162. (*Capt. Galton.*) Can you mention any instances in which lines have been unnecessarily multiplied ?—Yes ; I think the second line to Hastings and the Trent Valley line are cases in point.

8163. Do you maintain that it is not an advantage to the public that the line which runs through Lewes and goes to Hastings, and which serves one district, should be made, and also that the South-eastern line, which goes through Tunbridge to Hastings, should be made ; is not it a great benefit to the districts which those two lines occupy, that they should both be made ?—It is a benefit to the district, no doubt, and it would be a benefit to the district if you were to multiply lines by scores ; but the question is, whether there is a balance of benefit to the State as a State, and the country as a country. I think that if at the time that the South-eastern company came forward, asking for their Bill for a second line, the first line had belonged to the State, they would have refused the second line.

8164. Would not that have been a great inconvenience to the people who live between Tunbridge and Hastings ?—It might have been; but to remove that inconvenience the price was far too great.

8165. Is not that part of the argument a shareholders question ?—No.

8166. (*Sir R. Hill.*) Are not the shareholders of railways part of the public, just as much as the residents at the small towns and villages which are served by those second lines ?—Certainly ; they are a very important and very numerous part of the public.

8167. In considering the interests of the public at large, would not it be a very great mistake to omit the shareholders as part of the public ?—Certainly.

8168. (*Capt. Galton.*) If the shareholders are willing to advance their money for the construction of those schemes, is it the business of the State to see that they should advance it advantageously to themselves ?—I think that the State would act very wisely in so legislating that those who undertake to construct a railway should feel secure that if they get a prize they will be allowed the benefit of that prize, and that no line will be allowed to be constructed really for the purpose of plucking it from their hands. I think that if railway proprietors generally felt sure that if they undertook to construct a railway they should be allowed to enjoy a reasonable profit from it, and that no new railway will come into competition with them, unless the general interests of the State require it, we should have very many more railways made than we now have.

8169. (*Sir R. Hill.*) If a line having been made between two towns, a body of shareholders wish to construct a second line between the same towns, and those shareholders are damaged, they have no right to complain, have they ?—Certainly not ; the second body of shareholders have no right to complain.

8170. The first body of shareholders are no party to the construction of the second line ?—No.

8171. And therefore it cannot be said that the shareholders, meaning the shareholders of both lines, are consenting parties to this competition ?—No.

8172. (*Mr. Ayrton.*) Are they not consenting parties in so far as the first company makes its railway with a perfect knowledge that it is in the power of Parliament, and that it is the practice of Parliament to grant other lines whenever there is a reasonable requirement for them in the opinion of Parliament ?—In a particular case that I have referred to, the two Hastings lines, I happen to know that, so far as Parliament could be pledged by a committee, an assurance was virtually made that if the Brighton railway would only undertake the construction of the railway to Hastings a second line would not be allowed. The

Brighton Railway Company said, "We believe there "is traffic for one line, but there is not traffic for two; "and we will have nothing to do with it unless we "feel secure against the creation of a second line."

8173. But are not all the public perfectly aware that the only assurances that Parliament can give are those which are contained in Acts of Parliament ?—If they are aware of it I say it is an unfortunate state of things, in my opinion. It would benefit the whole country, even as regards the number of miles of railway, if the country felt assured that no new railway would be allowed unless the general interests of the country required it.

8174. Has any new line been allowed without the general interests of the country requiring it ?—I believe that the second railway to Hastings, and the Trent Valley line, were allowed without the general interests of the country requiring them.

8175. That is a thing upon which Parliament are by the constitution the judges, and their opinion is different from yours ?—Yes, but you ask me for my opinion, and I give it you.

8176. I ask you whether Parliament allowed that railway to be made, knowing that it was not for the benefit of the public ?—So far as I am able to judge of it, that was so.

8177. Then, though it was not for the benefit of the country that it should be constructed, Parliament perversely allowed it to be made ?—Yes.

8178. (*Capt. Galton.*) If the State had purchased the railways in the way which you suggest, 20 years ago, would the country, in your opinion, have had as large an extent of railway communication as it now has ?—Yes. I think that we should have had more communication where the necessities of the State require it, and less where the necessities of the State do not require it.

8179. You state that the plan which you propose will be attended with certain advantages which you have mentioned ; and amongst those you state, "Facilities for so arranging the traffic of the country that "as far as practicable passengers and goods may be "conveyed on different lines." What does that mean ? —That is following Mr. Hawkshaw's suggestion, that given a large amount of communication between two places, then instead of having upon both lines of railway goods traffic and passenger traffic ; keep one line for passenger traffic, and keep the other line for goods traffic, so that all the trains on each may be going at equal speed ; that is what I mean.

8180. Then you would take away the advantages which the public living upon the one line which is to be devoted to goods traffic now have, and leave them without any railway communication at all ?—That, of course, must depend upon the extent of the through traffic as compared with the local traffic. In some cases it would not be wise to attempt to have such a division, but where the through traffic is very great, and where great speed is required, then I think there can be no doubt that the public safety and the public benefit generally would be much consulted by a division between the two kinds of traffic.

8181. You think that the public who live upon the line which you would devote to goods traffic should be sacrificed for the general good of the State ?—If the general benefit is greater than theirs, they should be sacrificed.

8182. (*Sir R. Hill.*) Without sacrificing those people who live upon the line, the goods traffic might be retained upon each line so far as the intermediate towns were concerned, but that which may be called the through goods traffic or through mineral traffic might be thrown wholly upon one line, might it not ? —Yes, wholly upon one ; but so far even as the immediate neighbourhood of what you may call the goods line is concerned, if the people are willing to travel at the same speed as goods you might have passenger traffic ; the great objection is travelling at different speeds.

8183. (*Mr. Ayrton.*) You would have Parliament, for the sake of the public revenue, depriving the people along one line of railway of all the advantages that they now enjoy ?—That is not my proposition.

8184. If you are to regulate the traffic, and make one line a mineral line and the other a passenger line, would you not deprive them of all the advantages that they now enjoy with regard to traffic ?—No ; I have just pointed out that where you have a mineral traffic you may have with perfect safety a comparatively slow passenger traffic. If the advantage of the people in the neighbourhood of the goods traffic of travelling very rapidly is to be procured at the risk of the lives of a great number of people who, between those two points, are going upon the other line, I think that advantage is too dearly purchased.

8185. (*Mr. L. Gower.*) Is it not a fact that the goods traffic is chiefly carried on at night, and the passenger traffic by day at present ?—I do not think it is. I think a great deal of the goods traffic is at night, but there is a great deal by day.

8186. The chief portion is at night, is it not ?— We all know that the goods traffic has been increasing, perhaps in many cases even faster than the passenger traffic, and therefore there are more goods trains, I believe, both by day and by night.

8187. I presume that the arrangement of carrying on the goods traffic by night and the passenger traffic by day is because it is found most convenient ; would not that convenience be lost, supposing you were to devote one line entirely to passengers and another entirely to goods ?—I do not see any loss of convenience. There is one great objection to goods travelling by night, that it is just at night when the danger is greatest, arising from the darkness.

8188. (*Mr. Ayrton.*) If the traffic, as now arranged by the railway companies, may be assumed to be conducted in a manner most convenient to the public so as to bring on the lines the greatest amount of traffic, would it not be a loss to the public if it were rearranged in order to increase the public revenue ?— You say arranged so as to be supposed to be best for the public. I do not partake in that supposition.

8189. (*Sir R. Hill.*) If it were advantageous to the public that the traffic should continue to run as it now does, would an intelligent board regulating those cases disturb the arrangement ?—No.

8190. (*Mr. Ayrton.*) With regard to the leases, you have stated, have you not, that the lessee is not to have a fixed time, but that the railway may be leased from year to year ?—I beg your pardon, I did not say so ; I said that I should so frame the tender as to bring offers upon various understandings, and you would then judge which upon the whole was the best offer and accept it.

8191. You contemplate then the leasing of a line from year to year, or upon a term terminable at a year's notice ?—I contemplate leasing it upon the best terms for the Government and the public, whatever they may be ; I do not pretend to say, until I have seen the tender before me, which upon the whole is best.

8192. What power would you give to the lessee to make engagements with third parties with regard to the use of the line ; would it be a power in point of time only co-extensive with his own term in the lease ? —His power altogether would of course cease with his own term.

8193. Then you would deprive the railway companies of the power which they now possess of making engagements with the public for the use of the railway ?—I do not know what particular power you refer to.

8194. Supposing a person builds a house at the side of a railway, and he makes a contract with the railway company that he shall have, in consequence of doing so, a ticket for a certain number of years; would the lessee possess the power of giving that ticket, or would the Government have to give the ticket ?—The lessee would have full power to give such tickets for the period to which his lease extends ; but he could not go beyond that term without the approval of the department.

8195. Supposing that the lease were for 21 years,

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when 10 years or 15 years of that term had run out he would only have power to make engagements for five years?—Not without the concurrence of the superintending department. If the superintending department says, "It is a good bargain, and the "incoming tenant, we are quite sure, will approve of "it, and we will give our concurrence," of course the engagement could be made.

8196. Then in all engagements extending beyond his own term he would have to obtain the sanction of the Government for the arrangement?—Yes, certainly.

8197. (*Capt. Galton.*) The next advantage you state would be, that the traveller has "greater secu- "rities against accidents, and also against assaults "and robberies on railways by the establishment of "a uniform system of signals, and by clauses in the "leases imposing penalties for unpunctuality and "other irregularities, and requiring that means should "always be provided for enabling passengers to com- "municate readily with the guard." Why could not those advantages be secured equally at the present time if Parliament chose to legislate upon the subject?—It would depend entirely upon the nature of the legislation. We all know that as regards administration, the only safe kind of legislation, at least as far as my experience goes, is for Parliament to lay down certain principles and then give large discretionary powers to some administrative board; attempts to put details into an Act of Parliament are sure to fail.

8198. Have you contemplated that in those leases detailed arrangements for the management of the railways should be inserted?—Yes, as to certain matters; for instance, upon that very point to which you are now referring.

8199. To that extent you would diminish the responsibility of the parties who are working the line, the lessees, in matters of accident?—In one sense you may say that their responsibility would be diminished.

8200. In what way is it more desirable that the Government board who is to lease out the lines to those parties to work them should interfere in the details than that it is desirable that Parliament should interfere in the details?—As I say, it depends very much upon the nature of the legislation. If the Government choose to create a controlling power, giving them discretionary authority to impose this or that as an obligation with reference to security, that is one thing; if they attempt to put regulations into an Act of Parliament, which is not susceptible of correction with time, that is another thing; but there is also this distinction, that in the one case you would have no hostile feeling created; the matter would go into the consideration of the rent to be given, and the rent would be fixed upon those conditions. But if Parliament overrules everything, and says, for example, "From henceforth every railway train must "have the means of communicating with the guard," you have at once a hostile feeling against you, and very likely in detail you will in some way be defeated.

8201. Are you not aware that Parliament puts into every railway Act of Parliament a clause stating that the railway company shall be subject to the provisions of any future general Act for regulating railways?—I was not aware of that. I take practical experience which shows us that no such interference is ventured upon.

8202. In fact, you do not see any reason why such means of ruling the traffic should not be put into an Act of Parliament as well as into a lease?—Yes, I do, for the reasons which I have stated.

8203. Except because it would incur hostility, you think?—That is one reason; the other would depend upon the nature of the legislation. If you attempt to insert detailed regulations in an Act of Parliament, I should consider it a most dangerous proceeding, and one which would be sure to fail. But if, laying down the proposition that railway travelling is at present too dangerous, and that it is necessary to make it less so, controlling power is established to require certain specific things to be done, that is quite another thing.

8204. (*Mr. Ayrton.*) If the Government are to prescribe in the lease the rules under which the railway company is to act, what is the difference between that and an Act of Parliament, except that the one is a rule for a particular party, and the other would be the same law for all the lessees?—In the one case there is a power of alteration and correction always at hand, and if you find that you have made a mistake you can correct it at once; whereas in the other case the matter is fixed.

8205. How can you correct it when you have signed the lease?—You can provide in the very terms of the lease a power of altering it in any respect.

8206. Then it would be a reservation to the Government of the power of regulating the traffic from time to time?—Yes, upon certain specific points.

8207. (*Capt. Galton.*) I see that one of your methods of producing security is by the insertion in the lease of clauses imposing penalties upon unpunctuality and other irregularities; in what way would that be a minute interference. If Parliament were to pass a law saying that if trains were late there should be a penalty, that is not such a minute interference as you were suggesting, is it?—Yes, it is; particularly considering that the penalties ought to be so variable in magnitude.

8208. If you can enforce a penalty by a lease, why cannot you enforce it by an Act of Parliament?—In one case there would be the feeling of justice. There would be the feeling, "I have taken the concern upon "this understanding. I have allowed for it in my "rent, and therefore I have nothing to complain "about." I think that it would be done with a very different feeling. There is all the difference between permissive and compulsory legislation.

8209. (*Mr. Ayrton.*) Considerable allowance would have to be made, would there not, in the rental, when a contract is penal, as compared with a contract that is not penal?—That would depend very much upon the reasonableness or otherwise of the regulations; if the regulations were judged to be reasonable and for the general advantage, bearing in mind the benefit that every railway has by every other railway being under good management, I do not think the regulations would cause much difference in the rent.

8210. Will not vessels carry the mails at a very trifling payment if there is no penalty, and do not they require a very heavy payment from the Post Office if there is a penalty?—Yes; but the penalty is imposed upon certain vessels under circumstances under which no penalty would be imposed at all upon other vessels. If we require that vessels shall start at certain times all the year round, whether there is traffic for those vessels or not, and that they shall go at a certain speed without reference to the state of the weather, and shall arrive at certain points in certain given times; of course, any one entering into such a contract as that, looks with a keen eye to the amount of penalties to be incurred if those obligations are not fulfilled.

8211. The amount that you pay depends, in fact, does it not, upon the nature and extent of the penalties imposed?—Not exclusively.

8212. What do you pay for letters conveyed in vessels without penalties, when you put the mails in them?—We pay them, generally, $\frac{1}{2}d.$ a letter, or to some ports $1d.$

8213. What do you pay for the same letters when they are under strict penalties?—The sum varies as much as possible. I cannot mention any sum; it is, however, something very much higher.

8214. From $6d.$ to several shillings?—From $6d.$ to several shillings. I think, if I recollect rightly, in the Galway contract every letter that was carried cost $5s.$

8215. (*Capt. Galton.*) The next point of advantage that you suggest is, "Facilities for obtaining, under "comparatively safe arrangements, running powers, "or yet better, for so adjusting the working of the

" different railways as to make the trains of every " line coincide at the terminal points with those of " its neighbouring lines." Why could not that be obtained under the present system if Parliament chose to pass a law ?—Because so very many things must be and would have to be taken into consideration. If trains are within a few minutes of each other, then their not being made to coincide evidently arises from hostility on the part of one or the other.

8216. Is it always hostility ; is it not sometimes the result of this, that the trains have to meet a very large number of trains at different junctions ?—I dare say it is. All that shows that you must have a discretionary power which can take all the circumstances into consideration ; and this cannot be done in an Act of Parliament.

8217. How can it be taken better in a lease ; there would be those junctions to be made ?—Yes. But in the lease you merely reserve the power to interfere ; and under that power you can take all the circumstances into consideration and inquire, " why do you " do so and so ?" and " what is the object of this or " that arrangement ?"

8218. If Parliament gave the Board of Trade power to arbitrate upon the matter, could not that board take all the circumstances into consideration ?—It could. Then I fall back upon my former position, that in the one case there has been a consideration for it that has told in the rent, and there is no feeling of unfairness ; the thing is open and clear ; whereas in the other case I think you would have hostility of every kind.

8219. Still it might be taken under the present system ?—Not so well. Persons who are driven are not managed so easily as those who are led.

8220. (*Mr. Ayrton.*) Is not it the case at present that this want of correspondence between the trains merely arises from the mathematical impossibility of trains corresponding at so many different points ?—No, that is not my belief ; my belief is that in many cases it is intentional, in order to make the passengers travel by certain trains instead of by other trains.

8221. (*Capt. Galton.*) Another point that you mention is, " Facilities for abolishing the present " varieties of gauge." How do you mean that to operate ?—I mean to say, that if the property of the railways became invested in one body, the Government, and it should appear that the whole country would be benefited by having only one gauge, (perhaps even different from the existing gauges,) the Government would be in a position to provide for that.

8222. It would pay for altering the gauge, in fact ?—It would have the power of judging of the matter, and determining, according to the result, whether it would or would not provide for its accomplishment.

8223. If the gauge was to be altered I presume the Government would have to pay for it ?—Yes.

8224. In some way or other it would have to come out of the pocket of the Government, would it not ?—Or it would tell in the rent. If lessees were satisfied that the traffic generally would be so much benefited that there would be a large increase, then the alteration in the gauge would of course tell in the rent.

8225. Still it would have to be paid for in one way or the other ?—Yes.

8226. (*Mr. Ayrton.*) Why could not that be done without the Government interference ?—Because at present you require that the proprietors of every separate railway should come into the arrangement.

8227. In fact, it is only in case you have a new gauge throughout the country ?—If you had a new gauge throughout the country, or determined that either of the existing gauges should be made universal.

8228. (*Capt. Galton.*) Is it not a fact that the broad gauge now only exists in a very limited district ?—I believe it is so.

8229. So that it would not affect more than that railway ?—That depends entirely upon what might be the decision. As far as I am able to judge, it is a very unfortunate thing that the narrow gauge was adopted ; and if it should be considered that even now it would be well to widen the gauge, taking the country as a whole, then the Government would, I believe, come to that decision.

8230. (*Mr. Ayrton.*) If it would be profitable to the Government to change the gauge, it would be equally profitable to the Great Western Company to do the same ?—Not necessarily, because the Great Western Company's interest is confined to its own particular line ; nothing that the Great Western Company can do in that respect can affect the London and North-western or any other line.

8231. (*Capt. Galton.*) Are you aware that the Great Western railway has a mixed gauge on half of its line ?—Yes. The inconvenience of different gauges must be very great. The broad gauge may essentially be by far the best, yet it would be a great inconvenience to have one railway different from all the others.

8232. After saying that you consider that the Government would have to pay a larger sum than the actual value of the railways in the market, how do you make out that one of the benefits would be the acquisition by the State of property of a greater value than the price of the railway ?—For reasons which have been distributed through my evidence ; but I will repeat them if you like.

8233. Will you briefly tell us why that is your opinion ?—The circumstance that, as regards a large part of the debt upon the existing railways, Government is able to borrow money upon much lower terms, is one thing ; and the circumstance that, owning the property, they would no longer be harassed by expectations of invasion from other railways, is another.

8234. (*Mr. M'Clean.*) Do you think that it is a sound commercial principle to use the general credit of the country for the purpose of purchasing any description of property at a higher price than its actual value, inasmuch as you say that there would be an acquisition by the State of property of greater value than its price, so that the State would purchase the property at less than its value ?—It would purchase this property at less than its value to the State, but more than its value to the holder.

8235. Do you think that a sound commercial principle ?—Yes, I do.

8236. And that it might be applied to other industries of the country, such as ship-building, or coal mines, or any other, and that in every case they might make a profit such as you have mentioned ?—I do not think that they would. I think that if the Government undertook to build ordinary ships, or undertook to manage railways, they would not succeed.

8237. But might it be applied to the purchase of existing industries ?—That depends entirely upon the character of the concern and how it is to be managed.

8238. Do you think it is a sound principle to use the same general credit to pay the shareholders more than their present dividends, or any profit derived from this source ?—Yes.

8239. You think that that is a sound principle also ?—I think so. I think that it would be such an advantage to the State to hold the railways, that it would be well worth while for it to offer an inducement to the proprietors to part with them ; and this could be accomplished only by giving the proprietors something more than their present market value.

8240. (*Sir R. Hill.*) You do not anticipate any objection on the part of the shareholders, I presume, to their receiving larger dividends than before ?—Not the least, judging from my own feelings as one shareholder.

8241. (*Mr. M'Clean.*) Taking the last paragraph of your memorandum, " Additional facilities for the " conveyance of the mails, with a consequent increase " in the number of posts," and so on ; would you have any covenant that the mails should take precedence of the passenger traffic instead of being subservient to it ?—I do not propose to insert anything of that kind ; I propose to insert a moderate tariff, a tariff which I believe would pay the railways, and I would require that the mails should be carried according to that tariff.

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8242. I mean as to the regulation of the trains, would the mails be of paramount importance ?—I do not propose to give up the power which the Post Office now has of requiring that trains for mail purposes should run at certain times and at a certain speed.

8243. If all trains carried mails then all would be under the guidance of the Post Office and be regulated by it ?—No, it would be as it is at present. I think that the adoption of a tariff in the leases would be sufficient as there is a general power now existing requiring trains for Post Office purposes.

8244. (*Capt. Galton.*) Could not such additional facilities for the conveyance of the mails be obtained now by an Act of Parliament, if Parliament thought fit, without the purchase of the lines by the Government ?—Considerable additions could be made to the facilities, but as I have said, in my opinion it makes an immense difference in the working of any Act of Parliament whether those concerned are working it willingly or unwillingly.

8245. (*Sir R. Hill.*) Is there not very great difficulty in effecting any change in Acts of Parliament ?—I believe there is great difficulty.

8246. (*Mr. M'Clean.*) The Post Office is worked at considerable profit at the present time, is it not ?—It is.

8247. (*Mr. Ayrton.*) Have you not now all the facilities that you like for the Post Office if you pay for them ?—Yes.

8248. And you would get the same facilities under a lease ; you would in point of fact have to pay just the same, in consequence of the parties taking that circumstance into account in the rent, that they would pay for the use of the line as lessees ?—No, I think not ; I think that competition would prevent that.

8249. (*Sir R. Hill.*) But would not the Post Office obtain much greater facilities ?—Very much greater facilities, I think.

8250. And at a moderate additional payment for the additional facilities ?—Yes.

8251. (*Mr. M'Clean.*) Then you would obtain, would you not, larger profits out of the railway system than you do at present, because you say that the Post Office makes a large profit at the present time by carrying letters, and the whole of that is made out of the railway system ?—No, it is made very much in spite of the railway system.

8252. (*Capt. Galton.*) Could you make a farthing of profit out of the Post Office as it is at present administered without the use of the railways ? Taking the quantity of letters that you carry, would not the expense of the Post Office greatly exceed its means if there were no railways ?—No, I do not think it would.

8253. (*Sir R. Hill.*) Is it not a fact that the Post Office pays the railway companies a much larger rate per ton per mile than it paid to the old coach proprietors ?—Yes, very much larger. Our work that is done by other means than by the railways, say by stage coach or by mail carts, is done less expensively than that done by the railways.

8254. (*Mr. Gower.*) Do you propose that the Government should deal with canal companies in the same way as with railway companies ?—No, I do not enter upon the question of canals.

8255. You may not have considered it, but would not it, in your opinion, greatly deteriorate canal properties, supposing the Government meant to make the same proposal with regard to them as with regard to railways ?—No, not unless the practical result should be a very large multiplication of railways upon this system.

8256. What I understand to be the practical result of your scheme is, that the rates upon railways should be generally lowered ; if that should be the case there would be greater competition, would there not, between railways and canals than at present exists ?—Quite so.

8257. And in that way it would seriously injure the canal proprietors ?—It is very possible that it would.

8258. Do you think that it would be any hardship upon them that the credit of the State should be so used as to raise up competition against them, and therefore cause great injury to them ?—I do not think it would be any hardship at all ; it appears to me to be a legitimate commercial proceeding. The Government does not claim any monopoly, and I do not suggest for a moment that there should be any hindrance to the conveyance of goods by canals.

8259. I understood you to say that it would be a hardship upon one railway company if another railway were made through the same district ; that would be done by merely private enterprise, but here would be a case of the credit of the State, to which all the taxpayers contribute, being used to the detriment of one set of proprietors and to the advantage of the public ; do you think that no hardship ?—No, I cannot understand that it is any hardship at all. The Government make such arrangements that persons can travel at lower fares, and have their goods conveyed at lower rates than at present without contributing a shilling of the public money for the purpase ; and I do not see that any hardship is created.

8260. Supposing the Government were to establish a manufactory for the production and sale of goods, publicly using the public credit in order to do so, and competing with private manufacturers; would not that, in your opinion, be considered a hardship upon the private manufacturers ?—They very likely would consider it a hardship, but I should not myself.

8261. (*Capt. Galton.*) In dealing with railways, would you not have to deal with the case of those canals which are now guaranteed by the railway companies ?—I have not considered that question.

8262. (*Mr. Ayrton.*) The Government, I presume, would take over every collateral obligation which the railway company would be under ?—Yes, certainly, all the obligations of the railway company.

8263. (*Mr. M'Clean.*) Are you aware that in Austria the Government have sold all their railways to a company ?—No, I was not aware of that.

8264. And in Italy the same, and in France the same ?—Not in France, I think.

8265. All the railways that were made in the time of Louis Philippe were sold to companies ?—With great deference, I do not think that there is any single company in France that owns a railway.

8266. I mean companies with an interest extending to a 99 years' lease ?—Yes, but the Government has a reversionary interest.

8267. (*Sir R. Hill.*) You do not consider that we in this country are bound to follow the example of Austria and Italy and France, do you ?—No. We know that Austria and Italy are in very needy financial circumstances, and, happily, we are not in that state in this country.

Summary of Opinions held by Mr. Frederic Hill on the subject of Railways.

1. That it is expedient that the State should purchase the railways, but that it is not expedient that it should undertake their management.

2. That while the purchase of the railways might be made in single payments by the creation of a corresponding quantity of Government stock, such creation is not necessary, since the purchase could be effected by means of a fixed annual payment, like the rent of a Scottish feu, and in the form of a dividend on the shares of each railway, and of interest on its bonds.

3. That the rate of dividend and of interest should, in each instance, be a matter to be freely agreed upon between the railway proprietors and the Government without resort to compulsion; any railway, in the event of a failure in the negotiation, to remain, so long as the failure continues, in the hands of the present owners.

4. That the Government should let each railway on a lease, as a landed proprietor lets a farm; such lease to be either for a number of years, or terminable at a moderate notice, as may, in each case, be judged most expedient.

5. That the rent to be demanded should, in each instance, be sufficient to pay the dividends, the interest on the bonds and all incidental expenses—in a word, sufficient to make the railway self-supporting.

6. That, other things equal, a railway should be let to those parties who, while undertaking to pay the required rent, will agree to adopt the lowest tariff of charges, as well for passengers as for goods.

7. That the leases should be so framed as to empower the Government to require that all due precautions be taken for safety, such as observance of punctuality, and affording means of communicating with the guard; and also for the conveyance, at a moderate rate of charge, of the mails.

8. That the leases should further provide for keeping the railway, bridges, viaducts, and embankments constantly in a good state, and for maintaining the rolling stock at its full value; and that to attain these and other objects, frequent Government inspection should be made, and the lessees should be bound immediately to make good any deficiency.

9. That at the termination of a lease, and at any intermediate time, if either party desire it, the whole property should be assessed, and any falling off made good by a money payment; while, on the other hand, the company should be indemnified for any increase in value, provided the consent of Government shall have been obtained to the measures causing such increase.

10. That if the increase in value be large, and it be deemed inexpedient to pay for it out of the National Exchequer, the necessary funds may be raised by the creation of additional shares in the railway.

11. That under a like arrangement for raising the funds, the Government should give their consent, from time to time, to the construction of new branch lines to a railway, or to a prolongation or other alteration in the main line.

12. That as respects the construction of lines altogether new, the Government might either agree beforehand on what terms (either by means of a single payment or in the form of a dividend) they will buy the line, provided the work be well done, or allow the business to proceed spontaneously, as at present, the proprietors being at liberty, when their railway is complete, either to continue their ownership, or, upon terms to be mutually agreed upon, to sell the railway to the Government.

13. That the plan described in this summary might be tried experimentally by the purchase, in the first instance, of some one railway, or, say, of all the Irish railways.

14. That the plan would be attended with the following benefits:— *Mr. F. Hill.* 14 Nov. 1865.

(1.) The acquisition by the State of a property of greater value to it than its price.

(2.) The receipt by the proprietors of railways of a dividend somewhat higher than that of which, if the railways remained their own property, they could have any reasonable prospect; such dividend, moreover, being rendered certain in amount, and free, therefore, from its present liability to great fluctuation.

(3.) A cessation, to a great extent, of fierce struggles to obtain legal authority to construct new railways, with the consequent saving of the cost of such struggles, of the time and attention of Parliament and of the directors of railways and others, the saving of the expense of making railways which are not really needed, and the prevention of all unnecessary invasion of private property or of places set apart for public recreation.

(4.) A large reduction in the fares of passengers and in the freight of goods; with the consequent increased facilities for locomotion and for the further development of trade and agriculture, especially in the latter case, by the greater ease that would be created for the intermixture of different kinds of soil and for the conveyance of manure, including town sewage.

(5.) Facilities for obtaining, under comparatively safe arrangements, "running powers," or, yet better, for so adjusting the working of the different railways as to make the trains of every line coincide, at the terminal points, with those of its neighbouring lines.

(6.) Greater securities against accidents, and also against assaults and robberies on railways, by the establishment of a uniform system of signals, and by clauses in the leases imposing penalties for unpunctuality and other irregularities, and requiring that means should always be provided for enabling passengers to communicate readily with the guard.

(7.) Facilities for so arranging the traffic of the country that, as far as practicable, passengers and goods may be conveyed on different lines.

(8.) Facilities for abolishing the present varieties of gauge.

(9.) Additional facilities for the conveyance of the mails, with a consequent increase in the number of posts and in the celerity of communication, and removal of the chief difficulty for the establishment of a parcels post.

The witness withdrew.

Mr. Thomas Shaw examined. *Mr. T. Shaw.*

8268. (*Chairman.*) I believe you are the traffic manager of the Irish North-western Railway?—Yes, I am.

8269. Can you tell the Commissioners what has generally been the position of that company in point of finance?—I am sorry to say that our position is not very flourishing at the present time, although the traffic receipts are very much improved this current half year, and we are earning, as near as I can reckon, about at the rate of 2 per cent. on our preference stock, which is nearly the whole of our capital; but we are prevented from applying it in that way by the very heavy incumbrance of immediately pressing debts.

8270. Then, in point of fact, at present your ordinary shareholders are receiving nothing?—Nothing.

8271. And your preference shareholders are receiving nothing also?—Nothing.

8272. What is the length of your line?—The main line is 122 miles; there is a branch of nine miles, and there is another branch of 15¼ miles, which is partly owned by other companies.

8273. (*Mr. M'Clean.*) What was the cost of the line?—About 13,000*l.* per mile, including plant.

8274. Was it made by contractors?—No, it was made by the company in the usual way by share capital.

8275. What is the amount of the share capital?—The original share capital is very small, it is only 171,000*l.*

8276. Does that apply to the whole line or only to a portion?—To a portion of the present line. I should mention that the Irish North-western line, as it now stands, is composed of two lines, the Dundalk and Enniskillen, and the Derry and Enniskillen. Those were two lines starting from the two ports of Derry and Dundalk, and terminating at the common point, Enniskillen.

8277. Then the capital that you refer to belongs to that line?—Originally our company was the Dundalk and Enniskillen, and we lease the Derry and Enniskillen line; we pay rent for it.

8278. You guarantee a certain rent upon the purchase as payment?—Yes; we pay 26,000*l.* per annum.

8279. At what rate upon your capital?—It pays them about 5 per cent.

8280. Are you able to pay that out of your resources?—We must do it; it is the first charge upon our revenue, next to interest on debentures.

8281. And have you paid it up to the present time?—We pay it every week, by a cheque for 500*l.* every week.

8282. (*Mr. Ayrton.*) What additional obligations have you of guaranteed capital or debt before the ordinary shareholders are paid dividends?—We have a bonded debt of 154,000*l.*

8283. What is the annual charge for your debt?—We have paid the last half year 6,000*l.* for interest upon it.

8284. Is there any other preference capital?—There is a Government loan of 69,000*l.*, the principal and interest of which is commuted to an annual payment of 5,369*l.*, to terminate in 1883.

8285. Have you any other preference capital?—There is debenture stock irredeemable, 54,000*l.*

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8286. What is the annual charge for that?—5 per cent.; that would be 2,700*l.*

8287. Have those branch lines any preference stock, or are they paid out of borrowed money?—Between Cavan and Clones it is preference capital, but there are four lines subscribing to that.

8288. How much have you to pay?—We subscribed 49,000*l.* to it.

8289. What is the annual charge for it?—It is subscribed out of our preference stock, and that is not receiving anything.

8290. That is, not in addition, it is part of the preference stock?—It is part of our capital.

8291. How is the other branch line paid for?—Also out of the preference shares of the company.

8292. Have you given the whole annual charge in preferential capital?—We have bonded debts that are due and coming to maturity at the present time, 23,000*l.* in this year; those we have to take up, and this sum we are actually making up out of our receipts on the line in preference to getting money at the rate at which we should have now to get it, 8 or 9 per cent.

8293. That is the floating debt?—It is an outstanding debt.

8294. (*Mr. M'Clean.*) What company has joined you in the subscription to the Cavan and Clones line?—The Ulster line subscribed 30,000*l.*; the Dublin and Drogheda, 20,000*l.*, and the Dublin and Belfast Junction, 20,000*l.*

8295. Can you work in harmony with those three companies?—Yes. This is a line which is rather peculiarly circumstanced. It is a link line connecting the Midland Great Western system with our own and the Ulster systems, and inasmuch as it might have been made a medium of communication between Dublin and the north, in opposition to the Drogheda and Belfast Junction Companies, they participated in the ownership of it.

8296. And they assist in the obstruction that takes place to passenger traffic at Cavan, I suppose?—No; they do not interfere with the working of the line at all.

8297. What is the cause of the great difficulty in booking through between your line and the Midland Great Western?—The prime cause of it is the alteration that was made in the trains between Dublin and Belfast.

8298. By whom?—By the three companies forming the service; the Ulster, the Belfast Junction, and the Dublin and Drogheda.

8299. You gave the name of the Ulster line, did you not, as one of the lines which subscribe to your Cavan and Clones line?—Yes, but we work it; it is managed by a separate board, and we work it at 2*s.* a mile. In the year 1863, immediately after the Ulster line was made down to Clones, we framed a time table for the Clones and Cavan line, in concert with the manager of the Ulster Company, which suited very well, and it was working up to the 1st of June last, therefore it was in operation for about two years, and gave great satisfaction. But on the 1st of June last the coast lines, as we call them, between Belfast and Dublin, made such a serious alteration in their trains that we were obliged to alter our main line trains, joining them at Dundalk, because a great portion of our traffic is traffic in connexion with Dublin, and we must run our main line trains to suit their trains at Dundalk. The alteration of our main line trains necessitated an alteration on the Clones and Cavan branch, and with the limited number of trains on that line (and there are as many trains as the present traffic, ordinarily speaking, would justify, four trains each way per day,) we found it impossible to fix the hours of those trains, so as to complete the connexion with our main line, and also with the Ulster line. These things are very awkward to arrange.

8300. There was no intentional obstruction on the part of either company, was there?—Not the least.

8301. What is the nature of the traffic on your line?—The passengers are principally third-class; the goods are agricultural produce, and such goods as the people of an agricultural district require. There is not much manufacture, it is not a manufacturing country at all.

8302. Do you think that the receipts would be improved if you lowered the rate for third-class passengers?—You might say if we lowered the rate for third-class passengers for long distances, say distances over 20 miles, we might have more passengers.

8303. Say from Dublin to Londonderry?—I have no doubt that a decrease of the fares would increase the number of passengers.

8304. Why do you not adopt that course?—I doubt very much whether an increase would follow immediately equivalent to the decrease of the fares.

8305. Does that prevent you trying the experiment?—We have tried the experiment in several cases. We have tried the experiment of market tickets to neighbouring market towns, and with the exception of one instance they are not a success.

8306. Have you tried any general reduction of rates for cattle or sheep or pigs?—Since I joined the company I have remodelled the cattle rates, and I think that probably they are as moderate as any cattle rates in Ireland. But the cattle traffic has been so seriously interfered with by the bad seasons that it is not so good as it was three years ago.

8307. There is no falling off in the number of cattle in Ireland, is there?—Yes, there has been a serious falling off, but it is now recovering.

8308. Can you state generally why you think that your line does not pay a dividend; is it owing to the great cost of construction, or to the large capital, or is it from the want of population in the district?—It is not a populous part of Ireland by any means. It is purely agricultural. There is not a single manufactory nor a single mill, except one that is a flax mill, on the whole line. Of course there are corn mills here and there, but even the corn trade is done mostly now by the port mills, and we carry the manufactured article instead of raw grain mostly.

8309. (*Capt. Galton.*) Has not the line been a very expensive work?—The line has cost about 13,000*l.* a mile, including plant, &c.

8310. Could not a line have been made through that district on a much more economical principle?—It was made very early, and I think at the time that our line was made probably they could not have done better than they did.

8311. (*Mr. M'Clean.*) Have you sufficient plant to work the line?—No, I think not; we are short of waggons.

8312. And have you too few trains?—No, I think the trains are ample to accommodate the traffic that we have.

8313. (*Capt. Galton.*) How many trains have you between Londonderry and Enniskillen?—On the Derry portion, between Derry and Omagh, which is the best portion of the line, we have seven trains each way per day.

8314. On the rest of the line how many have you?—Between Omagh and Enniskillen we have five trains per day, and between Enniskillen and Dundalk four trains.

8315. Is there not much traffic out of Dundalk?—Not so much as at the Derry end of the line, which is by far the better end.

8316. (*Mr. Ayrton.*) Is it a single line all the way?—Yes, it is a single line all the way, except about nine miles between Omagh and Newtown Stewart.

8317. (*Capt. Galton.*) How long did you try those market tickets of which you spoke?—They are in operation at present.

8318. When were they established first?—Some of them about twelve months ago; others of them about six months ago.

8319. Do not you consider that it requires fully twelve months before you can judge of the effect of tickets of that sort?—I think not.

8320. Have not the people to get accustomed to

travel by railway, instead of going in their own carts to market ?—In the one instance that we have tried, from Inniskeen to Dundalk, the success was almost immediate. I should say that in two months' time, probably, or less than that, the success was as great as it has ever been since.

8321. What are the towns between which you issue them now ?—We issue them to Enniskillen and back from three or four stations on each side, and also to Omagh and back, and we take them at a halfpenny per mile ; it is a halfpenny per mile there and back ; it is a single third-class fare.

8322. (*Mr. Ayrton.*) Have you ever had any proposal submitted to you by any person for bringing traffic on the line at reduced rates which you have refused ?—Nothing beyond this,—that every railway manager is in the habit of receiving letters from the public, asking for reductions of rates, and a corresponding increase of traffic is promised. Of course he must exercise his judgment ; he must make inquiries, and be guided by his judgment upon the information which he receives.

8323. I referred to specific proposals from persons engaged or desiring to engage in any particular business on your line, that they would bring more traffic on the line if you would give them a reduction of rates ?—No, not that I am aware of.

8324. Have you any reason to suppose that any traffic is kept off the line by the rates that you charge ?—No, certainly not.

8325. (*Capt. Galton.*) If a person came to you and said that he would guarantee you a certain quantity of traffic, you would then be prepared to give him a reduced rate, would you not ?—The view that I should take of it would be this : if I saw that there was a particular traffic to be cultivated between any points, and if I found that the rate was obstructive, and that by making some concession an increase might be made, I should then take up the question as a general question, not in favour of an individual, and then of course every individual would get the advantage of it ; but we do not, as a principle, make preference rates for individuals.

8326. (*Mr. M'Clean.*) Do you carry much coal on your line ?—We do carry a good deal of coal, when we take into consideration that there is but little manufacture on the line. But our coal traffic is seriously interfered with by the local bogs ; there are bogs all through the line. We reduced our coal rates fully 20 per cent.

8327. Why do you desire to give preference to coal over peat or bog ?—That is at the option of the public.

8328. Merely for the purpose of getting traffic ?—Yes, merely for the purpose of getting traffic.

8329. Do you book through with the London and North-western Company ?—Yes, we do.

8330. From Dundalk ?—From most of our stations to a great number of theirs. I have a list of stations here that we do book through from and to. On one side you will find our stations in Ireland, and on the other the stations in England.

8331. Both for goods and passengers ?—Yes ; both for goods and passengers.

8332. (*Mr. Ayrton.*) Is not your line rather different from all other lines with regard to its capital ; that it has a very small amount of general capital as compared with the guaranteed and loan capital ?—It has a very small amount of original shares, only 171,000*l.*

8333. What is the amount of the whole of the other capital ?—The paid up preferential share capital is 469,000*l.*

8334. Therefore you are overwhelmed by your preference charges ?—We are not paying them anything, therefore we are not draining our exchequer at present ; but we are overwhelmed by our immediately pressing debts,—bonded debts, debenture debts, and floating debts.

8335. (*Mr. Glyn.*) Did I correctly understand you to say that you paid off 23,000*l.* worth of debts out of your net earnings ?—No ; but we have during this year bonded debts coming due to the amount of 23,000*l.*, and as they are becoming due we are paying them off out of our present revenue. If we could be relieved of this dead weight, this excessively oppressive immediate weight of debt, we should then be in a position to do something.

8336. (*Mr. Ayrton.*) What was your surplus income over your earnings in your last statement of account ?—The last half year the total receipts were 42,000*l.*

8337. What were your working expenses ?—The working expenses were 22,000*l.*

8338. Then you had a net income for the half year of 20,000*l.* ?—No, we have to pay the rent of the Londonderry line.

8339. Apart from the payments from capital you have an income upon the working of the line ?—I should explain that part of our line is held under lease, and we must pay the rent upon it out of our net earnings before we can apply the revenue.

8340. That, in fact, is in the nature of preferential capital ?—It is a debt which has preference before everything else except debentures ; 42,000*l.* is the half-year's earnings, and out of that we have to pay 22,000*l.* for working expenses.

8341. How is it that the working expenses are so large in proportion to the earnings ?—Because a large proportion of earnings is goods traffic, and we have done a great deal of repair to the permanent way during this half year, which has made the expenses rather heavier than they would have been otherwise.

8342. That is a special increase for the half year ?—It may be an increase probably of a couple of thousand pounds. Then we had to pay the Londonderry Company 13,000*l.* for rent. That left about 7,000*l.*

8343. Then the rent that you pay is in the nature of a preference rent for that part of the railway, or do you think that your earnings upon that part of the railway which you have taken in lease are equal to the rent and working expenses ?—Somewhere thereabouts ; I think that there would be very little balance ; it just about clears itself.

8344. If it were made a separate line and the amount were kept separate you would not have to pay anything out of the earnings of the other lines to make good the deficiency ?—I believe that it just about clears its way and no more.

8345. (*Mr. M'Clean.*) Have you competition at any junctions with other companies ?—Yes, we have very severe competition from the Ulster Company.

8346. For traffic between Londonderry and where ?—For port traffic, cross-channel traffic. The Ulster Company taps us at two places, at half way on east of our two arms of railway, Clones and Omagh. Their object is to make Belfast the port for our district.

8347. Your object is, I suppose, to make Dundalk the port ?—Our object naturally is to keep the traffic on our own line.

8348. (*Capt. Galton.*) And to take it either to Dundalk or to Londonderry ?—The Scotch traffic to Derry, and the English traffic to Dundalk.

8349. (*Mr. Ayrton.*) You stated that your traffic had increased of late, what was the cause of that increase ?—There has been an increase in both passengers and goods. The increase in the passenger traffic I attribute in a great measure to the fine season that we have had ; I think that that has encouraged travelling very much, but I do not think that the Exhibition has done very much for us. We are rather out of the way of it. The increase in the goods traffic, I think, is attributable to the more prosperous state of the country generally, and the somewhat larger increase in the cattle traffic.

8350. Do you anticipate any further increase from year to year ?—Yes, I hope so.

8351. (*Mr. Gower.*) Could you mention what the corresponding increase has been this year and the two last years ?—Yes, I have a statement of the weekly receipts from the beginning of the year 1861

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up to the present time. In the receipts of the present half year there is an increase every week, and the average weekly increase is 240*l.*

8352. (*Mr. M'Clean.*) On both passengers and goods?—Yes, on both passengers and goods; taken together it is about 15 per cent.

8353. (*Mr. Ayrton.*) Do you find that the board of directors, in consequence of the smallness of your net profits, pay very little attention to the affairs of the company, and look upon it as a hopeless concern, or do you think that they conduct it with as much activity as any other board of directors?—No, I think that the directors have great hopes of the concern working itself through in time; but it will take some time, it is so severely logged with debt.

8354. Do you find any activity in the management of the board, or do they take very little interest in the affairs of the company?—No, the board take great interest in the affairs of the company.

8355. Do they look after the company and do any share of the work?—A number of directors are residents in Dublin, who, of course, do not move down the line as frequently as those who live on the line.

8356. Do you think generally that they take an interest in the administration of the line, as much interest as other directors do on more profitable lines?—I think so.

8357. (*Mr. M'Clean.*) Have you ever tried to amalgamate your line with the Ulster Company, so as to prevent this competition which you say exists?—I am not aware of it.

8358. Do you think that it would be beneficial to the country to have an amalgamation with the Ulster system?—I think if the whole of the four lines north of Dublin were amalgamated it would be a great advantage, and I think that they might be worked together with advantage to the public as well as to the proprietors.

8359. (*Capt. Galton.*) Do you think that it would be an advantage to the proprietors?—I think so.

8360. (*Chairman.*) There is not business enough, I suppose, to bear competing lines?—No; there is not sufficient traffic in the country to warrant very low fares or experiments; and in such a state of things as where they oppose one another, the receipts must necessarily be not very much.

8361. (*Mr. M'Clean.*) If the companies were amalgamated I suppose the first thing would be to raise the rate and fares?—I think not.

8362. Then how would you pay better if the four companies were amalgamated into one concern?—I think that they might be worked more advantageously, and with greater economy.

8363. Where would the saving take place; would it be in the mere management?—In the management.

8364. That would be a very small item, would it not?—I think that the communication between Dublin and our own system might be very much improved if the railways were amalgamated.

8365. (*Capt. Galton.*) You mean all the lines north of Dublin?—Yes, all the lines north of Dublin.

8366. (*Mr. M'Clean.*) Including the line from Cavan to Clones?—Yes.

8367. Would you go further south than Cavan?—No, I think not. I think you might leave that to others. The Midland system does not interfere much with us nor we with them.

8368. What would be the effect of amalgamation upon the different ports?—I think that each port would take its legitimate traffic.

8369. How would you get the traffic; would it not be in the hands of the railway company to send the traffic to any one of the ports. Suppose, for instance, that the London and North-western Company made arrangements with your company, would they not try to get the whole of the traffic by Dundalk from Londonderry?—I think not; I think that they would try to take the traffic by whatever port was most convenient, and whichever was the most convenient port could be worked with the greatest economy. For instance, take Clones as a point, Dundalk is the nearest port for that.

8370. Take Derry, would the traffic go to Belfast or to Dundalk?—I think it would go to Dundalk.

8371. (*Capt. Galton.*) Would not the effect be that the railway company would try to take the traffic over the longest route in order to charge the highest rate?—I think not. I think it would be very foolish for any railway company to try to force traffic out of its natural route.

8372. Is it not the case that it is tried to be forced practically on railways?—Not except where there is competition. When companies go to war with each other, of course they would try to do so.

8373. (*Mr. Ayrton.*) Would the adoption of one port rather than another depend upon the extent of the steam-boat communication?—No doubt the extent of steam-boat communication would greatly affect the railway traffic to any port.

8374. (*Capt. Galton.*) You stated that you thought that the advantages of amalgamation would be first a saving in the expense of management; what other advantages do you assume would accrue?—I think one of the immediate results would be a better communication between Dublin and our district. I do not think that the service between Dublin and our district is quite as good as it should be.

8375. And whose fault is it that it is not so good as it should be?—I think that it is from the fact of the line being under three different companies.

8376. How many companies are there between you and Dublin?—There are two between us and Dublin, and ours makes the third.

8377. Do not those companies run in connexion with each other?—Yes.

8378. Do not your trains run in connexion with theirs?—Yes, some of them do—three trains a day each way. I think that the charges are too high between Dublin and our line.

8379. You think that the aggregate of the local charges is too great?—Yes; I think that if it was all one line the rates would be modified, and a development of traffic would take place.

8380. (*Mr. Ayrton.*) Are their mileage rates higher than yours?—The through-fares between Dublin and our line were made up by adding the local fares together, and the line goes round an angle, almost a right angle, and of course in comparison with the distance actually traversed that makes the rates very high.

8381. (*Capt. Galton.*) Do the two companies charge their full Parliamentary rates?—No, I do not think they do. I think that they charge 2*d.*, 1½*d.*, and 1*d.* per mile for passengers, the same as we do ourselves.

8382. You think that the rates are too high to bring traffic on the line?—Yes; I think that there should be something allowed for that angle.

8383. Is there any other advantage which you would apprehend from uniting the railways together?—No, there does not anything strike me particularly.

8384. (*Mr. Ayrton.*) It is not apparent why the rates should be lowered if it is one company; why should not they continue to charge a mileage rate as they do now according to the distance round?—Because the traffic would be developed, and there would be more traffic between Dublin and our district if the rates were lower.

8385. Why should the rates be lower when the three companies are one than they are now, when they have to divide it amongst them?—Because the line being in one hand they would then have a greater interest in it, and they would have perfect unity of interest.

8386. (*Mr. M'Clean.*) Is there any competition now between Clones and Belfast; how does a passenger go at the present time from Clones to Belfast?—By the Ulster line. There is no competition whatever for traffic passing between Clones and Belfast; but there is competition for cross-channel traffic between Clones and England. For instance, there is the Newry and Armagh route lately opened, and

there is our own Dundalk route, and the Belfast route. But for any traffic passing between Clones and Belfast proper there is no competition whatever.

8387. (*Capt. Galton.*) You stated that you suffer from competition at Omagh and Clones; where does that traffic go to?—To Scotland and England.

8388. Does that traffic obtain very reduced rates in consequence of the competition?—Their through-rates are about the same as our own.

8389. You have agreed, I suppose, between you, to charge certain rates?—No, they charge rates entirely independent of us; but they charge lower rates from Clones, in proportion to the mileage, than they do from other parts of the line.

8390. And you charge lower rates as well?—No, we do not. Our distance to the port is 40 miles and theirs is 64.

8391. They bring their rates down to yours, do they?—Not quite; but they bring them lower than the rates would be if carried out at the mileage charge upon other portions of the line.

8392. And your line does not communicate with any line at Londonderry, does it?—No.

8393. Is that a great inconvenience to you?—No; I do not know that it is.

8394. Have you any traffic on your line that would go through Londonderry, or to the Northern Counties line, if there was a communication made?—There would be some flax traffic, I have no doubt, from Strabane, that would go that way.

8395. (*Mr. M'Clean.*) Are there any very large mills on your line?—No.

8396. (*Capt. Galton.*) Was the flax that you were speaking of formerly carried by the Northern Counties line till the Omagh Junction was made?—No doubt it was, but it would go by canal from Strabane to Derry.

8397. Do you receive any payment from the Northern Counties line not to compete with them?—We have an agreement with the Northern Counties Company, by which they make a sort of common purse system of traffic between Derry and Belfast.

8398. The result is that they make a payment to you?—They make us a certain allowance of the receipts.

8399. That amounts to about 600*l.* a year, does it not?—About 800*l.* a year, I think.

8400. (*Mr. M'Clean.*) Then they do not compete with you for that traffic from Derry?—We charge equal rates by both Omagh and Coleraine, but the rates are exceedingly low. *Mr. T. Shaw.* 14 Nov. 1865.

8401. (*Mr. Glyn.*) What is the rate of interest that you pay upon your bonded debt?—We pay various rates; we pay 4½ per cent. upon 45,000*l.*, 5 per cent. upon 55,000*l.*, 5½ per cent. upon 28,000*l.*, and 6 per cent. upon 25,000*l.*

8402. (*Chairman.*) The lowest rate of interest being, I suppose, upon the sums which were first obtained?—Yes.

8403. (*Mr. Ayrton.*) When you state shortly that your income, as I understand, is 14,000*l.* a year net, it is to meet an annual charge of how much?—Our net income on the last half year, after paying working expenses and the Derry rent and taxes, was 7,000*l.* in round numbers; that is for the half year.

8404. That would be 14,000*l.* for the year?—It would be more now, because the receipts are better this half year; it would probably be 18,000*l.*

8405. What would be the total annual charge before you make the dividend?—About 11,600*l.* per annum, as near as I can make it out.

8406. Does that include your preference rent as well as the fixed annual charge?—No, this is to pay the interest upon the debts.

8407. I mean the whole fixed annual charge that you have to pay before you can make a dividend to your ordinary shareholders, including of course your leases?—There is the Derry rent 26,000*l.* a year, and interest on bonded and other debts about 11,600*l.*, making together about 37,000*l.* to be paid out of net revenue, before dividend can be paid on preference shares.

8408. By whom are the directors elected; are they elected by the ordinary shareholders?—Yes; by all the shareholders.

8409. (*Capt. Galton.*) How many ordinary shareholders are there?—I should say about 11,000 (*handing a copy of the last half-yearly Report, with list of shareholders appended*).

8410. How many directors have you?—Twelve.

8411. (*Mr. M'Clean.*) Twelve managing the whole system?—Yes.

8412. (*Capt. Galton.*) What is the length of the line?—145 miles.

The witness withdrew.

Adjourned to to-morrow at half-past 11 o'clock.

Wednesday, 15th November 1865.

PRESENT:

Sir Rowland Hill, K.C.B., F.R.S.
J. A. Roebuck, Esq., M.P.
A. S. Ayrton, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., F.R.S.
E. T. Hamilton, Esq., M.P.
William Pole, Esq., F.R.S., *Secretary.*

The Right Hon. LORD STANLEY, M.P., F.R.S., in the Chair.

Mr. William Galt further examined. *Mr. W. Galt.* 15 Nov. 1865.

8413. (*Chairman.*) Before the Commissioners put any questions to you I would ask you whether there is any explanation or addition to your former evidence which you wish to give?—Yes, there is one explanation that I wish to give. If you refer to Question 7446, you will see that the question is, "If the Govern-"ment paid the bonus the interest would be about "equal, would it not, to the dividends that the share-"holders now receive?" I assented to the correctness of that proposition. I misunderstood the question. The answer should have been, "No, the profits would "have been divided between the shareholders and "the Government, the shareholders having one-third "and the Government two-thirds." To make that explanation more clear I will suppose a case, and then we shall see exactly how the account would stand. We will take a railway with a capital of 1,000,000*l.* sterling; viz., 10,000 shares of 100*l.* each, and paying 5 per cent. to the shareholders, would produce a profit of 50,000*l.* a year, and the shares would be bought in the market at about par. If the Government purchased the line and gave the shareholders a bonus of 15 per cent. they would pay 1,150,000*l.* To borrow that sum at 3½ per cent. they would pay 40,250*l.* per annum, whilst the Government would receive 50,000*l.* per annum, about one-third profit to the shareholders, and two-thirds profit to the State.

8414. (*Mr. Ayrton.*) Can you buy shares in the market giving a dividend of 5 per cent. at par?—Yes, that is the general price; sometimes it is a few shillings less and sometimes a few shillings more, according to the state of the money market, but generally for investment you buy to pay 5 per cent.;

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and giving a bonus of 15 per cent. you would pay 40,000*l.* a year, and the Government receive 50,000*l.* That is the proposition I put forward, whether or not it would be assented to by the shareholders is another question. I have had a good deal of conversation with many shareholders on the subject, and some have said, "No; if ever this matter should become a practicable question (it is a mere theory at the present time), we think that there should be a fair division of profits between the shareholders and the State."

8415. (*Sir R. Hill.*) When you gave evidence on the 7th instant you put in certain tables, which were not seen by the Commissioners till they were printed, there has therefore been no opportunity, hitherto, of putting questions on those tables. I propose to ask you a few questions respecting them. Will you turn to Table No. 1, Question 7351, it is headed "Average fares per 100 miles," I presume that those are the fares by the ordinary trains?—Yes, the fares by the ordinary trains.

8416. Exclusive of the express trains, and also exclusive of the fares for return tickets?—Yes, they are the fares by the ordinary trains.

8417. Are they the ordinary single fares?—Yes.

8418. According to the table it appears, does it not, that the lowest fares are demanded in Belgium?—Yes.

8419. And the highest in the United Kingdom?—Yes.

8420. For the sake of brevity we will, if you please, confine our attention to the first-class fares, as the fares for the inferior classes are pretty much the same in proportion to the first class throughout the table. The cost of travelling 100 miles in Belgium in the first class is stated to be 6*s.* 6*d.*?—Yes.*

8421. And the cost of travelling 100 miles in the United Kingdom (we will say England), is 18*s.* 9*d.*?—Yes.

8422. I presume it is upon a comparison of those two items in the table that you arrived at the conclusion, which I think you stated, that the fares in this country were about three times as great as those in Belgium?—Not quite that, but they are, I believe, more than double.

8423. Can you inform me how the sum of 18*s.* 9*d.*, charged for 100 miles in England, is made up; what are the data?—On the principal railways throughout the kingdom you may take the average fares at about 2¼*d.* a mile.

8424. I do not find that the average is so high as that. Turn if you please to Table No. 4, which you also put in; you there state the average fares per mile of a very considerable number of railways, selected I presume as a means of indicating the general average of the country?—Yes, it was for that purpose.

8425. I am aware that it is not strictly correct to take the average of averages, but it will not lead us much astray in this particular instance. I have added up your averages, and divided the total, which is 83·5, by the number of items, which is 42, and the quotient is 1·99, say 2. It would appear therefore from your own table, that the average charge for first-class fares by the ordinary trains in this country is about 2*d.* I have also taken out the average fares as stated in this document before me, (a return by the Board of Trade), which gives the averages upon the calculations of the several companies, and I find there again, that selecting the larger companies, those which have the greatest amount of traffic, and taking the average of the averages, they give exactly 2*d.* and $\frac{1}{100}$th part of a penny, (which fraction we may disregard,) as the average fare?—Yes.

8426. May we not therefore assume 2*d.* to be the average first-class ordinary fare? Do you object to that?—I object to the principle on which you make it up. For instance, you add up all the fares, and then divide them by the number of railways; but in taking an average you will at once perceive that you must also look to the amount of traffic, and not merely to the number of railways. I would take, for instance, the ten principal railways. In the late returns there may be some reductions. This table you refer to was made up two years since. It may be, as you say, that the fares have been reduced from 2¼*d.* to 2*d.*

8427. I stated in my question that this would not give the result with absolute correctness; but I have done exactly what you suggest. I have selected those railways which last year carried, at least, 10,000,000 of passengers—they are 9 in number—and I have taken the average as returned by the company itself, and have added together the averages, and divided the total by 9. I at once admit that that is not quite correct; but, the numbers not varying very materially, it would be sufficiently correct for our purpose?—You have not, as I have always, included the express trains.*

8428. You have excluded them also. The companies that I have taken are,—the Great Eastern Company, their average first-class fare being 2·24*d.*; the Great Western, 2·03*d.*; the Lancashire and Yorkshire, 1·55*d.*; the London and North-western, 1·95*d.*; the London, Brighton, and South Coast, 1·95*d.*; the Metropolitan, 2·17*d.*; the Midland, 2·23*d.*; the North-eastern, 2·02*d.*; the South-eastern and Greenwich, one company, 1·96*d.* The average of them all being 2·01*d.* Seeing that those 9 companies carry about 130,000,000 of passengers out of a total of 197,000,000, we cannot, I think, object to taking them as a fair sample of the whole. The average, therefore, is 2*d.* Now, if we correct your estimate for the United Kingdom, 100 miles at 2*d.* would amount to 16*s.* 8*d.* Do you object to that modification, substituting 16*s.* 8*d.* as the average first-class ordinary fare for England?—No, I cannot object to what you state as a matter of fact; I only wish to make this explanation,—you make your calculations from the tables of the Board of Trade not yet published, and I only went on data that existed at the time I made my calculations two years since.

8429. Then you have no objection to our considering that item as 16*s.* 8*d.*?—No.

8430. Now, taking the first item in the table, the cost of travelling 100 miles first class in Belgium you have put down at 6*s.* 6*d.*?—All that is incorrect at the present time. There has been a considerable rise, I understand, in the fares of Belgium; and those I should have corrected in the same way, in accordance with the returns now about to be published.

8431. I do not think that there has been any advance in the fares, but rather, as we have been informed, a reduction?—I understood that there was an advance, because I had a note of those Belgian fares saying that they were higher than when I published my work.

8432. Perhaps I can explain your error. We have been favoured by the Director-General of the Belgian railways with a very full statement of the fares as charged; and he has also given the total charge for travelling first class 100 kilometres (a kilometre being about five-eighths of a mile), 8 francs; if you convert that into English money at the rate of 25 francs per 1*l.* it would be 6*s.* 6*d.*, and you have put that down as the cost of travelling 100 miles; whereas it is the cost of travelling 100 kilometres?—I know that the present charge is as nearly as possible 1*d.* per mile for first class.

8433. The charge for first class is 80 centimes per kilometre, is it not?—So it appears.

8434. That is much more than 1*d.* per mile, but we need not trouble ourselves about the excess; M. Fassiaux, the officer at the head of the department, has calculated the charge for travelling 100 kilometres, and he tells us that it is 8 francs, which come to

* Witness afterwards explained that this was so at the time he made up the tables.

* This answer afterwards altered by witness as follows;—"You have not excluded the express trains."

6*s.* 6*d.* Have you not made the mistake of putting down the cost for 100 kilometres as that for 100 miles?—I know that the fares on the Belgian lines are higher than when my tables were made out, but, as I mentioned, I only put in this list *pro formâ*, supposing that I should have an opportunity of correcting it, and thereby having it in entire conformity with the present fares.

8435. (*Chairman.*) Is the list which you have put in, in your evidence, the same as that which appears in your book?—It is. A messenger from the Board of Trade brought the new returns to me here the day I gave evidence; I had not time to change the figures, and I was under the impression that the proof sheets would pass under my hands for correction before they would be forwarded to the Commissioners.

8436. Be they accurate or inaccurate, this statistical statement which you have put in is that which you have deliberately adopted as the basis of your theory, is it not?—No; so far from founding any argument on the continental fares, I said expressly that we had nothing to do with them; that the charges on the continent should not influence the policy of England.

8437. (*Sir R. Hill.*) That list you are prepared to correct?—Undoubtedly.

8438. It must be advanced, must it not, from 6*s.* 6*d.* to 10*s.* 3*d.*?—To whatever I find the exact charge is.

8439. If you take 6*s.* 6*d.* as the charge for 100 kilometres, and then reckon upon that what should be the charge for 100 miles, you will find that it comes to 10*s.* 3*d.*; you do not dispute that conclusion, do you?—No; of course if you have it from the statistical return I cannot dispute it.

8440. This correction, by reducing the average charge for 100 miles in England to 16*s.* 8*d.* and advancing the average charge for the same distance in Belgium to 10*s.* 3*d.*, very materially disturbs the proportions; instead of the English charge being three times as great as the Belgian charge, as you stated it to be, it is only one and two-thirds greater?—I am not aware that I said anything in my evidence about the fares, but I read a quotation from Mr. Gladstone's speech 20 years ago, when he spoke of the Belgian charges being one-third of ours.

8441. Then again, as you are well aware, a large proportion of the travelling in this country is by return tickets, is it not?—A considerable proportion is.

8442. And there are very few cases in which return tickets are allowed in Belgium?—I think there are some cases.

8443. There are some, but they are very few. Supposing that a person, instead of taking a single ticket in this country to travel 100 miles, takes a return to travel 50 miles out and 50 miles back, he would be charged, would he not, on most lines a fare and a half?—Yes.

8444. That would reduce the cost of travelling 100 miles in this country from what we just now calculated, namely, 16*s.* 8*d.*, to 12*s.* 6*d.* in the ordinary state of things?—Yes, in those cases it would be so.

8445. It appears therefore that a person using a return ticket, and travelling 50 miles out and 50 miles back, would spend 12*s.* 6*d.*, whereas if he made a similar journey in Belgium, paying full fare each way, he would have to pay 10*s.* 3*d.*; so that the comparison of the cost when return tickets are available is 12*s.* 6*d.* here against 10*s.* 3*d.* in Belgium for the same distance?—Yes.

8446. Then do we not arrive at the conclusion that the difference between the cost of travelling in this country and the cost of travelling in Belgium is not very great?—Assuming that the tables and the information that you have received are quite correct, it is so.

8447. Assuming the calculations which I have made to be correct, it is so; are you prepared to admit that?—The fares even according to that account are still higher in this country than in Belgium; but the difference is not so great.

8448. I will now examine the question a little further, if you please. In Belgium the practice appears to be to charge in every case for luggage which is entrusted to the care of the administration?—It is so, I believe.

8449. I need scarcely ask you if that is the practice in this country?—No.

8450. That again tends to bring the charges in the two countries into still closer approximation, does it not?—Yes; I believe of late years the charges are much more equal than they were formerly.

8451. Then again, we find from M. Fassiaux's statement, that when a person travels first class in Belgium, however short the distance may be, he pays 80 centimes?—I was not aware of that regulation.

8452. If he travelled as a first-class passenger only a single kilometre, in every case he would pay for 10 kilometres as a minimum?—I do not know the recent regulations with regard to travelling in Belgium.

8453. That again, if taken into account, as it should be, will bring the charges in the two countries into still closer approximation, will it not?—It will.

8454. Then as regards luggage. If a traveller has ever so little luggage placed in charge of the administration, and for the shortest distance, he has to pay 50 centimes, say 5*d.*, that again brings the charges into still closer approximation, does it not?—It does.

8455. Take now the charges in England; we have already considered the question of return tickets, if the return tickets entered into the calculation of the average charge per mile they would effect, would they not, a considerable reduction in that charge?—No doubt.

8456. They have no season tickets in Belgium, but we all know that a very considerable number of passengers in this country travel by what are called season or annual tickets, that again reduces the average in this country. And with regard to excursion trains they have them occasionally, but rarely in Belgium, and that again still tends to reduce the average cost in this country; do not all those circumstances tend on the one hand to enhance the average charge in Belgium, and on the other hand to reduce the average charge in this country?—No doubt, if we bring in the excursion trains it makes a great difference.

8457. Then may it not follow, and would it not follow, that as regards very short distances the charge in this country would probably be less than that in Belgium?—That may be.

8458. Would you have the kindness to look carefully into this matter and construct your table accordingly?—Yes; but I only wish to observe that with regard to those charges in Belgium the comparison is merely incidental. I found no argument upon it one way or the other. If the charges in Belgium were three times more than what I have put them at in my first table, that has nothing at all to say to my argument upon the matter.

8459. (*Chairman.*) Is not it part of your case that you say this:—"Here is England, the richest country "in the world, and the country which first established "railways, and yet which has the worst railway sys-"tem existing;" and in order to support that case, you compare the English prices with those of all foreign countries?—Yes, so far as fares are concerned.

8460. In that sense is not any inaccuracy in this comparative statement as between English and foreign railway charges a very important part of your case?—No, I do not consider it very important in this way, that I say that no matter what the charges are abroad it is our object in this country to reduce the charges to the lowest possible point.

8461. (*Sir R. Hill.*) But if those facts do not bear upon the question, would it not have been better not to encumber the statement with them?—That is quite true, and I can only give the explanation which I have already given.

8462. But do they not very materially bear upon the question; if we can be satisfied that in Belgium, where, for the most part, the railways belong to the Government, and where we know they are very

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profitable to the Government, the fares charged are not more than one-third of the fares we charge, would not that furnish an almost overwhelming argument in favour of placing of the lines under the Government here, and of reducing the charges very largely?—But it is not intended, as far as I know, or proposed by any one, to give the Government the management of the railways here.

8463. You admit the inaccuracy?—I admit the inaccuracy, of course. The tables made out two years since are not correct now.

8464. Now we will take, if you please, Table No. 6, Question 7372; this table is apparently intended to show that very large reductions have been made in the charges on certain important lines of railway with a comparatively small diminution of dividend; that is the object of the table, is it not?—That is the object.

8465. Are you sufficiently guarded in making it appear that those are very partial reductions; is not there a danger of your table being interpreted to mean that all the return tickets upon the London and North-western railway, for instance, were reduced from 60*s.* for 386 miles to 7*s.* 6*d.*, first class?—No, I have stated fully the circumstances of the case, and I mentioned especially that the reductions only took place on a part of the line, and for a limited period.

8466. That does not appear, does it, in the table itself?—No, but I made the statement in my evidence.

8467. Will you refer to the statement, if you please?—At Question 7362 the question is asked, "Do you "know of any cases of late years in which exceedingly "low fares have been charged?" My answer is, "There have been several cases of late years where "there has been competition between companies, and "where for a comparatively short time they adopted "very low fares. For instance, at the time of the "Manchester Exhibition we had the London and "North-western Company and the Great Northern "Company running trains from London to Manchester "carrying first-class passengers and allowing them to "stop there four days and bringing them back again "for 7*s.* 6*d.* They carried in those trains about 600 "passengers generally, it was said, on the average, "some more and some less, but the expenses of the "train in the conveyance of those passengers cost "about 50 guineas, and their receipts at the time were "calculated to amount to about 176*l.*; but that was "carrying at $\frac{1}{4}d.$ a mile for first-class passengers. "There was another very remarkable case of competi-"tion between the Edinburgh and Glasgow line and "the Caledonian line. There was a quarrel between "the two companies, and they suddenly reduced their "fares to 1*s.*, I believe it was, for first class, 9*d.* for "the second class, and 6*d.* for third class for a distance "of 46 miles. There was also the case of the South-"eastern Railway Company which carried for a con-"siderable time to Reading at $\frac{1}{4}d.$ a mile for first class "and half a farthing for second class. And there was "another case, namely, the Brighton Company, in "opposition to the South-western Company, carrying "at exceedingly low fares, at about the same rate as "the last case which I have mentioned." It is specially stated in all those cases that it was only for a short time and only on a part of the line. Therefore, any one reading the evidence would not at all be led to the conclusion that those fares which I mentioned were for the whole year, or that they extended over the whole line.

8468. (*Mr. Ayrton.*) You mentioned, afterwards in reply to some question of mine, that you considered the cases exceptional?—I did.

8469. (*Mr. Roebuck.*) Will you continue reading your answer in the former day's evidence?—I go on to say, "But in all those cases we find, when we come "to look at their dividends, that it does not make, at "the very outside, a difference of more than 1 per "cent., but it must be remembered, in reference to "those lines, that they carried at a ridiculously low "charge. It is not a fair test of what you would call "moderately low fares carrying first-class passengers "at $\frac{1}{4}d.$ per mile; that, in my opinion, is a prepos-"terously low fare for ordinary traffic, and I do not "consider it at all a fair experiment."

8470. (*Sir R. Hill.*) I think there can be no objection to your table, if you refer to that part of your evidence, but the table stands distinct and away from this evidence, and will probably be selected by some one who has not carefully perused the whole evidence, and be put forward as a proof of the great reductions which have been made upon lines with small injury to the dividends; perhaps you will take care so to put it that it may not be misunderstood?—Yes; I will do so. Perhaps I may be allowed to say, with regard to the Belgian fares, that it is within a very short time I heard that they were not so low as I have stated them to be. I intended to make all the alterations complete, in conformity with the returns which have just been made by the Board of Trade. I will put in fresh tables as part of to-day's evidence.

8471. (*Mr. Roebuck.*) You have for some time past directed your attention, have you not, to the subject of Irish railways?—I have.

8472. Their construction was of a much more recent date, was it not, than that of the English lines?—It was. The first line, the Dublin and Kingstown line, was constructed in 1834, and until 1837 there was no further movement made in the construction of railways in Ireland.

8473. Did the Government intend at one time to take on itself the construction of railways in Ireland?—In 1837 there was a Commission issued by the Government for the purpose of investigating the subject of railway construction in Ireland, and the result was that they made a report to the Government, strongly recommending that the Government should lay out the lines to be made by companies, and assisted by Government on certain conditions. I would beg to read a short extract from the Commissioners report, in order to show the opinion of that Commission on the necessities of the case, and more especially their view that the Government should take a part in having the lines constructed. The report says, "The main "avenues throughout the country cease to be the "property of the State, and are handed over to the "absolute possession of monopolists placed beyond "the reach of rivalry or control. They are enabled "to establish a monoply in the most extensive sense, "and to keep the intercourse of the country entirely "at their command. The rate of speed, the choice of "hours for departing, the number of journeys in a "day, rest at their discretion; and, as they have the "unlimited right of fixing the charges for the con-"veyance of both passengers and goods, then they "have an opportunity of repaying themselves, not "only for the legitimate cost of constructing and "maintaining the railway, but for all the heavy ex-"penditure incurred either through their own extra-"vagance or in consequence of the various impositions "practised upon them." This Commission ended in nothing. From causes quite unnecessary to enter into, the Government could not carry out their views, and it was left to private speculation to make the railways in Ireland the same as in England.

8474. (*Sir R. Hill.*) Is not the report to which you refer the one popularly called Lieutenant Drummond's report?—It is.

8475. (*Mr. Roebuck.*) Coming down to more recent times, will you state what progress has been made in the construction of railways in Ireland?—In 1844 the first movement was made for the construction of railways in Ireland. That year the Great Southern and Western Bill passed, and in the following year Bills were passed for the principal main trunk lines throughout Ireland, since then railway projects have gone on in the usual way.

8476. What is their present financial position?—It is exceedingly bad. They do not pay, I think, on the average more than 2 per cent. on the capital invested in them.

8477. (*Sir R. Hill.*) Do you mean upon the whole capital, including debenture and preference shares?—No, the share capital.

8478. (*Mr. Roebuck.*) Is the management by the companies popular in Ireland?—No, unfortunately it is not at all popular.

8479. What is the cause of that unpopularity?—The public think generally that the charges are much too high, and that the trade of the country is not developed in consequence of the high charges.

8480. Are the fares in Ireland higher than they are in this country or in Scotland?—They are higher than on many lines in England, and much higher than in Scotland.

8481. Can you give any instances of the fares in each country?—Taking the principal railways in England, Scotland, and Ireland, we find from the last returns of the Board of Trade that the charges on the average are higher on the principal lines in Ireland than they are in either England or Scotland. I will give a few instances: the London and North-western Company charge per mile 1·95*d.*, 1·43*d.*, and 0·95*d.*; the Caledonian charge 1·22*d.*, 1·14*d.*, and 0·69*d.*; the Lancashire and Yorkshire charge 1·32*d.*, 1·05*d.*, and 0·49*d.*; the London, Tilbury, and Southend charge 1·03*d.*, and for 2nd class 0·74*d.*; the South-eastern charge 1·96*d.*, 1·39*d.*, and 0·83*d.* If you take the two great railways of Ireland, the Great Southern and Western and the Midland, which answer to the London and North-western and the Caledonian in England and Scotland, the Great Southern and Western charge 2·20*d.*, 1·65*d.*, and 0·99*d.*, and the Midland Great Western 2·24*d.*, 1·68*d.*, and 0·99*d.*

8482. Have you noticed what effect those high fares have produced on the travelling public in Ireland as compared with England and Scotland?—Yes. By the recent returns of the Board of Trade we find that the number of travellers in England and Wales for the last year was 197,014,661; in Scotland, 20,205,455; and in Ireland, 11,902,049. In fact little more than a twentieth part of the number of travellers in England, and very little more than half the number of travellers in Scotland.

8483. In that calculation do you pay any attention to the number of people in England as compared with the number of people in Ireland?—If we look at the population of the two countries we find that there is an enormous disproportion between the numbers carried in the two countries. Taking the population of Ireland at 6,000,000, and that of England and Wales at 20,000,000, that would be about three times the amount of the population in Ireland, whilst we find that the number of travellers is nearly twenty-fold. The population of Scotland may be taken at about one-half of that of Ireland, whilst we find that the number of travellers is nearly double.

8484. Do you spend much time in Ireland?—I spend a few months in the summer and autumn of the year in the north of Ireland generally.

8485. Then you speak from personal observation of the want of proper railway accommodation?—So far as seeing loaded carts travelling alongside the railway, I deduce from that fact that the railway companies do not carry merchandise on moderate terms. I would wish to draw attention to a letter I received from a gentleman in the north of Ireland, in which he enters fully into the question of the grievances they suffer there from the want of proper attention to railway management; the gentleman is a merchant, and carries on a large business in Coleraine, and for several years was the principal magistrate of the town. He writes in these terms:—"London, "14th Nov. 1865. Dear Sir, As I understand "you have shortly to give evidence before the "Royal Commission on Railways, I wish to draw "your attention to some of the grievances under "which we labour in this part of the country. You "are aware that the Belfast and Northern Counties "railway passes through this town to Portrush, seven "miles distance, yet so far as the conveyance of goods "is concerned from that port, we might as well have "no railway at all. All heavy goods, such as timber, "slates, iron, and coal, &c., are carted up to town "alongside the railway, as we are able to bring them "up cheaper that way than by railway, the rates "being lower. Last year, there was imported into "Portrush between 9,000 and 10,000 tons of coal, of "which fully two-thirds came into Coleraine, a small "proportion only coming by railway, the great bulk "being conveyed by the common road. In regard to "differential charges, we suffer a great grievance in "Coleraine. From Derry to Belfast, for instance, is "95 miles; our distance from Belfast is only 61 "miles, but the charges on merchandise are fully 25 "per cent. more for the lesser distance. This we feel "to be a great grievance, that any company has it in "its power to destroy the trade of a town if they "think proper. The same arbitrary rule is followed "with regard to passengers. It is utterly inexplicable. "I reside at Castlerock, the distance to Derry is 28 "miles, the fare is 4*s.* 4*d.*, first class; but persons "coming to Castlerock from Derry will get a return "ticket by the same class for half-a-crown; but if they "go on to Coleraine, five miles further, they will lose "their return ticket, and be charged the full fare of "5*s.* 6*d.* I only notice these absurdities, to show the "entire mastery the railway companies have over the "public. A uniform rate of fares at three farthings, "a halfpenny, and a farthing, with return tickets at a "fare and half, and necessary reductions on goods and "cattle, &c. to one-half of their present rates would "be the salvation of the country. As a matter of "course, Ireland should pay whatever it would cost, "and an addition to the income tax of a penny in the "pound, or whatever might be necessary, no man in "the country would object to.—I am, dear Sir, "yours truly,—William Warke.

"William Galt, Esq."

8486. (*Capt. Galton.*) When you speak of differential rates, do you mean differential rates irrespective of distance?—No, on account of the distance; for instance, from Londonderry to Belfast the distance is 94 miles, and they charge less than from Coleraine to Belfast, which is only 61 miles. Therefore they have the power of undue competition, and they have the great advantage that they can do precisely as they like with the merchants in both towns. The same complaint, I believe, has been made in Liverpool. That the railway companies have it in their power to regulate the traffic to a great extent is, I think, proved by the differential charges on different parts of the line.

8487. There are, in Ireland, a great number of small and independent lines, are there not?—There are a great number of independent lines each having a separate management, and their own rules and regulations, quite independent of the larger companies.

8488. Why do not they amalgamate as they do in England?—The principal reason is, that the greater number of these lines pay nothing whatever to the original shareholders. The management is in the hands of the preference shareholders, and the preference shareholders have no interest beyond getting their preferential interest. They are, in fact, mortgagees in possession.

8489. You took some steps, did you not, last summer, in Ireland, to get up a feeling there for carrying out the Act of 1844?—Yes. I went over there shortly after Mr. Monsell's motion in the House of Commons, when the Government undertook to recommend to this Commission the investigation of the Irish system, I had interviews with many of the leading men in Dublin. Many of the principal merchants took the matter warmly up, and the result was that a public meeting was held, presided over by the Lord Mayor and attended by the most influential men in Dublin; there was an unanimous expression of feeling that it was desirable to have that section of the Act of 1844 carried out that authorizes the purchase of the railways by Government.

8490. Had you any communication with any of the railway directors?—Yes. I had a great deal of communication with them. I met the directors of the Irish North-western line, and also the directors of the Wexford and Wicklow line. I met them twice. They gave me two interviews, and they appointed a com-

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mittee to talk the affair generally over with me, to see what possibly could be done in England with regard to having a change in the system.

8491. (*Mr. Roebuck.*) Have you prepared any definite and detailed scheme for the purchase of the Irish railways, or do you merely advocate the principles contained in the Act of 1844, leaving to the Government, should it think fit, to determine how they may be applied?—I have prepared a detailed scheme to submit to the Commissioners, for the purchase of the Irish railways.

8492. What do you propose?—There are 40 railways in Ireland in full working operation, besides many others in course of construction, of these I take no account. Of the former class, 14 pay dividends and 26 pay nothing whatever to the original shareholders. For the purpose of carrying out the scheme I propose, I have divided the railways into three classes. The first class are railways which pay dividends on the original stock, and consequently on their preference shares and loans; there are 14 railways in this class, viz., Belfast and Northern Counties; Cork, Blackrock, and Passage; Dublin and Belfast Junction; Dublin and Drogheda; Dublin, Wicklow, and Wexford; Dublin and Kingstown; Great Southern and Western; Cork and Limerick Direct; Midland Great Western; Athenry and Tuam; Great Northern and Western; Ulster; Waterford and Limerick; Waterford and Tramore. The amount of paid-up original and preferential capital in this class amounts in round numbers to 14,000,000*l.*, and the debenture loans amount to 2,500,000*l.* The second class are those which pay no dividend on the original stock, but pay their dividends on the preference and guaranteed stock; of those railways there are 16. The original capital in this class amounts to 2,036,000*l.*, and the preferential capital and funded debt, debenture stock, and loans amount to 2,350,000*l.* The third class are railways which pay no dividends either to the original or the preferential shareholders; they are 10 in number; the original and preferential capital amounts to 1,800,000*l.*, and the loans to 735,000*l.* With regard to the purchase of the first class, there would in my opinion be very little difficulty. I have had communication with some of the largest holders, and from the statements that all of them have made to me, I apprehend that there would be very little difficulty in coming to an agreement with this first class of shareholders.

8493. (*Chairman.*) Are you now speaking of those lines which pay?—Yes, I am taking them first, because any difficulty that might arise would be about the others. In Ireland, as in England, investments in railways pay about 5 per cent.; when a man invests money in a railway he expects to receive 5 per cent. interest. Compulsory sales of land and houses are matters of constant occurrence, and the holders of such property always are paid something beyond their market value; but I have found from the communications I have had with different parties, that a payment of 22½ years on the purchase money, instead of the present value, which is 20 years' purchase, would be considered a fair and proper payment. That would be an addition of about 10 per cent. to the market price.

8494. I presume that you do not pretend to fix an invariable price upon those lines without reference to their prospects?—No.

8495. You take the market price to start from, and you make some definite addition to that price according to some fixed principle?—Yes; I take the market price to start from. Each line varies according to circumstances; on some lines an addition of 10 per cent. would be too much, on other lines an addition of 10 per cent. would be too little. I apprehend that if this scheme should ever be carried out, of the Government purchasing the railways, they would appoint Commissioners who would look into all the circumstances of each line. I take an average of 10 per cent. as a bonus which the shareholders ought to receive on their shares. Assuming that to be the case, we will consider how the account would stand for those paying lines. I am keeping as near as possible to round numbers, and avoiding going into details, so as to give the Commissioners a general idea of the scheme. I find in Class No. 1, that 14,000,000*l.* is the amount paid for the original shares, and allowing one-half per cent. profit on that sum, would yield a profit to the Government of 70,000*l.* per annum.

8496. (*Capt. Galton.*) Will you explain that profit to the Government?—In this way: the interest of 14,000,000*l.* at 5 per cent. would be 700,000*l.*, and a tenth part of that, that is the reduction from 5 per cent. to 4½ per cent., would be 70,000*l.*; there would be one-half per cent. profit, which would amount to 70,000*l.* Assuming that the management went on in the same way, and that it was a mere investment of Government money, the Government by borrowing money at 3 per cent. would make 70,000*l.* per annum by the transaction. Then the loan debentures amount to 2,500,000*l.* and the interest is on an average about 4½ per cent. Some are a little more and some a little less, but you may say 4½ per cent. If the Government would take these loans up, paying off that money at 3½ per cent., there would be a profit of 25,000*l.* Therefore, taking the first-class lines and assuming that the Government could borrow money at 3½ per cent., and be willing to pay 10 per cent. of bonus to the Irish shareholders on the present value of the shares, that, so far as that transaction was concerned, would give a profit of 95,000*l.* That is in Class No. 1. Now we come to Class No. 2. There are 16 lines in this list. The original shareholders get nothing whatever, but the holders of preference and guaranteed stock are paid in full. The amount of the original share capital in this class is 2,036,000*l.*

8497. As compared with the 14,000,000*l.* in the former case?—Precisely. There is nothing in a commercial sense to be made out of the original shares, as they pay nothing; the only profit the Government would have in this case, would be on the preferential capital, which, with the loans, amount to 2,350,000*l.* The preferential shareholders and loanholders are paid on an average 5 per cent. interest. The Commissioners will understand that this class of railways, whose credit is very low, are obliged to pay a higher rate of interest for their money than the railways in good credit, as the latter can get the money at 4½ per cent. Consequently on this second class the profit that the Government would have would be greater on account of the loans being at 5 per cent.; and still the Government would pay no more than 3½ per cent.

8498. Have you taken the amount that they pay on their loans from the half-yearly statements of the companies, or have you assumed it at 5 per cent.?—I have taken everything from the returns that are made to the Board of Trade, from which we find the actual payments that they make. All those 16 lines, paying nothing whatever to the original shareholders, and taking Government stock at 3½ per cent., the difference represents an annual payment of 34,000*l.*, that is the profit the Government would derive from the second class of railways.

8499. (*Sir R. Hill.*) Do you propose to pay anything to the original shareholders in that class?—I shall deal with that by and by. I first make up all the profits that the Government would have, and then we will look to what the Government on the other hand must pay.

8500. Do all the preferential shareholders in this class get their full interest?—Yes, their full interest. I have gone particularly into detail upon this point. These are the 16 railways which pay no dividend, but pay the preference stock in full; the Athenry and Ennis, the Belfast and County Down, the Carrickfergus and Larne, the Belfast, Hollywood, and Bangor, the Cork and Bandon, the Cork and Macroom, the Cork and Youghal, the Finn Valley, the Kilkenny Junction, the Kilrush and Kilkee, the Letterkenny, the London-

derry and Lough Swilly, the Midland Counties and Shannon Junction, the Portadown, Dungannon, and Omagh, the Waterford and Kilkenny, and the West Cork. Those are the railways in class No. 2. In class No. 3 there are ten, namely, the Cork and Kinsale Junction, the North-western, the Newry and Armagh, the Newry, Warrenpoint, and Rostrevor, the Banbridge and Belfast, the Banbridge Junction, the Dublin and Meath, the Limerick and Castleconnell, the Limerick and Ennis, and the Limerick and Foynes. Those pay nothing either to the original or to the preferential shareholders.

8501. (*Capt. Galton.*) Did you mention the Londonderry and Coleraine line?—That line has been taken possession of by the Loan Commissioners.

8502. It is now leased to the Belfast and Northern Counties Company, is it not?—That has been a recent transaction; it was worked by the Belfast and Northern Counties Company, but it has been taken possession of by the Loan Commissioners, for, I think, a debt of 200,000*l.* There is also another line that has been declared bankrupt, the Bagnalstown, which I have not brought into the account; it is omitted from the returns of the Board of Trade.

8503. (*Sir R. Hill.*) There certainly must be a class between that which pays the full interest on the preferential shares and debentures and that which pays nothing at all?—There may possibly be a few, but we have got no account of them, so far as we can gather from the returns. There may be some small difference in the case of some of them, but nothing to affect the general results.

8504. (*Mr. Roebuck.*) Will you proceed with your statement?—With regard to the original and preferential capital in the third class it amounts to 1,800,000*l.*, and the loans to 735,000*l.* The holders of those debentures are paid on an average 5 per cent., and taking the Government stock at 3½ per cent., the difference represents an annual payment of 11,000*l.* The Bagnalstown line, as Captain Galton is aware, has become bankrupt, and I have passed it over as I have done with the Londonderry and Coleraine line. I have put them aside, not knowing exactly what their position is. I have made out a summary of what the profit would be. The profit on railways which pay dividends to their original and preferential shareholders, class No. 1, amounts to 95,000*l.* The profit on railways which pay dividends to preferential shareholders amounts to 34,000*l.*, and the profit on railways which pay no dividends to either class of shareholders amounts to 11,000*l.* The profits on the whole would thus amount to 140,000*l.* per annum. What we have now to consider I have found the greatest difficulty in dealing with; and I apprehend that the Commissioners must have found, if they have turned their attention to the matter, a great difficulty in dealing on equitable principles in regard to the purchase of those railways which pay no dividends. We find that out of those 40 railways, of which I have given a list, 26 railways do not return one single shilling to the original proprietors. The first view that would suggest itself of dealing with those companies would be to refer the matter to arbitration; but then on what principles are you to arbitrate? As a mercantile property it is utterly worthless; you cannot easily determine what the value of a thing is that brings nothing. On the other hand, no one could think of taking away this property from the shareholders, and giving them nothing whatever; and therefore we have to consider how they are to be dealt with. Let us suppose, for instance, that the Government would deem it desirable to take Waterloo Bridge. The 100*l.* shares are absolutely worth nothing in the market; the expenses of keeping up the bridge nearly equal its income; and therefore as a mercantile property it is valueless. If a company wished to purchase Waterloo Bridge, and if it were left to arbitration to determine its value, looking at it in a commercial point of view, the arbitrators would say, "The bridge is worth nothing." But on the other hand, suppose it were put to the Government, "Is this bridge worth nothing?" I apprehend that the Government would look at it from a different point of view; they would not look at it merely as a money investment, and say, "This bridge "is worth nothing, as we can make nothing by it;" but looking to the wants of London, and to the benefits its possession would confer on the metropolis generally, they would say, "Here would be a most "important addition to the convenience of the com-"munity, and if it can be thrown open it would "be a great public benefit." I wish therefore to impress, if I can, on the minds of the Commissioners, that in looking at the question of the value of the Irish lines, although as a matter of course they will not exclude the commercial element, yet they must not look at it entirely in a commercial point of view; they must bring into consideration the importance that those lines would be to the State, not looking at it as a company that were going to buy them, but looking at it in an enlarged point of view; they would consider that, however unfortunate the speculators who have made those lines have been, they have done a great public benefit to Ireland. Now, as to the market price, we cannot bring that element into consideration. I have here a list of Irish railways that are never mentioned in the market. They are worth nothing to anybody, and therefore the test of value which we look to in class No. 1, and which enables us to determine their price, gives us no assistance whatever with reference to the value of these lines. In this, as in very many other cases, you must look at the question with a view to a compromise, and inquire what advantage under all the circumstances would those lines be to the State, taking into consideration the value that they would confer upon Ireland, and looking to what extent they might be worked for the benefit of the country; and taking all those things into consideration you would arrive at a fair measure of what I would say is justice to the unfortunate shareholders.

8505. (*Chairman.*) The compromising of the question means paying something for a property which in the market is worth nothing?—Yes, in a certain sense, paying something for property which in the market is worth nothing, but which might be made of immense benefit to the State. That is the difference. A commercial company simply looks at what money it can make by any transaction, but the Government in dealing with the question looks at it in quite a different light; and without excluding the commercial element, they would see that those lines can be made of great use to the country, and therefore this would form an element in the consideration. Then we have some precedents for this in coming to a conclusion upon the subject. About a year since the Thames Tunnel was bought; the capital invested in the Thames Tunnel was about 400,000*l.* Every member of the Commission knows that commercially it was not worth a shilling, and that the shareholders never received a single penny, and never to the end of time would receive anything, unless something extraordinary should turn up, as that which has occurred, to give them a chance of getting something. A year since a railway company said "We can run a railway through "this tunnel," and they made a bargain with the proprietors and gave them 100,000*l.*, they gave them 5*s.* in the pound on their original outlay as a sort of compromise of the question.

8506. Or rather, may you not put it in this way,—that the company which purchased or is purchasing the tunnel was a new railway company making its application to Parliament; that there were some competing schemes, and that they thought it desirable to buy the goodwill of the shareholders of this tunnel, and so to obtain not only their consent but their support to the project?—That is a very good way of putting it. So in dealing with the Irish shareholders in the same sort of spirit, considering that we have got no market price to go on, and the Government looking at what it may be worth for the development of the resources of the country, I should say that they might

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follow the same example and give them 25 per cent. on the original stock, or 5*s.* in the pound. Assuming that proposition to be accepted, let us see how that could be worked out. I have already noticed that the profit Government would have by the purchase would amount to 140,000*l.* The loss of capital of the shareholders, in class No. 2 amounts to 2,036,000*l.*, and in class No. 3 it amounts to 1,800,000*l.* Taking the two classes they amount together to 3,836,000*l.*, but we will say in round numbers four millions sterling, and allowing 25 per cent. to the shareholders, the sum required would amount to 1,000,000*l.*, which would require from Government an annual payment of 35,000*l.* If we deduct that sum, 35,000*l.* of loss from the 140,000*l.*, it would leave a net profit of 105,000*l.* There has been considerable dicussion with regard to the saving which would be effected by the consolidation of the Irish railways under one management. Some of the Commissioners will perhaps remember that the authority of Mr. Dargan was quoted in the House of Commons; that he thought taking all the different savings that could be effected by the Government purchase they would amount to 200,000*l.* a year; and by my calculations it is rather above that sum. The working expenses on the Irish lines amount to 47 per cent. on the gross receipts; and the opinion of Mr. Dargan and Mr. Forbes, which was come to separately without any communication with each other, was that a saving might be effected of 7 per cent. If the Commissioners will consider for a moment the peculiar position that Ireland is in with regard to the companies, they will, I think, come to the conclusion that a great saving can be effected in their management. There are more than 40 separate independent companies, there are some 300 or 400 directors to support, there are upwards of 40 secretaries, and engineers and lawyers in abundance, and if the Commissioners consider these matters they may come to the opinion that it is not an extravagant estimate to suppose that the expenditure could be reduced from 47 per cent. down to 40 per cent. Assuming then that such would be the case, their consolidation under one management would effect a saving of 110,000*l.* So that that would make the entire saving by a consolidation under one management, assuming for argument sake that I am correct in the data, amount in round numbers to 215,000*l.* That includes the purchase of those lines which in a commercial point of view are worthless, giving them 25 per cent. on the original price they paid for their stock. If the charges on the passenger traffic were reduced to two-thirds of the present amount, and on the merchandise traffic to one-half, that would be equal to a reduction of Irish taxation to the amount of a million sterling per annum, and the holders of non-paying stock, whether original or preferential, whose shares are in those cases entirely worthless, would be paid one-fourth of their original outlay. There exist no data by which any calculation can be made as to whether 215,000*l.* would meet the deficiency arising from the reduced charges which might be expected for a few years. But a very small addition to the income tax in Ireland, say of a penny in the pound, would amount to 100,000*l.*, or in the event of the reduction of the income tax for Great Britain, a penny in the pound being still kept up for Ireland, would in my opinion more than meet the deficiencies that would arise. The question has been mooted as to whether or not it would be desirable that Ireland should pay any loss that would be incurred. That is a matter, in my opinion, placed beyond all debate whatever. If any reduction is made in the fares in Ireland, or if the Government should engage in any scheme for the purchase of the Irish railways, whatever the loss may be in carrying it out, it should exclusively be paid by Ireland. If the Commissioners see their way to a scheme of this sort, for carrying out the purchase of the railways, and at the same time be satisfied that Ireland would pay the deficiency, there can be no doubt that they would effect a great good for the country by recommending this scheme to be carried out. With regard to this increase in the income tax of a penny in the pound, I have had communication with a great number of the gentlemen who have come from Ireland to give testimony here. I cannot tell, of course, what testimony they have given to the Commission upon this subject, but they told me without the slightest hesitation that they would pay the extra tax with the greatest satisfaction. Indeed, as a matter of common sense, they would do so, as, in fact, they receive a shilling on the one hand and pay back a penny on the other. If you reduce the taxation of the country by the amount of a million, and on the other hand ask the country to pay 100,000*l.*, it is perfectly obvious that there could be no question whatever upon the subject.

8507. (*Chairman.*) Put it in this way: suppose that your scheme, which of course cannot be tested by experiments except upon a considerable scale, fails in the working so far as this, that those lines at the reduced rates are worked at a loss, so that this extra taxation has to remain upon them; do you think that the Irish community would, in that case, be satisfied to continue to bear the burden of extra taxation upon that account?—I have not the slightest doubt on the subject; I am certain they would be perfectly satisfied; there is considerable misunderstanding about the lines that pay no dividends, as many people are of opinion that those railways in which the original shareholders get nothing, are therefore worthless There can be no greater error than that. Many of those lines which pay their original shareholders nothing, pay a large amount to the preference shareholders, and a considerable amount of debt. If all the shareholders were on the same footing, if the preference shareholders and the debt were all put together, they would all pay something, more or less. There is no line in Ireland, except those two or three lines that have been referred to, but pay more than their working expenses.

8508. (*Mr. Roebuck.*) How do you propose that the railways should be managed when Government acquire them?—I should manage them by a commission. I think that the management of public property in a country should always be in accordance with the feelings of the country. With reference to England it is quite a different affair. The ideas of the people of Ireland on the subject of Government interference are so entirely different from the feelings of the people of England, that the management of Irish railways must be treated quite differently from that of English railways.

8509. What appears to you to be the fundamental error of our railway system?—The fundamental error appears to me to be this, that you oblige the country to adapt itself to the railway system instead of adapting the railway system to the country; for instance, there are 300 persons, we will say, who wish to be carried between two points, from A to B. A commercial company looks merely to the point of profit, and says, "If we carry 100 persons at the highest paying price "the railway will pay 5 per cent.; if we carry 200 "persons at a much lower charge it will pay 4¼ per "cent.; if we carry 300 persons at a still greater "reduction in fares it will pay 3½ per cent." According to the system of this country, the directors look at the multitude; and according as they may find the greatest profit they carry more or less. Now when a company says, "We cannot afford to carry "those 300 persons, we carry them at a loss," they speak quite correctly; but that is a loss relatively, not a loss positively. Carrying the 300 persons they have only 3½ per cent. profit, but carrying the 100 persons it gives them a larger profit, it gives them 5 per cent. profit; therefore the fundamental error in our railway system appears to be this, that instead of adapting the railway system to the wants of the country, you make it merely a commercial speculation, the directors having the power to charge what fare pays best, without any respect whatever to the wants of the country.

8510. Do you think it reasonable that in a great scheme of this sort, in which the national credit is so

largely involved, the benefits should be exclusively confined to one part of the kingdom?—I think not. It would be exceedingly desirable that the benefits of the system of low fares and the use of the national credit to carry out that object should be applied to England, and also to Scotland. But we must take into consideration the feelings of the country. England is very strongly opposed to all Government interference whatever. They dislike it; and the great bulk of the people, it is said, would sooner pay double or treble as much, and have nothing whatever to say to Government interference, than travel at a very low rate with Government interference. If the question, however, of Government interference were fully and fairly brought before the English people, and if they could be made to understand that by the use of Government credit, but not by Government management, a very large reduction could be made in the fares and charges; if those who take the lead in public matters, and to whom the British public look up with confidence in their judgment and opinion, could see their way clearly to recommend such a change to the people, I believe that they would be very happy to adopt it. I suggested on my last examination, if the experiment of very low fares were made on a few lines, the result would throw great light on the subject. Take, for instance, the London and Blackwall line; it is the first I recommended for trial in 1844. What do we see there? We see the trains on that line, running for the last 20 years, through a densely populated and very poor district, travelling backwards and forwards, carrying one-fourth of the number which the trains are capable of carrying. Two years ago the London and Blackwall Railway Company made a reduction in their charges of about 30 per cent., and they certainly found that they did not gain anything by the transaction; but they also found that they did not lose anything by it. If those trains carried passengers at a low fare they would be filled instead of going comparatively empty. So in the same way, between Liverpool and Manchester, where the people never get an opportunity of travelling at less than 2*s.* 7½*d.*, whereas the cost of their conveyance only amounts to 1*d.* for each. Why should not they have an opportunity of trying the experiment? If this system is established, and if it is extended to Ireland, England ought to know what the benefit would be on a line where a sufficient number of people would travel to afford a fair opportunity of trying the experiment.

8511. (*Chairman.*) Have you any data upon which you rest as the basis of your hypothesis, that reducing the fares to one-third of their present amount you would treble the traffic?—No data exist, further than this, that where we see a large reduction made in the charges we see the public rushing in to travel.

8512. You have nothing to go upon beyond the general analogy of the reduction of the Customs duties and the reduction of the postage?—An occasional reduction of charges on railways is all. I have suggested that the Commissioners would select a certain number of lines upon which they would think it desirable that the trial of low fares should be made, so that at the end of two years, when you made up your report, you would have clear and distinct data to ascertain the result of very low fares. The data do not now exist. We are all groping our way in the dark, and at the end of the next 20 years, unless we do so we should be in the same position as we are now.

8513. You do not carry it further than that you think you make out a *primâ facie* case for the experiment?—Yes, that is all.

8514. Do you consider that if the experiment is to be tried with a view to the general introduction of your system if successful, you are not doing yourself an injury by trying it first in Ireland, which contains undoubtedly the poorest population and the least amount of traffic comparatively, and we may say also the least amount of industrial enterprise?—No, the difference is this, that in Ireland we do not intend to make merely the trial; we purpose, if once we obtain it, to adopt it as a remedial institution. The great benefit that I would anticipate to result from the experiment, and where it would probably be attended with the greatest success, would be between large towns with great populations, such as Edinburgh and Glasgow, and Liverpool and Manchester, and between other towns in Lancashire and Yorkshire, and such places. There is where I would anticipate the great success, but I frankly admit that there are no data to prove anything. I can only say what you all know, that in proportion as you reduce the charges, whether it refers to the customs or to the excise, or to travelling by railway, the same principle holds good, that a certain sum is required to make up the loss; at first I believe there would be a loss, the same as was the case in the post office and in every reduction of the same kind. I can only throw out a suggestion, that as proper legislation must, in my opinion, be founded on a correct knowledge of this most important matter, and it does seem that that knowledge can be acquired at a very small expense, I would submit to the Commissioners that it would be desirable if they could get that information.

8515. Quite admitting, for argument's sake, that you have made out a case for trying your system experimentally, do you not think it is rather premature to propose at the same time its adoption as a general and, as you say, as a permanent system for the whole of Ireland?—I do not see the force of the objection, if the Irish people who will be called upon exclusively to make up the loss, if it is carried out at all, (because if they refuse to pay for it then I would say that they should not have it,) are unanimous in wishing for it; if they say, "We are willing to take "upon ourselves the responsibility; we are willing "to pay the loss; we do not want to come upon the "English treasury for it;" then, I submit, that they ought to have it.

8516. That is to say, you contemplate the possibility of the Irish railway reform being carried on below cost price and at a loss, the difference being made up at the expense of the general revenue of Ireland?—No, it would not be carried on at less than cost price. You carry a traveller at the rate of a farthing a mile, you do not carry him at less than cost price; if you have a train moderately loaded you carry him at an enormous profit. For instance, in the case I have mentioned, when the London and North-western Co. carried 1st class passengers at a farthing a mile by fast trains to Manchester and back again, they made a profit on the transaction of some 200 per cent., because the trains were well loaded. They carried at a farthing a mile, which I consider an absurdly low price for 1st class passengers by fast trains, but they charged a farthing a mile, whereas I propose to charge five farthings a mile for the same kind of travelling; yet it cannot be denied that they had on the transaction some 200 per cent. profit.

8517. Do you or do you not admit the possibility of this scheme as applied to Ireland turning out so far a failure that it would entail a certain permanent loss which must be made up by taxation?—Not at all. I think it is possible that for a year or two there may be a loss. We can only form an opinion in this matter by general statistics, and if you refer to any one connected with railway management they will tell you as they have said in Ireland, and the Irish directors have spoken very fairly upon the subject, that for two or three or four years low fares entail a loss, but that they recover themselves, and the revenue amounts to the same. The Irish directors say, "We would charge these low "fares, but we have no right to sacrifice the interests "of our present proprietors for two or three years; "they would not submit to it. There would be "unquestionably a loss, and it would take full three "years before the revenue would recover itself."

8518. You contemplate, as I understand, that the Government should take and have worked by means of a board or a company, no matter which, every existing line in Ireland?—It is a matter of very little consequence how the measure is carried out in detail. If a company would take it, I should give it to a company

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at the reduced tariff I have drawn out, but I would not do so as a matter of choice. I would much prefer putting it into a commission formed of three able practical men,—men that the country would look up to with perfect confidence that they would do the thing correctly,—and that the Government should have nothing to say to the management but have a general control.

8519. Without going into details of management, do you or do you not propose that every line, good and bad, paying and non-paying, should be equally taken up and worked by this company or board, whatever it may be?—But there is no line in Ireland that is non-paying.

8520. (*Capt. Galton.*) You mean, do you not, that there is no line which does not pay its working expenses?—There is no line that does not more than pay its working expenses.

8521. (*Mr. Ayrton.*) Except one?—Except the Bagenalstown, that is the only line.

8522. (*Chairman.*) Do you believe that any Irish railways have been made through districts which are too poor to furnish them a paying traffic whatever the rates may be, whether high or low?—There is only one line that I know of in that condition.

8523. (*Mr. Ayrton.*) Before the Loan Commissioners closed that line did it not pay more than its working expenses?—The Bagenalstown line is the only line that I know of that did not pay more than its working expenses.

8524. It paid its working expenses, did it not, before the Government Commissioners seized it and shut it up?—I believe it did; but it afforded very little profit, at all events.

8525. The experiment could not be made, could it, unless the Government took the whole of the Irish railways?—No.

8526. Otherwise there would be a reduction of rates on one line against others remaining at their present rates?—Yes.

8527. You made a comparison with respect to the Blackwall railway, which you stated was a railway which conveys a poor population. Are you aware that the population through which the Blackwall railway runs is relatively the wealthiest population in England; that is to say, as an industrial population it is in receipt of the highest wages, probably, of any population of the same amount in England?—I know that there are a vast number of poor people in the district; and I also know that there is a vast amount of property in it.

8528. But, as regards the industrial population, is it not a population receiving a higher rate of wages, probably, than any other population in England; and so far from the profits of the Blackwall railway depending upon a poor population, does it not get its profits from a very active and well paid population?—If you state that from your own knowledge, as a matter of fact, of course it is so.

8529. I ask you whether you know the rate of wages, and whether it is not a high rate of wages?—I believe they are very well paid; but at the same time I am quite certain that they would prefer paying 1*d.* and 2*d.* to 4*d.* and 6*d.* My proposition would extend to every place.

8530. Do you know the class of population that use the Blackwall railway?—I have been frequently on that railway, and I know that the poorer class are to a great extent prevented from using it by the high charges.

8531. Therefore the railway is not supported by a poor population, as I understood you to suggest, but by a population that can pay very well?—No, the class who use the Blackwall railway are a wealthy enough class; but my object in directing attention to that railway is that it goes through a very densely populated district, and that there are a vast number of poor people who travel alongside the line, and who would willingly use it if the fares were at one third of the present charges.

8532. With regard to the travelling population, what do you conceive that the excess of the travelling population in England, as compared with Ireland, is based upon? Is it upon the greater amount of productive industry in England as compared with Ireland, or from what circumstance does it arise?—There are two circumstances; one is the greater wealth of the country in England, and the other is the high charges, as I have read such, on the different railways in Ireland.

8533. The proportion of the travelling population in England to the total number of inhabitants is much higher, is it not, than in Ireland?—No doubt it is much higher.

8534. To what do you ascribe that?—I ascribe it principally to the highness of the fares in Ireland compared with England, but more especially to the poorness of the population of Ireland as compared with that of England. In England excursion trains are much more frequent than in Ireland.

8535. Do not you think that it may be ascribed to the greater amount of industrial labour that is carried on in England than in Ireland?—That, no doubt, has a considerable effect.

8536. And to the greater amount of property per head of the population in England as compared with Ireland?—That is what I have stated.

8537. Do not you think that is the real element out of which the increased number of travellers in England arises?—Partly no doubt, and partly from the high charges in Ireland as compared with England; especially when we remember that the population of Ireland is exceedingly poor, and that the people of England, generally are, from their wealth, enabled to pay four times as much as the Irish people can afford.

8538. (*Mr. Roebuck.*) That is to say, that relatively the power of paying for travelling is all in favour of England?—Yes; it is all in favour of England, undoubtedly.

8539. And that where an Englishman can spend 4*d.* an Irishman can only spend 1*d.*?—That is putting the case exactly as I wish to do.

8540. (*Mr. Ayrton.*) Is not the relative necessity for travelling also very much greater in England than in Ireland from the nature of the occupations of the people and their being more largely manufacturing than is the case in Ireland?—I think that the Irish people would travel quite as much as the English people if the fares according to their circumstances were as low; but as was observed by the honourable member, 4*d.* to an Englishman is about the same as 1*d.* to an Irishman in the humblest class of life.

8541. Do you think that in order to arrive at a conclusion as to whether the fares are higher or lower, it would be necessary to go much further into an examination of the relative rates than you have gone, looking at the various charges upon the Irish and English railways?—No, I do not think it is necessary to go further into the charges, because I think that the charges should meet the wants of the population of Ireland without any reference to what England may want or may not want, and that they ought to be at one-third or one-fourth of the present rate. It is the wish of the Irish people that it should be so, and they are willing to make up any loss that might arise from the deficiency, if any loss should arise, which would not be more than for a year or two probably at most.

8542. (*Mr. Roebuck.*) The Commissioners are to understand that when you recommend that this should be done in Ireland, you do not recommend it as an experiment to test the truth or the value of your proposition, but you recommend it as regards Ireland, because the people desire it?—I recommend it as a remedial measure for the wants of Ireland. I do not recommend that it should be taken as a test of the experiment in England, because in England I am sure that the experiment, if I may so call it, would be far more successful than it could possibly be in Ireland.

8543. (*Capt. Galton.*) You consider that the con-

ditions of Ireland are peculiar?—Yes; I consider that Ireland is in a state of great distress at the present time, that she wants her resources developed; and when we find, that some remedial measure is necessary, and that all who have considered the subject have come to the conclusion that nothing could be a greater benefit to Ireland, that nothing would promote her welfare more in every respect than adopting a low rate of charge, both for goods and for passengers; and if along with that the Commission find from the evidence before them that the Irish people, of their own resources, without calling upon the State for a penny, are willing to make up the deficiency, whatever that may be, then I submit to the Commissioners whether or not they would find it consistent with their duty to recommend it to the Government.

8544. (*Mr. Ayrton.*) Can you state any one resource of Ireland of which the development is obstructed or retarded or prejudiced by the present railway charges?—I may state, for instance, the mineral resources of Ireland.

8545. Where are they?—In the county of Wicklow and the county of Waterford.

8546. What are they?—There are copper mines. We find from the statements that have been made, and from what I have heard in Ireland, that the charges are so high on the lines in those counties, that the traffic is not fully developed, that carts are employed on the ordinary roads alongside the railways owing to the excessive charges by railway; and the directors say that they cannot afford to make less charges than they do, and therefore the resources of the country are not fully developed.

8547. Do you mean that copper is now being carried in the country in carts because it cannot be carried upon the railway?—Exactly so, and ores of different kinds.

8548. Which could be carried on the railway, and is not carried on the railway on account of the high charges?—Precisely so, on account of the high charges.

8549. Can you state where that is the case?—I may state that I have a document at home which will prove what I say, and I will put it in.*

8550. (*Capt. Galton.*) You refer to the Wicklow mines?—Yes.

8551. Is not it the case that the Company who work those mines are paying a very high dividend indeed?—I do not know what dividend they pay, but I know from the statement that was made by the secretary, that the charges were so high that they could not develop the resources of the mines.

8552. (*Mr. Ayrton.*) Do you know the cost of cartage in Ireland per ton per mile?—I do not.

8553. Do you know that it is estimated at 6*d.* per ton?—I know it is very low, but I know at the same time that it can be carried on the railways at a twentieth part at what they cart it at.

8554. Do you know the rate for carrying copper ore on the railway?—I do not know any of the charges; I merely look at the broad fact that carts are employed in carrying alongside the railways, and that the railways can carry at a twentieth part of the cost of cartage.

8555. You were asked simply whether you could mention any particular industry which was impeded or obstructed or prejudiced by the present railway rates that are charged?—I say with regard to developing the mineral resources of the country.

8556. Do you know of anything besides copper ore?—I do not know anything with regard to the particulars of the mines. But I will state another case with regard to cattle. Anyone travelling in Ireland will see droves of cattle going alongside the railway; what is the cause of that? The reason is that the charges are so high that they are unable to send them by railway, and consequently they drive them along the road. One of the directors of the Midland Railway told me that his own cattle were driven to market or were driven on foot to the ports for exportation when he wanted to sell them, on account of the high charges that were made on the railway, and that he could send them a great deal cheaper on foot.

8557. (*Capt. Galton.*) Do you intend the purchase of those Irish railways to be a compulsory purchase?—There must necessarily be an Act passed before it can be carried out.

8558. To compel them to sell?—Yes.

8559. Upon the conditions which you have named?—Yes. Assuming they would meet with general assent from the parties interested.

8560. Do you propose that there should be a uniform tariff for both goods and passengers over the whole country?—Yes, a uniform tariff for both goods and passengers over the whole country.

8561. Without reference to water communication?—Without reference to anything. I would make a uniform tariff for passengers. I have already mentioned that it would be necessary to settle the tariff for goods according to the circumstances of each case.

8562. You are aware, are you not, that Ireland has already a system of water communication throughout the country which is very perfect?—I know that very well.

8563. It is more perfect than in England, is it not?—I know it is very good.

8564. And the roads?—Are likewise very good.

8565. Do you supplement the road and water communication by placing the railway system under Government as well?—I do.

8566. Your argument is based, is it not, upon the exceptional condition of Ireland?—My argument is based upon the exceptional condition of Ireland, and upon the fact that it would be a great boon for the country, and that it is wished by the Irish people, and that they are willing to pay any loss that might be incurred.

8567. How has it been ascertained that the Irish people are willing to pay?—I assume that before this project would be carried out it would be ascertained from the public feeling whether or not they were willing. I only speak from my communication with many influential gentlemen whom I have spoken to on the subject. I assume from that that they are willing. As a matter of course, if a project of this sort were proposed there would be such an expression of public opinion in Ireland on the subject as would put the question at rest one way or the other. I only go upon general grounds, that where the benefits would be so great and the contingent payment so small, there could be no doubt whatever as to the result of an appeal to the opinion of the people of Ireland; I consider it a matter of some doubt whether there would be in fact a necessity for any payment at all beyond this profit of 200,000*l.*, but in any case I consider that a direct tax would be only required for a few years.

8568. (*Chairman.*) But suppose that the result were that the people of Ireland expressed themselves very willing to have this reduction take place in the railway rates, and to have the railways transferred to the Government, but that they thought that the loss incurred ought to fall upon the whole United Kingdom, what would you say then?—Then I should not give it to them; certainly not.

8569. You think that as a matter of fairness it ought to be done at the cost of Ireland or not at all?—I think as a matter of fairness to all parties we are bound to look as much at justice to England and Scotland, as at justice to Ireland. If it should be found that the Irish people say "We want to travel at exceedingly "low rates, and we want to pay nothing ourselves, "but we want the English people and the Scotch "people to pay for us," I should think there could be no two opinions about it, and that the Government would never entertain a proposition of the sort. But speaking as far as I know from my personal knowledge

* Extract from the report of the meeting of the Wicklow Copper Mining Company's shareholders, from the "Irish Times" of October 30th:—"Mr. Geoghean, 'The carts carry the ore for miles to Arklow, and when they can compete with the railway it shows something rotten in the state of Denmark.'"

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on the subject, there would be no objection whatever on the part of the Irish people to pay whatever was necessary to indemnify the State.

8570. Of course it would be impossible for you to answer for the Irish people as to that point?—No doubt; I can only speak as any other private individual.

8571. (*Capt. Galton.*) You are aware that at the present time the railways work principally in connexion with certain ports of Ireland, and that the competition which exists is a competition for drawing the traffic to those particular ports. If the railways were under one management, and that a Government management, do you anticipate any difficulty arising from the different interests of the several ports being brought to bear upon the Government, in order to obtain additional facilities for the port with which they are connected?—No; I do not see any difficulty that could arise on that score, because, the rates being perfectly equal to every port, there would be no unfairness to one port more than another. It appears to me that one of the great objections to the present system is, that railway directors are enabled to favour one particular port at the expense of another, and thus frequently exercise a very unfair and prejudicial influence.

8572. If you had a uniform rate, independent of any competition by sea or water carriage, might not the result to some extent be, that the traffic between certain places upon which the revenue of the existing companies depends, might be seriously diminished?—That might be. But in carrying out a great scheme of that sort we cannot help those slight difficulties that may arise.

8573. If that traffic were diminished, would not it to some extent upset the calculations upon which you base your opinion of the receipts?—No, I do not think so, because it extends over the whole of Ireland, and the deficiencies in one place would, I consider, be made up by the over proceeds in another place.

8574. But in fixing the rates between different places you would pay no attention to any competition which existed by other means of communication?—None whatever; I would have the same rates to every place, and give no favour to one party more than to another. It would open a door to great abuse, any departure from a uniform system.

The witness withdrew.

Adjourned.

The following statement was afterwards handed in by the witness:

IRISH RAILWAYS.

GOVERNMENT PROFIT and LOSS ACCOUNT by the adoption of the low scale of fares and charges on goods as given in evidence.

Dr.	£	*Cr.*	£
To loss on passenger traffic	200,000	By profit on class of railway No. 1	95,000
To loss on goods traffic	100,000	By profit on class No. 2	34,000
To interest on 1,000,000*l.* at 3½ per cent.	35,000	By profit on class No. 3	11,000
To balance	15,000	By profit on the amalgamation of the railways under one management	110,000
	250,000		250,000

By balance 15,000*l.*

Tuesday, 28th November 1865.

PRESENT:

SIR ROWLAND HILL, K.C.B., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
GEO. CARR GLYN, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. LORD STANLEY, M.P., F.R.S., IN THE CHAIR.

Mr. W. T. Cox, M.P.
28 Nov. 1865.

Mr. WILLIAM THOMAS COX, M.P., examined.

8575. (*Chairman.*) We understand that you attend here as one of the members for Derby, and on behalf of the Derby Chamber of Commerce?—I do.

8576. Are you yourself a lead merchant?—I am.

8577. And you have been some time a member of the Chamber of Commerce?—Yes, since its commencement.

8578. Have you any information to give the Commission with regard to the rates of freight charged by the Midland Railway Company?—I have; we in Derby complain of the unequal rates that they charge.

8579. Will you state to the Commission first from what places, or to what places, those unequal rates are charged?—For instance, if we want to send goods from Derby to Newark, which is only 33 miles, they charge us 10*s.* a ton, and they will carry from Birmingham, which is 75 miles, for 18*s.* 4*d.* a ton. At Birmingham sheet lead and lead pipes are manufactured, which come in contact with our business, so that we pay seven-eighths of a penny more than we do from Birmingham for a greater distance. They will carry from London, a distance of 142 miles, at 25*s.*, and that is less than the Derby charge, and that is only 3*d.*

8580. What is the practical effect of that inequality in the charges?—That we do not get such a bulk of orders as we otherwise should do. Sheet lead, lead pipes, and composition pipes, are articles on which there is very small profit; they sell them for a mere discount, sometimes, if it is a very large order, and the consequence is, that we must either send them for nothing, or else leave the order altogether.

8581. The articles are bulky, and the cost of conveyance is considerable, and therefore, I suppose, a very slight difference in the cost of conveyance may transfer the business from one locality to another?—Just so; and 2½*d.* or 3*d.* is almost all the profit sometimes, so great is the competition occasionally.

8582. Have you found yourself prevented from entering into competition in certain districts by this inequality of charge?—We have; we have been prevented from sending goods on account of the inequality of the charges, and also on account of the very extraordinary delay that occasionally we have to complain of. To Manton (for Uppingham) the Midland Company will convey goods from Birmingham, a distance of 93 miles, for 17*s.* 6*d.* per ton, whilst the rate from Derby to the same place is 20*s.* for only 51 miles. That quite precludes us from sending certain articles there in which a large trade is done.

8583. Have you any other instances of the same

kind that you could mention?—Yes; I have a very remarkable case to mention from Ambergate to Derby. I cannot understand this at all; from Ambergate to Derby is only 10½ miles, and they charge us 8*s.* 4*d.* per ton, whereas they go from Ambergate to London, 157 miles for 12*s.* 6*d.*; and I believe it is because of the competition; they get on to the Grand Junction canal, which will take goods. From Matlock to Derby, which is only 16½ miles, they charge 16*s.* 8*d.*,* and they go from Matlock to London for 14*s.* 10*d.* That is a serious thing to us, because the greater bulk of our pig lead comes from that district, and consequently those London gentlemen can get it considerably less, amounting to quite a small profit on their freight.

8584. (*Mr. Ayrton.*) Do you mean that they carry it from Matlock to London for 14*s.* 10*d.*?—Yes; from Matlock to London is 143 miles, and they carry it for 14*s.* 10*d.* per ton, and from Matlock to Derby, which is only 16½ miles, they charge us 16*s.* 8*d.*†

8585. (*Chairman.*) Have you any other cases that you would wish to mention?—There is another thing that I complain of. We frequently have an opportunity of buying large quantities of pig lead from Newcastle and the North, but the freight very frequently drives us completely out of the market, we cannot manage it; they charge us 16*s.* 8*d.* a ton for it. On inquiry I find that it is 171¼ miles from Newcastle to Derby, and they charge 16*s.* 8*d.* a ton, and that is a special rate, and they will carry coke 182 miles, coming through Derby to Burton, for 10*s.* The coke trucks are considerably more costly than pig lead trucks, because if they throw pig lead about as much as they like and bend it as they like they cannot injure it, provided they do not steal it, because it is all put into the pot and melted as soon as it comes. They come through Derby with coke trucks. I sent down to them once or twice upon the subject, but they would not make any difference. We buy 200 or 300 tons of pig lead when we can, on purpose to keep these Derbyshire gentlemen, the smelters, in a little order, and I went to the Company and said, "I have a "couple of hundred tons of lead bought at Newcastle, "why cannot you bring it to Derby at the same "price as you take on coke to Burton, 11 miles "farther?" And they said that it was a rule which they had laid down, and which they would not alter. I said "I cannot understand what difference it can "make, if you will hang a couple of trucks on to a "train, and bring it when you like, and how you like, "and take them off as you go through Derby, and "leave them there;" but they would not have anything to say to me.

8586. Then I understand you to complain not merely of unequal rates as between one place and another, but of unequal rates also as between one class of goods and another?—Just so. I have nothing to do with coke the least in the world; I only meant to say that they do go to Burton with coke at the rate I have mentioned.

8587. (*Capt. Galton.*) What do they charge to go to Burton with coke?—10*s.* a ton, and the pig lead is much better carriage as far as that goes. But I should say that the explanation was, that they have regular coke trucks, and they have a coke train, which runs, I think, once or twice a week; but then, as I said before, I do not see when there are a couple of hundred tons of pig lead to come why they should not put it in one of their trains and bring it to Derby.

8588. Have they not to take more precautions with lead than they have with coke, for fear of its being stolen?—No, not so much; because a pig of lead weighs 1½ cwt.

8589. (*Sir R. Hill.*) Have you ever offered them a full train of lead?—I have offered 200 tons to bring how they liked, I believe that the trucks carry from five to six tons, but they would not make any difference. When I had an offer of buying those 200 tons, I sent down to say, "I can buy 200 tons of pig lead "in the North, and I hope you will make some "difference in your price, and you may bring it "when you like," but they would not make any alteration.

8590. (*Chairman.*) Do you contend that in every case the price paid for the transport of goods should be proportionate to the mileage?—I think it ought to some extent.

8591. Would you lay down that rule irrespective altogether of the cost of working the line, and irrespective also of the quantity of traffic upon the line?—I have not thought the matter over; I think that that is somewhat a difficult question to answer. I do not understand the value of making those lines, but I know that they are very expensive, and some lines are a great deal more expensive to make than others.

8592. But you complain of unequal rates as between one locality and another as an injustice, and I wish to ascertain what, in your opinion, and in that of those gentlemen with whom you are acting, would be a just mode of charging?—I have thought the matter over a good deal, and I think that if they charged so much a mile, we will say a penny a mile, I do not pretend to know whether it would pay them or not, but I think if there was some general rate per mile, it would be very much more satisfactory.

8593. Then if one line had been made through a very difficult country with a great deal of embankment, tunnel and cutting, and through very valuable property, and therefore at great cost, and if another line had been made upon a level, the land being obtained very cheaply, so that the cost per mile of that line was not one-half of the cost of the other, do you think that they ought to be made to charge an equal mileage rate upon both?—I do not know, I think it would hardly be fair; but if they are competing routes they must do as well as they can.

8594. Put it in another way: suppose that upon one line there is a great quantity of traffic so that every train goes full, or nearly full, and that the line is in constant work, and suppose that upon another line there is very little traffic, not more than ten or a dozen trains in the course of a day, do you think that upon the line where the traffic is much less, the directors would not be justified in charging higher in order to recompense themselves for the smaller amount of traffic that they had to carry?—I think they would, but if it failed in that way I think they should not have cut the line at all, unless they could by their charges ensure traffic.

8595. You put it in this way, that you do not complain of unequal charges between place and place, but you think that the inequalities in this case are not justified by circumstances?—Exactly, that is what I think. When they charge the same for 90 miles as they do for 59 miles, for instance, I think that is a thing which we ought to complain of. From London to Stamford, where we send goods, they charge 20*s.* a ton; Stamford is 90 miles from London, and it is only 59 miles from Derby, but they charge the same price. It is also 100 miles from Birmingham, and I suppose there is some line that comes in competition with them there, for although it is farther than from London, they only charge 17*s.* 6*d.*

8596. (*Mr. Leveson Gower.*) Do you consider that the charges which the railway companies make are those which are the most profitable to themselves, or do you think that by any change of charges they might obtain a better profit?—I think they might. My impression is, that if they would be more equal in their charges they would do better, but they manage it themselves, and it is an awkward thing to interfere with the directors of a railway; they either do know or ought to know their own business.

8597. Do you not think that the right principle for them to act upon is that they should make those charges which return the greatest profits?—Yes, certainly; no doubt of it.

* The witness afterwards corrected this sum to 11*s.* 8*d.*

† See note to Qu. 8583.

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8598. Do you not imagine that those unequal rates are guided by that principle ?—I think so.

8599. Supposing I have a choice of means of getting to a place, is not the service conferred upon me by taking me to that place by one of those means a less service than if it is my sole means of getting to that place ?—Yes, I think so.

8600. Therefore where there is no competition the service is greater ?—That is so.

8601. Is not it a right principle that services should be paid for according to their value ?—No, I do not think it is.

8602. Therefore you think that where there is competition unequal rates is a right principle to go upon ?—I myself should wish to have them all equal, if we could possibly manage it ; I mean, considering the distances, we should like to fall back to an equal mileage rate.

8603. That would be a considerable loss to the railways, I suppose you admit ?—I am not able to say whether it would or would not.

8604. Have you not taken into consideration how the railways would be affected by the change which you have proposed ?—No, I have not done that. I will give you another instance of inequality. From London to Peterborough is 110 miles, and 19*s.* 2*d.* is the charge for that distance, but if we want to send from Derby to Peterborough they charge 20*s.*, and it is only 73 miles.

8605. (*Capt. Galton.*) That is because there is no competition, I presume ?—Yes.

8606. Is there any competition between Newcastle and Derby for the pig lead you were speaking of ?—I think not.

8607. Is there any competition between Derby and any town that you are aware of ; have you an alternative line of railway between Derby and any other place ?—No, we cannot get out of Derby excepting on the Midland Railway.

8608. Therefore you have not the benefit of competition ?—Not at all. We cannot say, "If you will "not take us the Great Northern will," because the Great Northern do not run into Derby.

8609. Have you any water communication at Derby ?—Yes, but they have bought it up.

8610. Is it in the hands of the Midland Railway Company ?—Yes, they bought the canal.

8611. (*Mr. Leveson Gower.*) Is Derby connected with any other system except the Midland system ?—No, it is not.

8612. Have any attempts been made to connect it with any other system ?—Yes, there have been, and there is a line projected now. The London and North-western Company are trying to get into Derby if they can, and there is the North Staffordshire, but then they run into the Midland.

8613. (*Capt. Galton.*) You consider that in conveying goods to and from Derby you have to make up by paying high rates for the loss caused upon low rates between places where there is competition ?—I expect so.

8614. (*Mr. Ayrton.*) Have you any reason to suppose that any of those variations of rate result from the desire of any of the railway companies to favour any particular trader ?—No, I do not think I have, unless it is those Burton gentlemen ; I think they certainly favour them with regard to coke from Newcastle, but I think that is the only thing.

8615. My question had reference to the lead trade ?—No, I am not aware that they wish to favour any one that is in the lead trade.

8616. Those rates are fixed, are they not, entirely upon considerations independent of the position of any person in the trade ?—Yes, they are.

8617. Entirely with the railway companies in what they consider their own interests in the conduct of their own business ?—Yes, I believe so.

8618. Just as you fix your rates to make the best you can of your business ?—Exactly ; we make the best we can.

8619. You have stated one case of a charge of 16*s.* 8*d.** for 16 miles between Matlock and Derby ?—Yes, I have. From Matlock to Derby is 16½ miles, and they charge 16*s.* 8*d.** for lead.

8620. By what line is that ?—That is the Midland entirely.

8621. What are their Parliamentary rates ?—I do not know.

8622. Must they not have special Parliamentary rates, to be able to charge 16*s.* 8*d.** for 16 miles for lead ?—I do not know.

8623. Have you not inquired as to that ?—I have not.

8624. Do not those inequalities result, as a rule, from the railway companies reducing their rates below the rate which is stated in their Acts of Parliament as a rule ?—Yes, I think they do.

8625. If companies all charged the full rate that is fixed by their Acts of Parliament as the rate that they may charge, would not the rates in the cases which you have mentioned, with the exception of Matlock and Derby, be probably very much higher ?—I am not able to answer that question, for I have not looked into that matter. I do not know what the Act of Parliament allows them to charge.

8626. How would you arrive at any system of uniform rate ; would you prevent a railway company reducing the rate that might be allowed in its Act of Parliament ?—If I thought that a rate was very excessive, I should like to prevent them from charging it.

8627. I understand you to suggest that you would like to see a uniform rate ?—Yes.

8628. Having a fixed and uniform rate in the Act of Parliament, would you prevent any railway company reducing that rate if it thought fit ?—No, I would not.

8629. How would you arrive at a uniform rate ?—That is a question which I think is very difficult to answer. I do not know how to answer it.

8630. You propose to the Commissioners to do something ; I want to know from you how it is to be done ?—If it is to be done by Act of Parliament, of course you must go thoroughly into all the charges, and lay the rate on as equally as you can ; and if you can arrive at a uniform rate of so much per mile, I think it would be very satisfactory.

8631. Can you explain to us how we are to preserve a uniform rate of railway charge in this country except we prohibit railway companies from reducing their rates ; because you stated that the inequality arises from the railway companies reducing their rates below those fixed in their Acts of Parliament ?—I do not know how you would be able to do it.

8632. (*Sir R. Hill.*) Do those charges which you have stated include the collection and conveyance of the lead to the railway at Matlock ?—No, the goods are carted down to Matlock by the senders.

8633. The cost of cartage is not included in that 16*s.* 8*d.** ?—No, the cost of cartage is not included in the 16*s.* 8*d.** I think that the cartage is not included either at one end or the other.

8634. (*Mr. Glyn.*) Can you divide this charge of 16*s.* 8*d.** from Matlock to Derby, and tell us how much is paid for terminal charges, and how much is paid for freight on the railway ?—I cannot.

8635. You do pay a terminal charge at Derby, do you not ?—Yes ; they bring the lead and deliver it on their wharf or their station, and we send our teams to fetch it away.

8636. You cart from the station ?—Yes, we cart from the station.

8637. But what portion of the 16*s.* 8*d.** is charged for the use of the station itself, what they call terminal charges ?—I am sure I do not know.

8638. Did it never occur to you that charging the 16*s.* 8*d.* if it is the freight upon the railway is more than they are allowed to do by the Act of Parliament ?—No, it never did.

* See note to Qu. 8583.

8639. (*Capt. Galton.*) Do they cart the lead for you?—No, we cart it ourselves from the station.

8640. And yet they charge you 16*s.* 8*d.** for going 16 miles?—Yes.

8641. (*Sir R. Hill.*) Have you not consulted the Act to see what is the maximum charge they are allowed?—I have not.

8642. (*Mr. Ayrton.*) Do you in any case know what is mileage rate and what terminal rate, or do you get a gross charge merely?—Merely a gross charge.

8643. (*Sir R. Hill.*) I think you stated that the charge from Matlock to London is less than the charge from Matlock to Derby?—Yes, less comparatively.

8644. Would not lead when being conveyed from Matlock to London pass through Derby?—Yes, it would.

8645. And are you quite sure that the total charge is less from Matlock to London than from Matlock to Derby, which is only a small portion of the distance?—I am as sure as I expect one can be; I believe what I stated to be perfectly correct.

8646. (*Mr. Glyn.*) I think you also stated that between Derby and Newcastle the charge is 16*s.* 8*d.* per ton; that is composed, is it not, of the charges of two railways, it is not the Midland Railway all the way; do you know the proportional charges by the different railways?—No, I do not.

8647. (*Sir R. Hill.*) Is the comparatively low charge from Derby to London the result of competition?—Yes, there is a canal; and the principal lead smelter, Mr. Wass, who raises more lead than anybody else in the district, was annoyed I believe at the charges which they made for carrying his pig lead to London, and he in opposition said that he would have no more to do with them, and he set up boats and he sends his lead to London in his own boats.

8648. (*Mr. Glyn.*) You have never tried the canal yourself, have you?—Mr. Wass sends his lead to Derby for us by canal.

8649. (*Capt. Galton.*) What canal do you refer to?—It comes from Matlock to Derby; it is the Grand Junction, I think.

8650. (*Sir R. Hill.*) Did not you say that the canals from Derby belonged to the railway company?—One of them.

8651. Then there is competition, is there not, from Derby in certain directions?—There is, by water.

8652. Is there no water conveyance between Matlock and Derby?—Yes, there is a canal; that is how Mr. Wass sends his lead down. We have the greater part of his pig lead sent by his own boat; we buy it delivered in Derby, and he sends his own boat with it.

8653. (*Mr. Glyn.*) Do you happen to know the charge from Derby to London by canal?—I do not.

8654. (*Chairman.*) Do I understand you to say that there have been any remonstrances or complaints made to the railway authorities on the subject of those unequal rates?—We have complained, but the answer was that they could not make any alteration.

8655. (*Mr. Ayrton.*) Do you suggest that the classification of goods should be changed, so that all goods should be charged at one uniform rate per ton without reference to their value or quality?—No; that would not be fair at all.

8656. With regard to lead and coke, you would suggest that it should be so?—With regard to heavy goods of this description, such as lead, coke, and iron, I think that they should charge the same rates, but they make a difference in the rates; for instance, they make a difference in the carriage of shot, under the idea that that is a more perishable article than lead, and they charge us considerably more for shot, but it is very easy carriage, and I do not know why they should charge more for it, but they do. It is true that if shot gets wet it is damaged, but with common care they can carry it very well.

8657. You object to some extent to the present classification of goods?—Yes; we put the shot into casks for them sometimes, and they do not know what it is.

8658. You are bound to declare, are you not, the contents of the cask?—No, we call it a cask of lead. If they find out afterwards that there is shot in it they make us pay an extra charge, it is true.

8659. (*Capt. Galton.*) Is shot charged higher than lead?—Yes, it is, because they look upon it as a perishable article; but the only thing that can damage it is wet; if it gets soaked with rain it takes the polish off it, it does not destroy the nature of the lead, but gentlemen do not like to see it discoloured.

8660. (*Mr. Ayrton.*) You think that lead in a manufactured state should be re-classified?—Yes, I think it should.

8661. So as to bring it within a cheaper class?—Yes. I do not believe that any article of lead manufacture with the exception of shot can be injured in the carriage, and that with very little pains any injury could be guarded against; they have always plenty of tarpaulins just to throw over the bags.

8662. (*Capt. Galton.*) Do they cover pig lead with tarpaulins?—No, it is not necessary; hail, rain, or snow would not injure it, because it is melted when we get hold of it, we throw it into the copper and melt it immediately.

8663. Could not it be thrown out of the truck and stolen, do you think?—There are such things done.

8664. Has not it to be conveyed in a closed truck?—No, it is conveyed in a common gravel truck. They do steal shot occasionally; a bag of shot of 28lbs. or 14lbs. is very easily stolen; rogues could get hold of them, but that is the only thing which I think they could readily steal.

8665. (*Chairman.*) Is there anything else that you would wish to state to the Commissioners?—I have to complain of the delay of goods in different places. The delay in the transit of goods on some of the Midland Company's branch lines is a serious inconvenience to customers, and in some cases leads to a transfer of their orders to other towns where the goods are obtained in less time. Such is the case on the Peterborough and Syston line; goods from Derby to Melton and Oakham, distant only 34 and 45 miles respectively, frequently occupying five or six days in transit, whilst from London, more than double the distance, a day or two is sufficient. The consequence is that if any person on that line has a heavy contract and wants the goods down in a hurry he sends off to London for them, because he says, We are a week in getting them from Derby, which is only 45 miles. I do not know how they do it; they shunt them about very much, but they have a great deal upon their hands and we must make allowances for them. I have not come here to pull them all to pieces, only I consider they ought to be a little more conciliatory and change the rates to us.

8666. (*Mr. Ayrton.*) Are the Commissioners to understand you to say you think that the law is defective in not giving the freighters sufficient power to ensure speedy delivery?—I do not think that the law has anything to do with it. We can hardly touch them by the law upon that point. It is their own neglect, they will not send trucks with goods unless they have got a full load. I expect that they want to put so many trucks in a train, and I have no doubt that their calculation is in this way,—We must have so many trucks loaded to pay us for this distance, and if the trucks do not get loaded they will not send them.

8667. Would they not send them in any way that you prescribe if you paid a rate proportionate to the service you require?—We never asked such a thing as that. We say, We want these goods to go to Peterborough, and we send them down, but we cannot tell whether they are gone or not. We are very much annoyed sometimes when people complain that they have not got them, and they are five and six days in going 45 miles.

8668. (*Mr. Glyn.*) You are alluding now, are you not, to traffic at certain bye stations?—Yes, and

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we ear they don't care what inconvenience they put us to.

8669. You say that they wait until they make up a load?—Yes, I may say that I am a small farmer and I exhibit at Birmingham and London fat cattle. I am not going to exhibit this year for fear of the rinderpest, but I have done so in former years. Last year the Midland Company were nearly the death of one of my cows and I could not get any compensation from them. They assured me that she would go, but they shunted her down by the river side and there they left her for six hours standing. They said they were very sorry, and that the trucks did not load as they expected, and there this poor beast which I had shut up like a racehorse was starving to death.

8670. (*Mr. Ayrton.*) Are we to understand that in all the cases that you have mentioned there have been the same circumstances as regards the quantity of goods conveyed, that is to say, either that you have been speaking of full trucks or of quantities that come within the same rate of charge?—Yes, just so.

8671. (*Capt. Galton.*) Do you consider that a railway company should be bound to deliver goods within a certain time if they declare that time when the goods are put into their hands?—I think that they should, the same as with regard to the time table; when you get into a train and leave Derby at such an hour you expect to be in London at the time mentioned in the time table.

8672. If goods are not delivered within that time you propose that the Companies should be subjected to pay some compensation?—I think they ought indeed, because they are very particular if we do not fetch our goods away from them in charging us demurrage.

8673. Therefore you consider that they also ought to pay demurrage if they do not deliver goods?—I think they ought, indeed.

8674. (*Mr. Ayrton.*) If they gave you a warranty as to time, would you not on commercial principles expect to pay something for the warranty?—No; I do not see why we should; if they have it down in their time table that a train should start at such an hour it ought to go.

8675. If you sell lead pipes with a warranty for a particular service would you not make a higher charge than if you sold lead pipes merely without a warranty?—I never sold anything of that kind. Does the honourable gentleman mean that the lead pipes would be inferior?

8676. Would you not if you warranted them for a special service, to bear a special pressure, charge a higher rate than if you sold the pipes generally without a warranty?—No, because it is just the same principle as the railway tables. We send out a list of pipes of such and such a strength to the yard.

8677. (*Capt. Galton.*) You think that the company should be bound to deliver things within a reasonable time, and that they should name what that reasonable time is at the time that you put the goods on board the train?—Yes. If they start at 9 o'clock in the morning to go 45 miles, they ought to be certainly there the same day.

8678. All that you desire, as I understand you, is that they should say to you before-hand, We will undertake to deliver within a certain time; and if they name that time they should adhere to it?—Yes; I think that is only right and fair.

The witness withdrew.

Mr. J. Renals.

Mr. John Renals examined.

8679. (*Chairman.*) You come here, do you not, at the request of the Derby Chamber of Commerce?—I do.

8680. You are a member of that Chamber, are you not?—Yes.

8681. And have been, I think, for some time?—From its formation.

8682. Are you a wholesale grocer?—Yes.

8683. I need not ask you, therefore, whether you have had a great deal of experience of the accommodation which the railway affords for the carriage of goods?—For the last 11 years as a principal, and for nine years before as a traveller, making 20 years together, I have had experience and knowledge of the Midland Railway Company.

8684. We understand there are some complaints among the traders of Derby against the Midland Railway Company; will you state to the Commission what those complaints are?—The first complaint is this, that the Midland Railway charge for first-class merchandise 23*s.* 4*d.* per ton from London to Derby, a distance of 127 miles, while they carry the same goods to Sheffield, a distance of 162 miles, for 17*s.* 6*d.* per ton. I should like to remark now that the railway companies classify all goods in the way in which the old stage carriers did, into first, second, third, and fourth classes. The first class are the heaviest goods that we receive, such as sugar, fruit, rice, soap, vinegar. I am speaking now of first-class goods only.

8685. (*Capt. Galton.*) Do the first class consist of the more perishable kind of goods?—No, just the reverse.

8686. Is not fruit perishable?—Not ordinary fruit, such as dried foreign fruit, currants and raisins, which come packed in barrels.

8687. (*Sir R. Hill.*) Are the charges for first-class goods the highest or the lowest?—The lowest.

8688. (*Mr. Ayrton.*) Are you quite sure that sugar and matters of that sort belong to the first class?—Yes. The charge to Chesterfield, which is 150 miles from London, is 20*s.*, that being 3*s.* 4*d.* less per ton than it is to Derby for the same class of goods. The population of Chesterfield is 9,800, and the population of Derby is about 45,000, yet the Midland Company exact from us 3*s.* 4*d.* per ton more from London than they do from the same traders in Chesterfield.

8689. (*Chairman.*) Is that in consequence of there being competition upon one line and not upon the the other?—There is no competition to Chesterfield.

8690. Derby is rather peculiarly situated in that respect, is it not?—There is no competing line which touches it?—None.

8691. You are entirely in the hands of the Midland Company?—Entirely so.

8692. (*Capt. Galton.*) Do you know why the charge is less to Chesterfield than to Derby?—I do not.

8693. (*Mr. Glyn.*) There is no competition to Chesterfield?—No.

8694. Then Chesterfield is exactly in the same position as Derby with regard to competition?—Precisely so.

8695. (*Sir R. Hill.*) Is the service the same at Chesterfield and Derby as regards cartage to and from the railway?—It is fair to suppose that it would be in favour of the smaller town rather than of Derby.

8696. Do the company do the cartage in both cases?—Yes, in both cases; I am now quoting the rates, cartage included.

8697. (*Mr. Glyn.*) Do they make the same charge for cartage at both places?—I cannot say the rate for cartage; it is not given to us separately. The rate for the same goods to Leeds from London, a distance of 192 miles, by the Midland Railway Company is 21*s.* 8*d.* which is 1*s.* 8*d.* per ton less than we have to pay in Derby. Of course there is competition to Leeds. I may mention that the rate from Bristol to Derby for first-class merchandise from the year 1857 until January this year was 22*s.* 1*d.* per ton for a distance of 136 miles. The charge to Chesterfield, a smaller town, during that time for a distance of 160

miles was 20*s.* per ton; and the charge to Sheffield, 172 miles, is 17*s.* 6*d.* per ton, with no competing railway, no water conveyance, and the goods must pass through the Derby Station to go both to Chesterfield and Sheffield. I would observe that in consequence of what transpired at a meeting of the Chamber of Commerce in Derby the rate from Bristol to Derby has been reduced to 20*s.* 10*d.*

8698. (*Mr. Glyn.*) Has that been done in consequence of your representations?—We conclude so.

8699. (*Sir R. Hill.*) Are you now giving us the reduced rates?—I am giving the present rate in every case, with the exception of the rate from Bristol to Derby, which I now state was reduced in January from 22*s.* 1*d.* to 20*s.* 10*d.*; but it is still 10*d.* per ton more than to Chesterfield, and 3*s.* 4*d.* per ton more than to Sheffield, although you will observe the distance is something more than 36 miles more, and there is no competition.

8700. (*Mr. Glyn.*) The line from Derby to Bristol is entirely in the hands of the Midland Railway Company, is it not?—Yes, it is; it is narrow gauge all the way now.

8701. (*Chairman.*) What do you consider to be the proper mode of charging; you have told us what you consider to be an unfair mode of charging; do you think that there ought to be a uniform rate for the same distance in all cases?—I will give an instance of the way in which we are charged at present by the Midland Company. The natural position of Derby is entirely ignored, that is to say, Derby possesses this advantage over perhaps any other town in England, that we are at about an equal distance from London, Bristol, and Liverpool, where sugar is largely manufactured. Supposing we allow for first-class merchandise 5*s.* per ton for terminal charges, and $1\frac{1}{4}d.$ per ton per mile for the carriage of it, that I apprehend would leave a very handsome profit to the Midland Railway Company, or to any other railway company.

8702. Do you mean 5*s.* at each end?—No, 2*s.* 6*d.* at each end; the total being 5*s.*

8703. (*Capt. Galton.*) Is that to include cartage?—Yes, that includes cartage; in that case we should have to pay 18*s.* 3*d.* per ton, and Sheffield 21*s.* 10*d.*; thus maintaining Derby in the position which it formerly occupied. I may remark now that it would be much better if railway companies generally were simply to have two classes of goods, a first class and a second class, only. The rates from London to Derby are for first-class goods, 23*s.* 4*d.* per ton; second class, 27*s.* 6*d.*; third class, 37*s.* 6*d.*; and fourth class, 50*s.* I think that two rates would meet the case, and would enable the Company to get a fair income. If upon the second rate levied for merchandise the allowance was 7*s.* per ton for terminal charges, and 2*d.* per ton per mile for the carriage, the charge to Derby in that case would be 28*s.* 2*d.* per ton, and to Sheffield, 34*s.* per ton.

8704. What is the rate now to set against that?—We have four rates, and in one case as high as 50*s.*

8705. And in no case lower than 23*s.* 4*d.*?—The lowest rate is 23*s.* 4*d.*

8706. (*Mr. Glyn.*) Do you include in the fourth rate silk goods and things of that sort?—I am only speaking of my own trade, and in the fourth rate is included the article of nutmegs. At the time that this Act of Parliament, the Carrier's Act, was passed, I have no doubt that nutmegs would be worth 8*s.* or 10*s.* a pound, whereas now they can be bought for 1*s.* a pound; and the company really carry in what is called first-class merchandise, on which they charge 23*s.* 4*d.* a ton, many articles of higher value than that which they charge us 50*s.* for, owing to the alterations in the duty and the value.

8707. You think that there ought to be a re-arrangement and classification?—Yes, there should be by all means.

8708. (*Capt. Galton.*) You suggest that there should be only two classes for the goods of all descriptions in which you deal?—Exactly; two rates instead of four rates.

8709. (*Mr. Glyn.*) When you speak of 7*s.* for terminals, that is as between Derby and London, I presume?—That would be terminal expenses including carting at both ends.

8710. Would you not allow something more for London than you would for Derby?—I apprehend that they would get the work at Derby done for about 1*s.* 6*d.* per ton.

8711. The deliveries in London are so extensive that of course you allow a higher rate there?—I am allowing 5*s.* for first-class merchandise, and 7*s.* for the other, and I think that would be ample. I should like to state that the success of my business has been seriously interfered with owing to the arbitrary and exacting rates of the Midland Railway Company. I selected Derby 11 years ago to commence business in, without knowing any person to speak to. I had a connexion in the Peak of Derbyshire which I was not able to make any use of, in consequence of the much lower rate to Sheffield than to Derby, although we have railway accommodation from Derby to Bakewell, which is what we term the capital of the Peak, and there is no railway from Sheffield to Bakewell excepting by a roundabout route. In the face of the difference of rate between 23*s.* 4*d.* and 17*s.* 6*d.* I could not attempt to go up there to carry on a legitimate trade, having to pay something like 35 per cent. more per ton for carriage than my opponents in Sheffield would have to do.

8712. (*Chairman.*) Does not that arise from the accidental circumstance of Derby being served by only one single railway company?—That has much to do with it, I believe. We have tried to remedy that state of things; we have petitioned for other railways.

8713. If any rival line came into the town, do you not think, judging from the experience of other places, that as a matter of course those fares which you complain of would be reduced?—I think so.

8714. (*Mr. Leveson Gower.*) Has the House of Commons rejected any bill for connecting Derby with another system than the Midland system?—I think last year they rejected a line which was proposed to connect Derby with the Great Northern.

8715. At Nottingham?—Between Derby and Nottingham.

8716. (*Mr. Ayrton.*) Can you give the Commissioners any information as to how any remedy is to be found for the evils of which you complain?—It will be in the recollection of some of the Commissioners that formerly third-class passengers were carried in open tubs just like cattle. Parliament then, I think very wisely, interfered, and compelled railway companies to carry those passengers in covered carriages, and I think that Parliament could very well now say to those railway companies when applying for additional powers, and that they ought to say, "You shall carry goods at a certain rate per ton per "mile, and you shall have a certain rate for your "terminal charges," and if they are not satisfied to take that, I apprehend there are plenty of parties who would be able to take to the railways, and pay their shareholders fair dividends, and work them upon favourable terms for the public.

8717. Parliament has said that already to the companies with regard to their rates, have they not?—I believe not.

8718. Are you not aware that in all Acts of Parliament granting the right to make railways certain rates are prescribed precisely as you have explained with regard to the third-class passengers?—I apprehend that when railway companies first apply to Parliament for powers, the rates would simply be the rates by road or by canal, and they would be fixed in all probability upon those amounts.

8719. Still Parliament prescribes certain rates upon bases which had been formerly fixed with regard to road undertakings and canal undertakings?—I am not aware of that. It could never be the

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intention of Parliament to deprive a town like Derby of its natural position, and to enable the Midland Railway Company to use their monopoly to the injury of the trade of the town of Derby.

8720. You started with the analogy of the legislation for third-class passengers, and I ask you has not Parliament done the same with regard to the conveyance of goods by fixing in every Act a certain rate of charge ?—I am not aware that that applies to my business ; I believe it does to mineral charges.

8721. Are you not aware that there are other classes, and that sugar, I think, particularly is mentioned in most of the Acts ?—I am not aware of that. I am stating the difference of the charges between the two towns.

8722. Are you not aware of the nature of the Acts that are passed regulating rates for the railway companies when they are allowed to construct their lines ?— With regard to my own business I am not aware of it.

8723. Supposing Parliament were to legislate as you suggest, and to make particular provisions for the conveyance of the goods in which you deal, like that which they have done with regard to the third-class passengers, how would you prevent the railway companies conveying those goods at other rates lower than the one rate prescribed, the same as they convey third-class passengers whenever they please at lower rates to particular places, and wholly unequal rates with regard to the mileage distance ?— In the first place Parliament would sanction the formation of other companies, so that a town like Derby would not be entirely at the mercy of one Company.

8724. Then when another company had been formed, there would be competition ?—Yes.

8725. The effect of that competition would be that one company would reduce its rates ?—Yes.

8726. Then there would be unequal rates prevailing, resulting from that reduction, would there not ? —Exactly.

8727. Then there would be exactly just as much grievance remaining as there is now ?—But I think in those towns which I have named, where there is competition, there is a lower rate ; we have no competition, consequently we are charged a high rate.

8728. It would seem that there is a lower rate in some places per mile than there is in others ?— Exactly.

8729. How are we to prevent that which seems to be the result of competition ?—I think that such a scheme as I have suggested, that the rate shall not be more than $1\frac{1}{4}d.$ per ton for first-class merchandise, would be very just.

8730. I am endeavouring to get from you that that is what is already done with regard to the Parliamentary rate, which, for example, would be to Brighton, 4*s.* 4*d.* for a passenger ; but Parliament has not thereby prevented the Brighton Railway Company taking passengers to Brighton and back again for 2*s.* 6*d.* ?—That is to say, in some cases railway companies charge less than 1*d.* per mile for third-class passengers, and the question is whether it would not suit their purpose to do so altogether.

8731. How are we to prevent that by your proposal, as it is not prevented now by that analogy which you suggest ?—My object is this, I want to show the direct injury to the trade of the town of Derby by the present system. I must leave the remedy to Parliament. I am prevented from carrying on a legitimate business by the excessive rate of the Midland Railway Company.

8732. But would you not be prevented just in the same way from carrying on business anywhere else, if you did not happen to be in economic relations with that place ?—I find a much greater increase in the population of towns, and also an increase in the trade of the towns where there is competition by railway.

8733. Is not your position that which is inevitable in all commerce and business, that some places and some people have advantages over others ?—But we are deprived of our natural advantage.

8734. Is there such a thing as a natural advantage ?—I think so.

8735. When it all depends upon artificial means, is not your natural advantage to get over the high road ?—That was originally the only way in which goods could be carried.

8736. Have you been deprived of that ?—We have been deprived in this sense, that naturally the cost of conveying goods by road from London to Derby would be considerably less than it would be to Sheffield.

8737. You have got an advantage, have you not, in somebody undertaking to spend money to do your work more cheaply than it was done before by artificial means ?—But comparatively speaking they have done us an injury, inasmuch as they choose to carry the same class of goods 36 miles further at 5*s.* 10*d.* a ton less.

8738. (*Capt. Galton.*) You have been speaking of the conveyance of goods between Bristol and Derby, and Bristol and Sheffield ?—Yes.

8739. Are those goods goods which only go exclusively to Bristol, or do they go to other ports, such as Hull and Liverpool ?—The first-class merchandise would be sent from Bristol to Sheffield by the Midland Railway, and it would pass through Derby.

8740. The first-class merchandise, is it not, which also goes to other ports besides Bristol ?—It would go to other ports.

8741. Therefore, Sheffield being nearer to other ports, such as Hull and probably Liverpool, than Derby is to any port, Sheffield obtains the advantage of that proximity over Derby, does not it ?—I think not. I think that that does not apply, inasmuch as the cost of conveyance by sea to Hull would be much greater than that by railway.

8742. For instance, we will take sugar. Would not sugar coming from foreign ports be delivered by a ship coming, at Liverpool, at the same price at which it would be delivered at Bristol ?—Bristol is principally a West Indian port. I may remark that I should think at the present time 19 tons out of 20 tons of sugar that are consumed in this country are the produce of some refinery, and Bristol is noted for its crystallized sugar, which is largely dealt in at Sheffield, and it is sent by the Midland Railway only. When I say only, it is the cheapest route ; it would be cheaper than to send it by sea from Bristol to Hull, and then from Hull to Sheffield by railway.

8743. Is not any of this sugar delivered at such a port as Liverpool, for instance, from the West Indies ?—The same kind of sugar may be.

8744. In that case would not Sheffield obtain the advantage of being nearer to Liverpool than Derby is to Bristol, and do not the Midland Company give a lower rate to Sheffield in order to induce the Bristol traders to send their goods there ?—There is no question that Sheffield is much nearer to Liverpool than Derby is, and consequently the rate from Liverpool to Sheffield would be less than from Liverpool to Derby.

8745. But is it not possible that some of those inequalities of rate of which Derby complains are the result of Derby being an inland town further removed from any port than the other towns to which you have been alluding ?—It cannot be further than Chesterfield ; I give that as a case in point.

8746. Is not Sheffield nearer to Hull than Derby is to Bristol ?—But you see the goods could not be sent in that way so cheaply, or they would not be sent viâ Derby.

8747. Why could not goods be sent from Hull to Sheffield and thence from Sheffield to Chesterfield ?— That would not be the way ; the goods come direct from Bristol *viâ* Derby to Chesterfield.

8748. (*Mr. L. Gower.*) Have your rates been raised since you settled in Derby 11 years ago ?— Some of them have been raised.

8749. How much ?—I take the article of tea ; tea has been raised I think twice, but I will speak positively about once ; it was 35*s.* per ton from London to Derby, and it is now 37*s.* 6*d.* The rate charged for tea from Derby to Bakewell, a distance of 24 or 25 miles, is 20*s.* per ton, or something like 10*d.* per ton per mile.

8750. (*Mr. Ayrton.*) Is that in full tons ?—Yes.

8751. (*Capt. Galton.*) One ton together, or more ? —One ton, that would include the package of the tea as a matter of course ; I am speaking of the gross weight ; all carriage is levied upon the gross weight.

8752. (*Mr. Glyn.*) Speaking of Derby, you have the advantage of canal competition with the railway there, have you not ?—I believe that the canal is in some way regulated by the railway company.

8753. You do not tell us, do you, that the canal is in the hands of the railway company ?—I am not in a position to state that it is entirely in their hands, but I believe that they have some influence over the proprietors.

8754. Do not they compete in rates at the two ends ?—They compete on the first class of goods, but the competition simply amounts to 10*d.* a ton difference. In the other classes that I have mentioned, taking tea, it is precisely the same.

8755. (*Mr. Ayrton.*) With regard to the canal, is there anything to prevent a person from setting up in business as a canal carrier ?—I apprehend not.

8756. It would be merely paying tolls for the use of the canal ?—Merely paying tolls for the use of the canal ; but I do not think that it would be possible to compete with the railway in that case.

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8757. (*Mr. L. Gower.*) Do you know upon what grounds Parliament rejected the scheme to connect Derby with the Great Northern ?—I do not.

8758. You did not interest yourself in that scheme ? —Nothing beyond giving evidence as to the unfairness of the charges of the Midland Railway Company.

8759. Is a similar scheme projected next year ?—I believe not ; I believe there is one to connect Derby with the London and North-western Railway Company from Derby to Nuneaton, joining the Trent Valley at Nuneaton.

8760. In your opinion, would not the connecting of Derby with some competing line be the best remedy for the evils of which you complain ?—I believe it would.

8761. (*Chairman.*) Is there anything which you wish to add to what you have already stated ?—I may further add, as a member of the Corporation of Derby, that the rateable value of property is seriously injured by the conduct of the railway company towards the trading and manufacturing classes of that town. The rateable value in 1855 was something like 106,000*l.*, it is now only 119,000*l.*, so that we have made very slight progress indeed in these days of progress—something like 13,000*l.* only in 10 years.

8762. You are decidedly of opinion that the remedy is railway competition, the getting of a new line into Derby ?—I believe that that would remedy it.

The witness withdrew.

Mr. Thomas Henry Nicholson examined.

Mr. T. H. Nicholson.

8763. (*Chairman.*) I think you attend here on behalf of the Derby Chamber of Commerce ?—I do.

8764. And you are a silk manufacturer ?—Yes.

8765. Have you been so long ?—For the last eight or ten years back, in Derby.

8766. I think I understand that you have some complaint to make as regards the non-liability of railway companies beyond a certain sum for property stolen or lost ?—Yes.

8767. Is it a fact that the liability of carriers does not go beyond the amount of 10*l.* ?—Yes, in the carriage of silk goods and furs, &c. I speak more particularly of silk. I may just say that with regard to furs I do not know exactly to what extent the company are liable, but that furs are certainly one of the reservations under the Carriers' Act.

8768. Have the railway companies, considering themselves in the position of the old carriers, taken advantage of this Act ?—Yes, undoubtedly.

8769. Have they at the same time charged a high rate of carriage for silk goods ?—Yes.

8770. Can you say what the rate is ?—The present rate from Derby to London is 3*l.* per ton.

8771. That is for a distance of 120 miles, I think ? —127 miles I think it is.

8772. Can you give any recent instance in which they have denied their responsibility beyond the sum of 10*l.* ?—In one particular case of our own, I cannot exactly speak to the day, about 12 or 18 months since, there was a hamper of goods representing the sum of 90*l.* of our own, and there was a hamper of goods representing the sum of 140*l.* of Helmsley s of Melbourne, and a hamper of goods from the firm of Bridget and Company. These goods were all placed in one truck at the Derby station, and on their arrival in London our hamper was found broken open and a portion of the goods thrown about the bottom of the truck, and the same was equally the case both with regard to Helmsley's and Bridget's hampers. We certainly made a claim upon the railway company ; but after consulting our lawyers, and taking all the legal advice we possibly could on the matter, we were told that we had no more claim upon them than for the actual amount of 10*l.* Our claim of 90*l.* we compromised with Mr. Allport, by his telling me that he would give me 9*l.* 19*s.* 11*d.* for the actual value, and he would give me as compensation for the actual loss the difference between 9*l.* 19*s.* 11*d.* and the 45*l.*, making 45*l.* altogether.

8773. (*Mr. Ayrton.*) In that case did you declare the goods as silk goods ?—Yes.

8774. (*Chairman.*) Nevertheless they paid you, without being compelled to do so, 35*l.* in addition to the sums which you could have legally obtained from them ? —We threatened them with proceedings ; but we found that we had no claim, and we ultimately settled the matter by making a mutual compromise with them.

8775. Then, on the whole, starting from the basis of their legal liability, they acted liberally towards you ?—Undoubtedly. I may state further, that the company placed one of their own detectives on to trace those goods, and one of their own detectives found that they had been abstracted from the truck close by the Leicester station ; those goods they traced to a draper at Birmingham, and it turned out to have been one of their own discharged servants that had actually stolen the goods.

8776. (*Capt. Galton.*) Although one of their servants had stolen those goods, you were advised that the company were not liable ?—He had been a servant of theirs, but he had been discharged ; but still we were advised, and in fact, we have had recent cases proving it since, that we could not recover above the amount of 10*l.*

8777. (*Mr. Ayrton.*) When you declare silk goods under the Carriers' Act, the 11th of George the Fourth, amended by the 1st of William the Fourth, does not the company give you the option of paying an extra rate, and having a guarantee of safe delivery ?—They certainly give us an insurance rate of about 50 per cent. on the actual carriage ; they want 4*s.* 6*d.* to London, whereas the ordinary rate is 3*s.* per cwt.

8778. And you decline to pay that ?—Yes, we decline to pay it ; we think 50 per cent. upon the actual carriage a very heavy tax upon us.

8779. Therefore you yourselves accept the risk which you might put an end to, if you choose to pay them for it ?—Undoubtedly, that is the case.

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8780. What would be the total charge from Derby to London for your goods, provided they became fully responsible ?—4*l.* 10*s.* per ton instead of 3*l.*

8781. (*Sir R. Hill.*) Then your complaint is that the insurance is excessive ?—We complain that the rate is excessive, and that there is no actual reason why silk should be placed at such disadvantageous terms as compared with all other articles that are manufactured in the town, because I can prove that that is so. There is a certain class of cotton lace made in our town, and by the mode of packing this lace, they can put in a hamper what would represent treble the value of a hamper of our goods. One hamper of our goods would represent 100 lbs. and they could place treble the value in a similar hamper, and carry the goods to London for 1*s.* 10½*d.* a cwt., and the railway company are responsible for the whole value of the lace goods, if they are lost or stolen, because they are made of cotton.

8782. (*Chairman.*) Your objection, as I understand it, is, that this Act of which you speak limits the liability of railways only with regard to a certain class of goods, and that the same limit is not applied to other classes of equal value ?—Exactly so.

8783. (*Mr. Leveson Gower.*) Do you know why there was that distinction in the Carriers' Act between certain classes of goods ?—It was passed during the time of the old stage coaches. We have now resident in the town of Derby, a Mr. Wallis, who was one of the old stage carriers by coach, and proprietors lost such an excessive amount of goods at one time from their stage coaches, that the common carriers, he amongst the rest, subscribed and did get an Act passed through Parliament, limiting their liability on those special goods, and the railway company since then have taken advantage of this Act of Parliament.

8784. (*Mr. Glyn.*) In cases of goods not declared ?—Just so.

8785. (*Capt. Galton.*) Although in the case of the railway the amount of goods sent in one consignment is enormously larger than what could be sent by stage coach ?—Just so. I wish to explain that in our particular trade, the ribbon trade, we are compelled by the fashion of our business and by the retail drapers, to adopt a certain style of making up our goods ; and I think I can better explain it to the Commissioners by showing them how we do it (*producing a roll of ribbon*). There is a block of wood which these ribbons are wound round, and which is interlined also with paper.

8786. (*Chairman.*) As I understand you, you complain that from the mode of packing which is necessary in your business, three quarters or thereabouts of the whole weight is not the weight of the article silk, which you send, but of the wood and the paper which travel with it ?—Just so. In sending 100 lbs. of goods from our place to London, we calculate that we send 75 lbs. of paper and wood, on which we derive not the slightest advantage, so that we actually pay carriage for only 25 lbs. of silk, for which we have to pay 3*s.* per cwt., after the rate of 3*l.* per ton, or 12*l.* per ton on the actual silk carried.

8787. Do you consider that that is a matter which in any way concerns the railways ?—It is one of those things which ought to come under a special rate under such circumstances, because, as in the case that I instanced of lace, they can put their lace upon cardboard, which is of no weight, and they get the advantage of paying only 1*s.* 10½*d.* for their lace, with the responsibility of the company for the whole of the value ; whereas in our case we have to pay an excessive rate for the actual carriage of the silk, and three quarters of the amount carried is of no use to us.

8788. If you and others engaged in your trade were to set your wits to work, is it not possible that you might contrive to find out a mode of packing these goods by which they would weigh less ?—We have tried a paper instead of a wooden block, but the retail drapers refuse the ribbons on paper blocks, because they will not keep in position all the way through. We have spindled the ribbon, simply wrapping it round itself, but they would not take them in that shape.

8789. (*Mr. Glyn.*) What would be the value of this cwt. of silk goods ?—In the manufactured state they are about 2*l.* per lb. ; you may take it that 25 lbs. in 100 lbs. is silk, and that would represent 50*l.* sterling.

8790. (*Capt. Galton.*) For that you have to pay how much in carriage ?—We pay 3*s.* on that 50*l.* in carriage, and when we insure we pay 4*s.* 6*d.*

8791. (*Sir R. Hill.*) Are all the silk goods that you send by railway packed in that manner with blocks of wood ?—No. When we get what we call thrown silks or raw silks, as a matter of course those are all silk, but the same charge is made as on ribbons.

8792. Supposing a varying rate to be charged, one rate where the package consisted entirely of silk, and another rate where wood was used in packing the silk, how would the railway company know whether the goods were of one kind or another ?—I do not think we should object very strongly about paying the same rate for one class of goods manufactured as we are paying for ordinary silk goods, if it is all silk ; but we complain of the excessive rate that we are charged, and as manufacturers we think it is a great grievance to us to have to suffer from the way in which we are obliged to pack our goods, and to pay an excessive rate upon it at the same time.

8793. (*Mr. Ayrton.*) Could you not use a tin tube for this ribbon, which would be of exactly the same form and as rigid as a wooden tube ?—Yes.

8794. And that would not weigh anything, scarcely ?—Then you must go to a greater expense, and you must take into consideration that you cannot get tin tubes under 8*d.* or 10*d.* apiece perhaps.

8795. (*Chairman.*) As I understand it, your complaint is two-fold ; the one is the limited responsibility of the railway company in regard to silk goods, and the other that silk goods are charged at a higher rate proportionately than other goods of similar value ?—Yes.

8796. Turning to another part of the subject, have you any complaint as to the inequality of the rates between place and place ?—Undoubtedly we have ; the rates are very unequal. For instance, we send goods to Manchester. London is 127 miles and Manchester is 69 miles ; in the one case we pay 3*l.* per ton for 127 miles, and in the other case we pay 50*s.* for 69 miles, about half the distance.

8797. You have handed in a statement which I will read to you, and ask you if it is accurate as regards rates. You state that on silk goods to London, 127 miles, the charge is 3*l.* per ton ; to Manchester, 69 miles, 2*l.* 10*s.* per ton ; to Glasgow, 275 miles, 5*l.* ; to Belfast, 227 miles, 4*l.* ; to Dublin, 221 miles, 3*l.* 10*s.* ; and to Coventry, 47 miles, 1*l.* 15*s.* Is that an accurate statement ?—That statement is accurate.

8798. Showing a very great disproportion between the railway rates and charges ?—Yes.

8799. Do you contend that there ought to be a uniform rate in every case ?—I think so. I think there ought to be a uniform mileage rate.

8800. Irrespective of the question whether there is competition or not by railway ?—Undoubtedly.

8801. And also irrespective of the question whether the one line has cost two or three times as much as the other in making ?—It is not a question for us to discuss exactly in that way about the making of the line, still we consider that we have a right to claim a uniform rate all over.

8802. What I wish to ascertain from you is this, whether you and your friends who are with you in this matter consider that you are entitled to claim a uniform rate in every case ?—I think so.

8803. Irrespective of the question whether the one

line has cost more than the other to make ?—I think so.

8804. Irrespective, therefore, of the question whether the return to the makers of that line is greater or smaller ?—Looking upon it from our point of view, I say so, certainly, that we ought to have one uniform rate through the whole district.

8805. Then it comes to this, does it not, that in the case of a line which has cost a great deal to make you think that you are entitled to ask to have goods carried at a price which is not remunerative to the makers of the line ?—No, I would not say that at all; what I say is this, that we ought to have an average rate, and that that should be arranged by a combination of the different railways, and that they should agree upon a certain rate, but let us have a uniform rate, so that we should not know the difference between one line and another, but have one regular charge all over the kingdom, and so that we can all work on an equality.

8806. And you would extend that all over England ?—Yes, certainly.

8807. (*Mr. Ayrton.*) Would an average rate be any satisfaction to the party who had made a line, which would require something different from the average to compensate it ?—I say that if there was a congress of the different railway companies, and they agreed upon what would pay them, taking one with another, as an average rate, I think that no one would object to pay that rate.

8808. Do you mean that a railway company that profits by such average rate is to pay over part of its profits to a railway which would lose by the average rate ?—I cannot go into that, I must leave it for the companies' own manipulation.

8809. When you speak of an average rate as regards yourselves, as freighters, how is it to be an average rate as regards the railway companies who are each to earn enough to pay their own separate dividends ?—That I must answer, as I said before, that I must leave that question for the railway companies to agree upon amongst themselves. I could not suggest how they are to work over that difficulty, but I cannot see but that it is equally feasible that there should be a certain rate over a given mileage in a certain district which the railway companies who are so interested might agree upon, taking as a basis the formation of the railway as a ground for a greater charge by one party than another that the mileage has cost so much more in the one case than in the other; I would let that company be paid extra, and let it be a question for a clearing house system.

8810. (*Chairman.*) I presume if one line is made between two great towns, say between Liverpool and Manchester, and if another line is made, say through the Highlands of Scotland, there would be a great deal more traffic upon the former line than upon the latter ?—Undoubtedly.

8811. I suppose you will admit that where the amount of traffic is great, and the trains are fuller, and there are more trains on the line, it is possible to carry passengers at a cheaper rate ?—Undoubtedly.

8812. And a lower sum of remuneration is sufficient upon each passenger or each ton of goods carried by the company ?—Yes.

8813. Do you think that an equal mileage rate in each of these cases would be just ?—No; I cannot say that it would be so in that case; as a matter of course I cannot say that it would be.

8814. Then you are not in favour of a uniform mileage rate throughout the kingdom ?—I cannot, in the way in which your Lordship puts it before me, say so.

8815. (*Sir R. Hill.*) What you mean, I conceive, is this, that those varying rates interfere very much with trade ?—Undoubtedly.

8816. And that if means could be devised by which a uniform rate could be established and maintained trade would be very much facilitated ?—Certainly.

8817. (*Mr. Ayrton.*) Supposing, after one uniform rate were established, a company were to come to Parliament and say, We can make a railway through a difficult country which would be very much cheaper than the existing mode of communication, but we cannot do it unless we are allowed certain rates in order to pay us for our outlay, would you hold that Parliament should refuse to grant that line because those rates are higher than some uniform rate which has been prescribed ?—I could not say that we could. I would rather, as I put it first, throw the onus upon the railway companies, to agree amongst themselves to establish a rate and let them debit themselves as they think fit in the matter. I do not think that that is a question for the manufacturer and the tradesman.

8818. Supposing one uniform rate were established and you were to come to Parliament and say, We can make a railway through some mountainous district in Derbyshire, provided we have certain rates, those rates being only half what you now pay to go through that mountainous district, would you have Parliament refuse to sanction such a scheme unless the parties charged a uniform rate, which would be wholly unprofitable ?—I cannot say that I would. I could not advocate that at all

8819. Then you would allow new railways still to be constructed with such rates as they might ask for, as a reasonable compensation to them for the outlay that they are about to make ?—No doubt.

8820. Is not that exactly what we have been doing in all our railway legislation ?—No, I think not, because in the very case that I have been speaking of, the traffic between large commercial towns, say from Derby to London, one manufacturer is making a very expensive article, and through this Act, which has been passed by Parliament, you give him preference over us as manufacturers of another article, which is tantamount to a profit in one sense to him.

8821. Apart from that question, but upon the general question of freights, what is your opinion of a mileage rate ?—I do not see how you could apply a mileage rate taking the view of it that you do at the present time, but I think it is perfectly feasible to make a mileage rate to certain towns within a certain radius, or to certain distinctly specified towns, as it might be.

8822. Has not there been a considerable reduction in the merchandise rates on railways through the competition that has taken place on different lines and different systems ?—So far as my own experience goes, I do not say that there has been a very general reduction of rates. We labour under a very peculiar disadvantage at Derby, because we have only one line to it.

8823. Supposing a uniform rate to be fixed, do you intend to prevent any railway company, with a view to increasing its business, reducing that rate as compared with that of any other railway ?—Certainly not; I would give them a maximum rate and allow them to reduce it as far as they considered it right.

8824. Are you not aware that they have now maximum rates ?—No doubt they have.

8825. And that for the most part they are uniform ?—I believe that the rates are simply haulage rates; there is no recognized rate at the present time for any special goods.

8826. Are you not aware that there is some classification in the Railway Acts that are passed every year, although it may be an imperfect one ?—But that is only a kind of haulage rate.

8827. Is it not a rate including the use of trucks, locomotive engine, and an entire carriage rate ?—It is not compulsory upon the companies, as I understand, to carry at that rate.

8828. Are you not aware that there is a maximum carrying rate for a great number of goods, though it may be an imperfect system ?—I do not know that there is an actual maximum rate at the present time that includes all charges but what they can increase it by charging either terminal charges or something of that kind.

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8829. My question was with regard to a mileage rate ?—Undoubtedly there is, but they can increase the terminal charges, there is no specified rate for those charges.

8830. Then your objection would come to this, that there is a defect in the legislation in not laying down any rule by which a terminal rate can be added to the fixed parliamentary rate ?—Yes.

8831. You would like to see the system altered in that respect ?—No doubt.

8832. You would not like to deprive the railway companies of the liberty of competition by reducing their rates whenever they choose ?—Certainly not, I would not prevent them ; if they deem it fit to reduce their rates to a certain value for purposes of competition, I do not think we ought to prevent them.

8833. With regard to the Carriers Act, as I understand your complaint is that that Act was passed at a time when the values and importance of different classes of goods were totally different from what they are at present ?—Yes.

8834. And therefore do I rightly understand you, that you would propose to abolish it altogether, or do you propose that it should be re-considered, so as to make certain articles come under a special classification of goods somewhat different to that now in the Act ?—I should think it would be advisable to abolish the whole clause in the Carriers Act altogether.

8835. Would you introduce the system of carrying entirely by weight, irrespective of value ?—Undoubtedly ; but I must qualify that by saying that in the case of our own goods. I do not mean to say that they ought to carry our goods at the same price that they carry pig iron.

8836. You would not propose to abolish the Act altogether, but to re-consider it ?—Yes ; as far as the clause in the old Carriers Act is concerned I would abolish that altogether.

8837. Would you introduce the system of carrying simply by weight without reference to value ?—Yes.

8838. Would you carry, for instance, gold and pig iron at the same rate ?—Undoubtedly I would like the same rate for both. That was Mr. Allport's argument with me. He said, " Then you think that we " ought to carry gold at the same rate as pig iron ?" " Undoubtedly," I said, " you ought to do so, so far " as you are no more responsible for the bar gold " than the pig iron ; that is to say, if you carry pig " iron and gold, you ought to carry at the same rate " where your responsibility is equal."

8839. Do I understand you that you would weigh the gold the same as the pig iron, and limit the responsibility to the weight ?—Yes.

8840. Taking some uniform standard as representing value, you would carry up to that weight at a definite price ?—No, what I mean to say is this, that if the company are called upon to carry bar gold, and their liability is no more than when they are called upon to carry pig iron, I do not see what difference they ought to make in the rate of carriage between the one and the other.

8841. That would amount, would it not, to taking some standard of weight as the standard of value, and limiting the responsibility to that one standard ?—Just so.

8842. What would you take as the standard ?—That I cannot profess to say at the moment.

8843. Would you not on that principle have to take as the standard the very cheapest article that was conveyed ?—I do not know. I should not like to give an opinion upon that.

8844. Does not that involve as a principle the taking of the cheapest article relatively if the weight is the standard ?—I must throw myself on your generosity. You ask me rather an abstract question, which I have not thought of, and I should not like to venture an opinion upon it without consideration.

8845. If you take even pig iron as the standard, do you not think that you with regard to your silk would be very much in the position that you are now in with regard to the 10*l.* value ?—Certainly ; pig iron is carried in very little compass ; but I think there ought to be a classification of goods, and all in the shape of ore should go under that denomination, and manufactured goods under another. I do not mean to say that the Company should carry our silk goods at the same rate that they carry pig iron.

8846. Would you not come to exactly where you are now if you took any standard of what you call the bulk or weight of an article as the standard of value ; supposing you conveyed, for example, at the rate of 5*l.* per ton, or 3*l.* per ton, which I believe is the price for pig iron, would you not be very much in the same position as you are now in getting only 10*l.* upon silk goods ?—I should make a distinct classification as regards the goods in question. I do not mean to say that you could put silk goods in comparison with pig iron and make a rateable value of them.

8847. (*Mr. Glyn.*) Would you not rather prefer, if the charges were moderate, to declare the goods and make the Company charge for them, and be responsible? —I consider 3*s.* per cwt. on silk goods somewhat of an insurance rate in comparison with other goods upon which they are responsible.

8848. (*Mr. Ayrton.*) Your real complaint is this, as I understand you, that the goods which you have to insure are still charged the highest rate in any classification ?—Yes.

8849. And you think that if you had to insure, they should not be put in so high a classification as regards their weight if the charge should depend upon the insurance ?—Upon our goods we are paying 3*s.* a cwt. to London, whereas those lace goods that I have spoken of, and which are equal in value according to weight, the railway company carry for 1*s.* 10½*d.*

8850. That arises from the defective classification in the Carriers Act, and not from any injustice on the part of the railway company ?—No, it is not considered to come within the Carriers Act.

8851. You consider that the clause which has been mentioned does not include the lace of which you have been speaking ?—No, that is silk lace, and as matter of course that is silk goods.

8852. Therefore it is the defective classification in the Carriers Act that you complain of ?—Yes.

8853. (*Capt. Galton.*) I thought I understood you to say that you would abolish the Carriers Act altogether ?—All I mean is that I do not think there ought to be a reservation of silk goods from other goods in the classification.

8854. If the Carriers Act were abolished the railway company would then simply be in the same relation to goods as they are to passengers now, would they not ?—Just the same.

8855. If a passenger travels by a cheap train at third class fare and he is killed, his friends would recover exactly the same amount of compensation from the railway as he would if he had travelled in the first class ?—Undoubtedly.

8856. And you would put them all upon the same footing ?—Undoubtedly.

8857. (*Mr. Glyn.*) In this Table which you have put in you have given the charge from London to Derby, 127 miles, as 3*l.* a ton, can you tell us whether the 3*l.* includes the terminal charge at Derby and in London ?—I do not exactly know what the terminal charges are, it includes the cost of collecting and delivering, no doubt, but I cannot say exactly what the terminal charge is.

8858. (*Chairman.*) Apart from this question of liability for risk, would not most of the inconveniences of which you complain as to unequal charges and so forth, be done away with if there were competition at Derby ?—I think it would have a very great tendency in that direction, but still competition would not do away with that clause in the Carriers Act.

8859. But is it not at present a fact that your position is almost a singular and a peculiar one, that

of a large town in a central situation supplied by only a single railway?—There is that peculiarity certainly in Derby, but I do not know whether even with a fresh railway we should have a greater amount of compensation, for I do not understand that that would remove the grievance of which we complain unless that clause were abolished.

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8860. Is there anything else that you would wish to state to the Commission?—No, I do not think there is.

The witness withdrew.

Mr. George Wheeldon examined.

Mr. G. Wheeldon.

8861. (*Chairman.*) You are, I think, a corn merchant living at Derby?—Yes.

8862. And do you come here on behalf of the Derby Chamber of Commerce?—Yes.

8863. I believe that you have come to lay before the Commissioners a complaint upon the subject of the unfairness and inequalities in the railway rates to different places?—Yes.

8864. Will you make your statement to the Commissioners as to those unequal charges?—I would first take the rates to Liverpool from various towns as compared with Derby. Derby is 92 miles from Liverpool, and we are charged the rate of 15*s.* per ton, which is 2*d.* per mile, and at the rate of 16*s.* 4*d.* per 100 miles. Melton, distant from Liverpool 128 miles, is charged 13*s.* 8*d.* which is $1\frac{3}{10}$*d.* per ton per mile and 10*s.* 8*d.* per 100 miles. Peterborough, distant 165 miles, is charged 14*s.* 2*d.*, which is 1*d.* per mile per ton and 8*s.* 7*d.* per 100 miles. Lincoln, distant 141 miles, is charged 15*s.* per ton, which is $1\frac{3}{10}$ths per mile per ton, and 10*s.* 7*d.* per 100 miles. Newark, distant 125 miles, is charged 13*s.* 4*d.* which is $1\frac{2}{3}$ths per mile per ton and 10*s.* 8*d.* per 100 miles.

The witness delivered in the following Table:

To Liverpool.

From	Miles.	Rate.	Rate per Mile.	Rate per 100 Miles.	Difference against Derby per 100 Miles.
		£ s. d.	d.	s. d.	s. d.
Melton -	128	0 13 8	$1\frac{3}{10}$	10 8	5 8 per ton or 11 per qr.
Peterboro' -	165	0 14 2	1	8 7	7 9 „ $15\frac{1}{2}$ „
Lincoln -	141	0 15 0	$1\frac{3}{10}$	10 7	5 9 „ $11\frac{1}{2}$ „
Newark -	125	0 13 4	$1\frac{1}{3}$	10 8	5 8 „ 11 „
Stamford -	147	0 14 2	$1\frac{1}{10}$	9 6	6 10 „ 14 „
Grantham -	131	0 13 4	$1\frac{3}{10}$	10 2	6 2 „ 12 „
Nottingham	108	0 12 6	$1\frac{1}{10}$	11 7	4 9 „ $9\frac{1}{2}$ „
Derby -	92	0 15 0	2	16 4	
	1,037	5 11 2	$1\frac{3}{10}$	11 0	

8865. Can you give us the general inference that you draw from those tables; is there any proportion observed between the rate charged and the mileage upon those different lines, or does it vary in each case?—There is no proportion. It is very unfair; the distances are so much greater, and the per-centages are widely different. From Derby to Liverpool, 92 miles, the charge is 2*d.* per mile, whereas from Peterborough to Liverpool it is only 1*d.* per mile. From all those places the traffic passes through Derby, and yet Derby is charged by far the greatest amount of rate.

8866. (*Sir R. Hill.*) Are the terminal charges included in each case?—Yes. The consequence is, that the trade of Derby in malt and grain has been much reduced, for those places have advantages over Derby, and more especially in the malt trade, in which I am engaged. And the same with regard to Manchester; the rate to Manchester, until very recently, from Derby, was 15*s.*, and from Newark 10*s.*, and our cheapest mode of sending malt to Manchester was to order it to Newark, and then to re-order it to Manchester through Derby back again, and it was carried nearly 70 miles farther than if it went from Derby. Now the rates from Newark, Nottingham, and Derby to Manchester are alike 10*s.*, but the per-centages are 9*s.* 8*d.* per ton per 100 miles from Newark, 11*s.* 9*d.* from Nottingham, and 14*s.* 7*d.* from Derby, though it all passes through Derby.

Manchester from	Miles.	Rate.	Rate per Mile.	Rate per 100 Miles.	Difference against Derby per 100 Miles.
		£ s. d.	d.	s. d.	
*Newark -	103	0 10 0	$1\frac{1}{10}$	9 8	12*s.* per ton or 2*s.* per qr.
Nottingham	85	0 12 6	$1\frac{5}{10}$	14 8	7*s.* „ 1*s.* 2*d.* „
Derby -	69	0 15 0	$2\frac{3}{10}$	21 8	
	257	1 17 6	$1\frac{5}{10}$	15 0	

* Corn carted at Newark, and 1*s.* per qr. allowed off the quoted rate.

8867. (*Chairman.*) Is it within your knowledge that those rates have acted to check the progress of the corn and malt trade?—Most materially. For instance, it is well known to the long-established in the trade, and also spoken of in Glover's "History of Derby,' that the town did a very important trade in corn and malt, and when the population was not one-half the present, with Liverpool, Manchester, Macclesfield, and other towns in the district. We occupy a malt-house at the present time, from which used to be sent a large quantity of malt into that district, but now we cannot send a bushel. I travelled myself in Manchester and Liverpool, and that district, to ascertain the wants of our trade, last year and the year before, and I offered our malt, it being certainly better than their own, but the rate prohibited me from effecting sales. We had a chance to do a trade in Ireland; our Agent there wrote very recently to ask us how it was that we were charged more from Derby than they were from other towns beyond Derby, and he advised us very strongly to lay our case before this present Royal Commission, which he said had done great good for Ireland.

8868. You mean that it has done good by making public the facts complained of?—Yes, vast good.

8869. Are you not in rather a peculiar position for a town of the importance of Derby, having only a single railway communication?—Very, indeed; we are charged very high rates in and high rates out.

8870. Do you not think that by means of competition you might diminish those rates?—Most materially, and to the benefit of the town.

8871. Has any attempt been made anywhere in the town to bring a second Company into the place?—Yes; the London and North-western Railway Company think of coming to Derby now, and they will have our entire support.

8872. They are proposing at present to come to Derby?—Yes, they are seeking for an Act to do so.

8873. And it is very probable that if they obtain their Bill a considerable part of the grievance of which you complain will remedy itself?—Yes.

8874. Without any legislative interposition?—Just so.

8875. (*Mr. Ayrton.*) Do you think it would tend to discourage them in endeavouring to obtain that Bill if they were told that they must make a fixed scale of rates very much lower than that which has been heretofore sanctioned by Parliament?—I should think not. All that we ask for ourselves is an equalization of the rates.

8876. But do you think that if they were told that they could not have the same maximum rates as have been hitherto allowed that would tend to discourage their prosecuting their Bill?—It might make a little difference in the route that the line would take. I am not prepared to say what that route is; I think it goes to Nuneaton by Ashby, and if so, that would lengthen the distance to the consuming districts where

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we want to get our goods sent, but the competition would have the effect of reducing the rates.

8877. (*Capt. Galton.*) What do you mean by equalization of rates?—That we should be charged equal rates for equal distances.

8878. Invariably?—To benefit Derby we require equal rates for equal distances.

8879. You complain in the one case of the charge from Newark through Derby to Manchester being lower than the rates charged for goods direct from Derby to Manchester?—Yes.

8880. Is not the reason of that because there is an alternative route from Newark to Manchester by the Manchester, Sheffield, and Lincolnshire Railway?—Yes.

8881. Would you have the Newark people charged the full mileage rate which is charged you from Derby to Manchester, or would you have your rate lowered down to that of Newark?—We should prefer to have it lower, for the railway company asked us sometime ago if it would be any benefit to us if they could deliver our goods at 7*s.* 6*d.* per ton, and we said that it would be; we said that 7*s.* 6*d.* would be a fair charge to make.

8882. What railway company was that?—The Midland Railway Company.

8883. They have not reduced it?—They have reduced it to 10*s.* now, the same as at Newark and Nottingham, but I believe at those rates they cart at Newark and Nottingham, but not at Derby.

8884. (*Mr. Glyn.*) If it is 10*s.* now, what was it before?—15*s.*

8885. (*Capt. Galton.*) Do you know anything of the rates from Birmingham to London?—No. I have very important rates that I could mention from Norfolk to Derby, Newark, Leeds, and Burton-on-Trent.

The witness delivered in the following Table:

To -	Burton.				Newark.				Derby.				Leeds.			
From	Miles.	Rate.	Rate per Mile.	Rate per 100 Miles.	Miles.	Rate.	Rate per Mile.	Rate per 100 Miles.	Miles.	Rate.	Rate per Mile.	Rate per 100 Miles.	Miles.	Rate.	Rate per Mile.	Rate per 100 Miles.
		£ s. d.	d.	s. d.		£ s. d.	d.	s. d.		£ s. d.	d.	s. d.		£ s. d.	d.	s. d.
Lynn - - -	121	0 10 0	1	8 4	125½	0 10 0	1	8 0	110½	0 13 4	1 4/10	12 0	184½	0 10 0	9/10	7
Swaffham - -	136	0 15 6	1 4/10	11 5	140½	0 12 6	1	8 10	125½	0 15 10	1 5/10	12 7	199½	0 13 4	9/10	6 8
Dereham - -	168	0 15 10	1 1/10	9 5	172½	0 13 4	8/10	7 9	157½	0 16 8	1 3/10	10 7	231½	0 15 0	8/10	6 5
Fakenham - -	180½	0 15 10	1	8 9	184¾	0 15 0	1	8 1	169¾	0 17 6	1 3/10	10 4	243¾	0 15 0	7/10	6 2
Snettisham - -	132	0 15 10	1 4/10	12 0	136½	0 13 4	1 1/10	9 9	121½	0 16 8	1 5/10	13 9	195½	0 15 0	9/10	7 8
Narboro - - -	129½	0 15 10	1 5/10	12 2	134	0 11 8	1	8 9	119	0 15 0	1 5/10	12 6	193	0 12 6	7/10	6 5
Wells - - -	189¾	0 15 10	1	8 4	194½	0 12 6	8/10	5 11	179½	0 15 10	1	8 10	253½	0 15 0	7/10	5 11
	1,056½	5 4 8	1 2/10	10 0	1,088	4 8 4	9/10	8 1	983	5 10 10	1 6/10	11 3	1,501	4 15 10	8/10	6 8

	s.	d.	
Derby - -	11	3	per ton per 100 miles.
Burton - -	10	0	„ „
	1	3	per ton in favour of Burton, or 2½*d.* per quarter.

	s.	d.	
Derby - -	11	3	per ton per 100 miles.
Newark - -	8	1	„ „
	3	2	per ton in favour of Newark, or 6¼*d.* per quarter.

	s.	d.	
Derby - - -	11	3	per ton per 100 miles.
Leeds - - -	6	8	„ „
	4	7	per ton in favour of Leeds, or 9*d.* per quarter.

	Miles.	£ s. d.	
To Derby - - -	983	for 5 10 10	Difference in favour of Burton is 6*s.* 2*d.*, or 10½*d.* per ton less for 73 miles, greater distance.
„ Burton - - -	1,056½	„ 5 4 8	

	Miles.	£ s. d.	
To Derby - - -	983	for 5 10 10	Difference in favour of Newark 1*l.* 2*s.* 6*d.*, or 3*s.* 3*d.* per ton for 105 miles, greater distance.
„ Newark - - -	1,088	„ 4 8 4	

	Miles.	£ s. d.	
To Derby - - -	983	for 5 10 10	Difference in favour of Leeds 15*s.*, or 2*s.* 1*d.* per ton, 518 miles greater distance.
„ Leeds - - -	1,501	„ 4 15 10	

8886. Are those high rates?—Yes; that is a district where we derive our supplies, and the railway rates give an advantage to Leeds, Newark, and Burton-on-Trent against our own town.

8887. (*Mr. Ayrton.*) Are those rates over one line or system of railway only?—They are on the Eastern Counties line to Peterborough, and from Peterborough to Derby, Newark, and Burton upon the Midland line.

8888. (*Capt. Galton.*) In what way do you mean that they give the advantage to Newark over Derby?—By charging them less rates for greater distances.

8889. They have given Newark, you say, the advantage over you, and the malt goes from Newark to Burton?—No; grain comes from Norfolk to Newark at a less rate than it does to Derby.

8890. From Norfolk to Newark it goes by the Great Northern Railway, does it not?—Some of it.

8891. The Midland Company has no line from Norfolk to Newark?—From Peterborough to Newark it has.

8892. Then the only traffic which the Midland

Company can get to Newark must be in opposition to traffic which the Great Northern can carry in a straight line ?—Yes.

8893. And, therefore, of course the Midland Company cannot charge more for going all round by Leicester and Nottingham to Newark than the Great Northern charge to go from Peterborough to Newark ?—No. Then we will take Burton. Burton is charged less, and it is 10 miles farther.

8894. What is the reason of that ?—I do not know.

8895. Is it from the larger consumption, do you think ?—Some of the brewers consume largely, but others consume but little.

8896. Is it not more probable that they can take full-train loads to Burton where there is so very much beer brewed ?—Possibly they may in some cases, but not in all.

8897. (*Mr. Ayrton.*) Does your calculation extend to different loads, or is it based upon equal loads ?—The rate per ton per mile.

8898. Upon equal loads or different loads in quantity ?—In unequal quantities. Barley is delivered sometimes in 20 quarters, sometimes in 50 quarters, and sometimes in 100 quarters or more.

8899. Is not any difference made for full trucks in full trains, or a certain number of trucks ?—No ; they make a difference in carrying five tons against two in some instances.

8900. But after five tons there is no difference ?—No ; but it is very rarely that less than five tons are brought from that district.

8901. (*Capt. Galton.*) However large the quantity they make no reduction in the price ?—Not beyond five tons.

8902. Five tons is a truck load, I think ?—Yes.

8903. (*Chairman.*) Is there anything more that you wish to state to the Commission with regard to this question ?—I should be glad to mention the unequal rates on the Staffordshire line. I wish to state, that Derby is well supplied with good and cheap coal, and has vast water power, which is reduced in value, and which involves a loss to the Corporation and the town at large, a loss indeed, saying nothing whatever of the loss in the rateable value of property. We make it out that the unequal and excessive rates charged on the Staffordshire lines have entirely cut off our connexions with the places which I have just mentioned, Manchester, Liverpool, Macclesfield, and those districts. The North Staffordshire Railway Company, when they prepared their Bill for obtaining their line, stated that it would be to the benefit of Derby, but instead of doing so they purchased the canal, which was the only competing mode of transit, and by so doing they raised their rates, and they have since that time entirely cut off our connexion.

8904. (*Mr. Ayrton.*) Has not the whole course of legislation during the last 35 years subverted all the old channels of traffic and commerce in this country ?—Not in that particular direction.

8905. I mean generally has there not been a large change in the direction of commerce and its relations in this country ?—I am not aware of that ; it has made but little difference in the direction in which the grain and malt goes with us, except that by having lower charges we can deliver it cheaper. I should say that grain continues to move as heretofore from the producing to the consuming districts, and Derby is in direct route. The railways have subverted the traffic from the roads and canals, by which it used to be conveyed, and the cheapest freights convey most.

8906. (*Capt. Galton.*) Has the Trent navigation been of any advantage in keeping down the railway rates in the districts through which it passes ?—Yes, I will give an instance : the rate from Berwick-upon-Tweed to Newark is 16*s.* 8*d.*, and to Derby, by the Midland Railway it is 22*s.* 6*d.*, and by railway the distance is farther to Newark than to Derby ; in that case the Trent gives Newark the advantage.

From	To Edinburgh. Miles.	Rate. £ s. d.	Rate per Mile. d.	Rate per 100 Miles. s. d.	To Berwick. Miles.	Rate. £ s. d.	Rate per Mile. d.	Rate per 100 Miles. s. d.
London -	423	1 5 10	$0\frac{7}{10}$	6 1	$365\frac{1}{2}$	2 2 6	$0\frac{7}{10}$	6 1
Newark -	328	0 18 4	$0\frac{7}{10}$	5 7	$271\frac{1}{2}$	0 16 8	$0\frac{7}{10}$	6 1
Derby -	295	1 1 8	$0\frac{8}{10}$	7 3	238	1 2 6	$1\frac{1}{10}$	9 5
Burton -	306	1 1 8	$0\frac{8}{10}$	7 0	250	1 0 0	nearly 1	8 0
Birmingham	338	1 5 0	$0\frac{8}{10}$	7 4	$281\frac{1}{2}$	1 2 6	$0\frac{8}{10}$	7 11

8907. The Trent is in no way under the control of the railway company ?—Not at all.

8908. (*Mr. Ayrton.*) Do you think that as many persons have gained by the opening up of new lines in the conduct of their business as have lost by the changes in its operations ?—I am not aware. I am convinced myself that the opening of a new communication to Derby would materially benefit us.

8909. But might it not at the same time injure other parties whose business is of the same description ?—Not in the least that I am aware of. What I am speaking of is in all fair play. Of course if the rates were equalized we should take again our fair share of the trade which we have now lost in consequence of this monopoly by the railway.

8910. Then if you took back the trade, the people who now carry it on would have a grievance ?—No, by no means ; they could not grieve at fair play.

8911. Is not it fair play in commerce to get as much as you can for yourself at the expense of everybody else ?—Yes ; but we want equality of rates.

8912. Is it not the principle of commerce that you get all you can for yourself, without regard to the losses of any other party ?—I believe that it is the course of those who are business people to do so.

8913. And you carry on your business on the principle of getting all the business you can without considering whether anybody loses in connexion with your business ?—Of course we study ourselves, and not other people.

8914. You do not refuse to take custom because somebody else might lose it ?—By no means ; we are anxious, as they are in all trades, to get all we can.

8915. (*Mr. Leveson Gower.*) What is the population of Derby ?—It is now about 52,000.

8916. Do you know what increase there was during the last 10 years between the two Censuses ?—It has increased about 5,000 in 10 years ; but, dating back 20 to 30 years, it has nearly doubled itself and yet our trade has not increased. We have vast water power suitable for the millering trade, which is entirely lost to us, in consequence of the high rates charged from the ports, and also upon the railways, which water power would be an advantage to us if the rates were reduced. The consequence is that other towns, such as Nottingham, Newark, and those places, get their stuff delivered cheaper from the ports, and also from the railways, and they can compete with us elsewhere. As an instance, I may mention the rates from Lynn upon the Eastern Counties line. They deliver their goods at Newark at $\frac{3}{4}$*d.* per ton less than they do at Derby, and it is 15 miles greater distance. We have to compete with Newark at Burton-upon-Trent, and their rate from Newark to Burton-upon-Trent is $1\frac{3}{10}$ths per mile, or 10*s.* 10*d.* per 100 miles ; and our rate from Derby to Burton is $2\frac{7}{10}$ths per mile, or 22*s.* 9*d.* per 100 miles, more than double ; and the railway company during the inquiry upon that subject in our Derby Chamber of Commerce raised their rate from 2*s.* 6*d.* per ton from Derby to Burton, which I think is 11 miles, to 3*s.* 9*d.*, making it 4*d.* per ton per mile ; which is very excessive, and which we have paid under protest down to the present time. It was done without giving us any notice whatever ; and at that very time we had sold a large quantity of malt to go to Burton-upon-Trent, and never found out that the rate had been raised until the bill came

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in at the end of the month, and the change in the rate would have made a very considerable difference to us.

8917. (*Mr. Ayrton.*) Do you suppose that the railway companies are influenced by a desire to favour one trade rather than another in fixing those rates, or is it only from a desire to make the most of their property according to their judgment?—It appears to me that the Midland Railway Company have a desire to get as much as they can from Derby, they make a monopoly of it.

8918. They are not influenced by any desire to favour any particular trader or set of traders in one part rather than in another?—I believe not, it is the competition that causes that; but I think that it is unfortunate for the Midland Railway Company that they should charge high rates upon the Midland Railway, particularly to Derby, the consequence is that they drive the very traffic which would increase the amount of tonnage over their line on to the Great Northern and other lines.

8919. If it is for their benefit why are you not able to explain it to them?—We have done so on several occasions and shown them that by charging excessive rates from Derby they positively throw traffic off their own line.

8920. (*Mr. Leveson Gower.*) Do any of the shareholders hold the same views with regard to that as you do?—Yes.

8921. Is there dissatisfaction among any body of shareholders as to that?—I believe not. Many of the shareholders in Derby are rather opposed to interference; some of the Midland shareholders are opposed to a reduction of rates.

8922. (*Mr. Glyn.*) Are we to understand you to say that they raised the rate without giving you any previous notice whatever?—Yes, without giving us any previous notice.

8923. And the first that you heard of it was a charge upon goods actually sent?—Upon the goods actually sent. We had sold a large quantity of goods to Northampton, the rate was 12*s.* 6*d.* and we found that we could send to Burton for 2*s.* 6*d.* and from Burton forward for 7*s.* 11*d.*; but the rate through to us from Derby to Northampton going through Burton was 12*s.* 6*d.*

8924. Generally speaking they give a fortnight's or a month's notice, do they not, on raising the rates?—I do not think that they give any, I am not aware of any.

8925. But as a practice?—I do not think so as a practice.

8926. (*Capt. Galton.*) If they had been in the habit of carrying goods at certain rates on their line and you had sent goods by them and they had not told you that they had raised their rates, were you bound to pay the higher rates because they sent in the bill?—Yes.

8927. Would you not have any legal remedy?—In all cases where we have written to them they invariably say that their rates are liable to be altered without notice to the public.

8928. In this particular case that you quote they raised the rate, did they not, in order to prevent your sending goods round by Burton instead of direct from Northampton to Derby over their line?—No, they did not raise the rate in that case, that was another case. During the inquiry in the Chamber of Commerce they raised the rate from Derby to Burton, which was 2*s.* 6*d.*, to 3*s.* 9*d.*

8929. I thought that you stated that you could send goods at a lower rate from Northampton through Burton to Derby than you could from Northampton direct?—Yes, the rate from Derby to Northampton was 12*s.* 6*d.*, but by sending to Burton and thence forward to Northampton the charge was considerably less.

8930. By the London and North-western line?—No, by the Midland line.

8931. To Burton by the Midland line and from Burton to Northampton by the Midland line too?—Yes, by the Midland line.

8932. And did they raise the rate in order to make them equal?—No, they have lowered the rate,—met us since that time. We were likely to send a large quantity to Northampton, and they reduced the rate to equal that to Burton.

8933. You stated that they have been raising the rate from Burton to Derby?—Yes, some time ago, during the inquiry in the Chamber of Commerce, they raised the rate from 2*s.* 6*d.* per ton, which it had been for a great number of years, to 3*s.* 9*d.*

8934. Have they lowered it again now?—We have had no notice of its being lowered, we have paid it under protest, and are not aware of its having been lowered yet, we calculated upon being charged the same as the old rate, 2*s.* 6*d.* per ton.*

8935. (*Chairman.*) Is there anything further which you wish to state to the Commission?—No, I think not.

* I find I am in error here; we objected to pay the higher rate, and they have since charged us the old rate.

The witness withdrew.

Adjourned to Thursday next at half past 11 o clock.

Thursday, 30th November 1865.

PRESENT:

SIR ROWLAND HILL, K.C.B., F.R.S.
GEO. CARR GLYN, ESQ., M.P.
ACTON SMEE AYRTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ., M.P.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. LORD STANLEY, M.P., F.R.S., IN THE CHAIR.

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Mr. Alderman WILLIAM NICKS examined.

8936. (*Chairman.*) I understand that you are a timber merchant at Gloucester?—A timber and slate merchant.

8937. You are an alderman of the city, and have served the office of mayor?—Twice.

8938. What is the amount of your business returns?—About 100,000*l.* a year.

8939. You have been requested, I think, by the Chamber of Commerce of Gloucester, to come up for the purpose of giving evidence to this Commission on the subject of railway charges?—I have.

8940. Have you, and other Gloucester merchants, to complain of a want of sufficient competition?—With the Great Western Company we have. What we require is a competing line to London by way of Oxford, and which we have been trying to get for 20 years.

8941. You mean a direct line to London *viâ* Oxford?—Yes. The present route is along the Stroud Valley through Stroud, and near Cirencester, and *viâ* Swindon, a very circuitous route, and a line with exceedingly bad gradients.

8942. I believe there is at present a line in course of construction which will give you a more direct communication with London?—Unfortunately that line is in a very difficult position. Perhaps your

lordship will allow me to go back a little in the matter of time. We thought we should get what we required by a line which was promoted from Cheltenham to Bourton-on-the-Water, which you will see upon the map, and then conducting us over the West Midland Railway *viâ* Oxford into the North-western system some four miles below Oxford, and that would have accomplished all we require ; but unfortunately three sessions ago the Great Western Company obtained an Act to amalgamate with the West Midland Company, and therefore blocked out any line there, and they got the whole of that side of the country in their hands.

8943. There were two schemes before Parliament, one promoted by an independent company and another by the Great Western Railway Company, and the Great Western Company carried their scheme ?—Yes ; that was as long back as 1847 ; but I am speaking of only three sessions ago, the amalgamation of the Great Western with the West Midland, which was the old Oxford, Worcester, and Wolverhampton railway, which afterwards became the West Midland, and is now a part of the general system of the Great Western. In 1847 we tried for a narrow-gauge Bill, but the Great Western Company put another Act almost alongside, and they obtained their Act, but they never made the line or attempted to touch it. When their parliamentary powers had expired we went again, I think it was in 1853, for a narrow-gauge Bill, and we got it through the House of Commons, but it was rejected in the House of Lords ; then we remained quiet until the East Gloucestershire Railway was promoted, and the Great Western Company agreed to subscribe 600,000*l.* towards the construction of the East Gloucestershire railway ; but when they went before their shareholders the power to subscribe this large capital was withdrawn, and therefore that Act fell to the ground ; then Sir William Russell and Sir Michael Beach, and a few others of the landowners in the neighbourhood promoted the East Gloucestershire Railway, which was carried in the Session of 1864 ; but, unfortunately, by the amalgamation Act of the Great Western with the West Midland, the London and North-western, the Midland, and the Great Western Railway Companies came to terms that neither of the companies should promote or subscribe to any undertaking which would be likely to interfere with any of their existing lines. The result of that was, that last session the Midland Company, having agreed to subscribe 100,000*l.* towards the construction of the East Gloucestershire Railway, the matter was referred to Capt. Galton, the railway engineer of the Government, and he decided that under the amalgamation Bill* the Midland Company could not legally subscribe that 100,000*l.* The consequence is that there is no means of making the East Gloucestershire Railway now without the Great Western ; and the Great Western Company, of course, would never contribute to the making of that line, simply because it is a competing line with their own. What we want is this, that the East Gloucestershire railway should be a narrow gauge railway, and narrow gauge alone, for unfortunately the Great Western Company have power to compel the East Gloucestershire Company, if they so require them, within three years to lay down the broad gauge upon their line, and yet the Great Western Company are not compelled to use it when it is laid.

8944. (*Capt. Galton.*) Are not the Great Western Company, if they do require them to lay down the broad gauge, bound to provide sufficient traffic to repay them the cost of laying it down ?—I believe not ; I may be misinformed on that point, but at any rate what we want is this, that the East Gloucestershire Railway should be an independent railway, and that the Great Western, the Midland, and the London and North-western Companies should have free access over it to give us a competing line to London.

8945. (*Chairman.*) At present you are entirely in the hands of the Great Western Railway Company ?—Completely.

8946. You are in the heart of the Great Western country ?—Yes, we cannot turn ourselves ; at every movement that we make they do everything they can, and expend any amount of money to keep out competition, and I think that they are wrong in their policy.

8947. Have you anything to complain of with regard to the amount of fares ?—We have a great deal to complain of. The distance from Gloucester to London by the Great Western Railway is 114 miles, and they charge us 20*s.* first class, and 15*s.* second class by ordinary trains, but those ordinary trains take such a long time upon the road, and are at such inconvenient times, that no commercial gentleman whose time is of importance can possibly go by them. They run three faster trains from Paddington to Gloucester, and three trains from Gloucester to Paddington each day, but they make those trains express trains, for which they charge us 25*s.* first class and 17*s.* 6*d.* second class, and for a return ticket, first class, 2*l.* For a month after the decision that I have referred to as to the East Gloucestershire line, they raised the return fare 1*s.*, but they found that it was obnoxious to the public and they withdrew the 1*s.* again, and it is now 2*l.*, as it was before, whereas to Birmingham, which by their route is 127 miles, 13 miles farther, they charge 20*s.* first class by all trains, and 30*s.* for a return ticket, so that you perceive that they do not give us the advantage of a fare and a half, as they do to Birmingham, and yet they carry to Birmingham at a less charge. Of course the only reason is that to Birmingham they have competition, and with us they have none.

8948. (*Capt. Galton.*) Is the distance from London to Worcester further than from London to Gloucester ?—I think not ; I really do not know. I should think it is about the same, because Worcester is just midway between Gloucester and Birmingham.

8949. There is no competition to Worcester, is there ?—There was an Act obtained last Session.

8950. But at present they have no competition ?—No.

8951. The fare from London to Worcester is 1*l.*, and the return fare is 1*l.* 14*s.*, is it not ?—Yes, but that was a fare adopted by the old Oxford, Worcester, and Wolverhampton system, and they have never dared to raise those fares since the amalgamation. For instance, in regard to Hereford, you can go from Paddington to Hereford for a very small extra charge of, I think, 6*d.* second class, and 2*s.* 6*d.* first class more than the fare to Gloucester, and you pass through Gloucester to do that, and go 32 miles further. But the reason of that was, that there was competition between the Great Western Company and the West Midland Company from Hereford at the time the amalgamation Bill passed. Then of course they could not raise the fares, and so they carry at the same rates as the old West Midland Company did.

8952. (*Mr. Hamilton.*) Were they prevented by the amalgamation from raising the fares ?—No, only by public feeling ; they did not like to raise them. If they had raised them the effect would have been this ; the people from Hereford to London would have gone *viâ* Shrewsbury by the London and North-western Railway. They have three routes from Hereford to London, whereas we have only one route from Gloucester to London, and the same thing applies from Gloucester to Hereford and tapping the Welsh system. The Great Western Company are the only persons having a line from Gloucester to Hereford *viâ* Ross. We tried two sessions ago for a short line from Gloucester to Ledbury, to get into the West Midland system, to have a competing narrow-gauge line to Hereford, and consequently *viâ* Hereford to Shrewsbury, Leominster, Ludlow, and the Welsh towns ; but the Great Western Company successfully opposed us, and therefore they still retain the monopoly of that side of the country in

* *See* Art. 39. Sec. 5. of Schedule 2. Act 26 & 27 Vict. c. 113.

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their hands, in the same way as they have the monopoly on the east side of the Severn.

8953. (*Capt. Galton.*) When the Great Western Company was before Parliament for the amalgamation with the West Midland Company, did you state those grievances to the committee?—I did.

8954. And the committee did not afford any remedy?—The Bill passed.

8955. They did not consider that any remedy could be afforded?—I presume not. The Gloucester Chamber of Commerce sent two representatives, of whom I was one, to appear before the committee. I happened to be Mayor at the time, and I was deputed to come to London, and a gentleman in the corn trade came also, and the corporation of Gloucester sent witnesses, because we felt that it was a matter of very serious importance to us. But an arrangement was made by the three companies that the clause of which I have spoken should be inserted in this amalgamation Bill to prevent, I presume, the extraordinary parliamentary expenditure of each large company in future until that Act should be repealed; but it has had a most damaging effect upon us, and the outside public really never could have known anything about it, or else they would have had public meetings and been up in arms about it; because there is no reason why they should not raise their fares or do anything they like with us, for we are locked in entirely, as it were, on both sides of us by the Great Western.

8956. Is it not the case that the line between Swindon and Gloucester is a very expensive line to work?—It has very bad gradients.

8957. Much more expensive than the line between London and Worcester or London and Birmingham?—I should think so.

8958. Might it not be a reasonable thing that a company who had to pay very heavily for the working expenses of a line should charge more upon that particular line than they would upon other lines which could be more economically worked?—That is their fault in laying it out over a bad country.

8959. At the time that the line was laid out over that country, would not the Gloucester people have preferred having a railway with bad gradients to having no railway at all?—Truly so; but the Gloucester people always thought, and still think, that the route from Gloucester to London was not *viâ* Stroud and Swindon, but *viâ* Cheltenham and Oxford.

8960. But to go from Cheltenham to Oxford would there not be a very bad country to pass through?—Not as the East Gloucestershire is laid out; they run through the valley, they do not go so near the existing coach line, *viâ* Northleach, by seven miles. They run through the valley and accommodate several little business towns by doing so. I always thought that the Cheltenham people ought to have taken this matter up more than Gloucester, but Gloucester is a large commercial port, and its merchants and traders travel a great deal more than the residents of Cheltenham do, because they are a different class of persons altogether; or else the route from Cheltenham to Oxford *viâ* the Great Western Railway is precisely like running round a horse-shoe, instead of running along its base.

8961. Which ever way you go you must cross the ridge which forms the water shed between the Severn and the Thames must you not?—That is so.

8962. You cannot go along the valley either way?—No, but the gradients of the East Gloucestershire line are very much easier than the gradients up the Stroud Valley.

8963. Is not the line by the East Gloucestershire much longer?—I think not. The distance from Gloucester to Swindon is about 37½ miles, and I think the Cheltenham to Oxford line is not more, or even so much.

8964. (*Mr Ayrton.*) Would not the narrow-gauge line, in connexion with the London and North-western, be very much longer?—It would probably, by the extension, but it might get into each system at Oxford, into the Great Western or the London and North-Western system; but if it went into the North-western system, which it would tap at Yarnton, and which is about four miles north of Oxford, I think that the distance would not be greater. But there was another Bill promoted last year for a line from the Yarnton junction to get into the Midland at Hendon, and that Bill is again to come before the House in a modified shape next session.

8965. (*Mr. Glyn.*) Is not Yarnton the point to which what you call Sir William Russell's line ran?—It is; that was the line which was promoted by Mr. Liddell last year from Yarnton into the New Midland line at Hendon, six miles from London.

8966. (*Mr. Hamilton.*) How far is that East Gloucestershire line sanctioned by Parliament?—It runs into the West Midland line at Witney.

8967. The Act is passed sanctioning it, I presume?—Yes, the line is in course of construction from Cheltenham to Witney and to Faringdon, and there it runs into the Great Western system, and at Witney it runs into the Great Western system again. It has two forks from a place called Lechlade, one of which runs to Witney to the left, and the other to Faringdon to the right. Then it runs on from Witney to Yarnton, and by that route there is a direct line from Cheltenham and Gloucester to Bedford and Cambridge right through to the eastern counties.

8968. But all feeding the Great Western system?—No, it would not feed the Great Western system; it would rather tend more to feed the London and North-western system.

8969. If it ran in at Oxford it would?—Yes, but it would get from the East Gloucestershire at Yarnton into the London and North-western system immediately; the London and North-western system is at Yarnton, and from Yarnton it would go right through to Cambridge through Bedford.

8970. What is the comparative distance from Yarnton to London by the two routes, the London and North-western and the Great Western?—I do not know. I should think the distances are very similar, but the shorter route to London by the Great Western would, I presume, be *viâ* Faringdon.

8971. You are not aware that it is 17 miles farther round by the London and North-western?—I believe it must be somewhat farther round, but if this projected line of Mr. Liddell's, which was rejected last year, and which is again to come before the House this year in a modified shape, were made, it would be much shorter.

8972. (*Mr. Glyn.*) That intended new line was not part of the North-western system; it was Midland, was it not?—It was an independent company.

8973. But it ran into the Midland?—Yes, it ran into the Midland.

8974. And it crossed the London and North-western system?—Yes, therefore it was considered very reasonable to suppose that the Midland were supporting it in some way, because it ran into them at both ends.

8975. Do you happen to have a copy of the clause to which you have alluded, binding the three companies in the way you have mentioned?—No, I have not it with me.

8976. (*Mr. Hamilton.*) Is it a fact that the inhabitants of Gloucester were prejudiced by the amalgamation Act of the Great Western and West Midland companies; are you paying higher fares now than you did before the amalgamation?—No.

8977. Then the amalgamation did not injure you?—We say this, that we are charged express fares, and that we are charged express fares simply because we have no competition; that the Great Western do not charge express fares except to Gloucester and a few other towns upon their system where there is no competition, and that there is no other railway that works in our district now, either the Midland, the London and North-western, or any other railway, that charges express fares at all.

8978. (*Chairman.*) I understand that you have

made a statement to the effect that the Great Western Company run trains from Paddington to Birmingham by the same route as to Gloucester as far as Didcot, the distance to Birmingham being 127 miles ?—That is so.

8979. And that for that they charge 20*s.* first class, and 15*s.* second class ?—That is so.

8980. Also you have stated, I think, that for a return ticket from Gloucester to London, first class, the charge is 41*s.* ?—It is 40*s.* now.

8981. And from Birmingham it is 30*s.* ?—Yes.

8982. The distance from Birmingham to London being considerably greater than the distance from Gloucester to London ?—It is 13 miles further.

8983. (*Capt. Galton.*) But the distance by the London and North-western to Birmingham is less, is it not, being 112 miles ?—The distance by the London and North-western to Birmingham is the same as the distance from London to Gloucester within a mile or two, I know. I think it is 112½ miles, but I am not quite clear ; however, it is near enough for us to call it the same distance.

8984. (*Mr. Hamilton.*) The Great Western charges express fares, does it not, to other towns, besides Gloucester ; how are the fares to Bristol and Exeter ?—To Exeter they do not charge express fare.

8985. But how is it with regard to Bristol ?—To Bristol they do charge express fares, but they do not to Exeter because they have competition there.

8986. In fact it is on the western system only where they have no competition that they charge express fares ; on the northern system they do not ?—No, because they have competition ; but the London and North-western and the Midland have for several years entirely abandoned their express fares, whether there is competition or not.

8987. (*Mr. Ayrton.*) Are your return tickets confined to the day of issue ?—No ; to two days. If I took a ticket this morning from Gloucester I could return to morrow ; I believe that is the case everywhere now.

8988. (*Capt. Galton.*) That is the case, is it not, on all lines for distances of over 50 miles ?—I think so.

8989. (*Chairman.*) Does not your complaint resolve itself simply into this, that, having no competition throughout the district in which Gloucester is situated, you are charged higher rates and have not the same accommodation as is given upon other parts of the Great Western line ?—That is so ; and, more particularly, I wish to impress upon the minds of the Commissioners, the necessity of the East Gloucestershire line not getting entirely into the hands of the Great Western Company, but that it should be for the common use of the London and North-western and Midland companies also.

8990. With regard to goods traffic, have you not some statement to make as to differences in the charges ?—The Great Western Company charge us considerably higher than the Midland do for the same accommodation.

8991. Are the Midland rates 5*s.* per ton for distances similar to the distance between Gloucester and Leominster, for which the charge on the Great Western is 10*s.* ?—Since my preliminary statement was sent to the Commissioners the Great Western have altered their rates a little ; they have sent out a fresh list of rates within the last few days. I do not know why, but they have made a reduction ; for instance, to Leominster and Ludlow from Gloucester the fare is now 8*s.* 4*d.*, but if it was for the same distance by the Midland, even where there is no competition, it would not be more than 5*s.*

8992. (*Mr. Hamilton.*) How does the Great Western Company get any custom if it charges so much higher rates than other railways ?—It gets custom by the hard work of the merchants. The merchants, of course, try all they can to keep their trade together ; but a great deal of the trade that Gloucester had at Hereford, and the towns between Hereford and up to Shrewsbury, has been diverted to Newport in consequence of the high charges from Gloucester and the low ones from Newport, a state of things which has been brought about by the fact of the London and North-western and the Great Western both having running powers over the Shrewsbury and Hereford, and therefore they both have competing rates.

8993. (*Capt. Galton.*) Do you send by water to Newport or by rail ?—No ; Newport has its trade without us ; we have hard work to compete with Newport at all.

8994. (*Mr. Glyn.*) It is as a shipping port that you are now speaking of Gloucestor ?—Yes, as a shipping port.

8995. (*Capt. Galton.*) The facilities to Newport have injured the Gloucester shipping trade ?—They have injured the Gloucester timber trade considerably, because ships will go to Newport for a little less than they come to Gloucester ; and then if the rate from Newport to those towns is lower than it is from Gloucester, of course we cannot compete ; because 6*d.* or 1*s.* a ton, so fine is the trade cut, will shut us up at any time.

8996. (*Mr. Glyn.*) I suppose that Newport has some advantage over Gloucester, inasmuch as vessels can get back freights there ; they bring timber and take coal away ?—That is so. We hope to remedy that evil another session by bringing coals to our own shipping port.

8997. (*Mr. Hamilton.*) You say in your preliminary statement, that to Leominster, only 14 miles beyond Hereford, the rate from Gloucester is 10*s.* per ton. Is there a communication by any other railway from Gloucester to Leominster ?—No ; that is what we complain of.

8998. Then the next paragraph in your statement, that the Midland rates for similar distances are 5*s.* for the whole route, does not mean between the same places ?—No ; we wish that the Great Western Company would do with us as the Midland Company do. The Midland Company go in for a goods traffic, but the Great Western Company do not. Whether their trucks are too large, or what, I do not know. In our opinion the broad gauge is very ill adapted for goods traffic. We cannot send less than four tons of goods to a man who may only require two tons, and if we send him two we have to do it at such a rate that of course the man has to pay extra for it. The broad gauge is not adapted for the goods traffic of the country nearly so much as the narrow gauge. The Midland Company commence with us at Cheltenham, and they charge us 2*s.* 6*d.* per ton. Of course they never carry at any less charge than that, because it would not answer their purpose to carry anything under 2*s.* 6*d.* ; then they go on to Worcester, 3*s.* 6*d.*; to Droitwich, 4*s.* ; Bromsgrove, 4*s.* 6*d.* ; Birmingham, 5*s.* 6*d.* ; Tamworth, 6*s.* 2*d.* ; Burton, 7*s.* ; Derby, 8*s.* ; Nottingham, 9*s.* There we go according to distances, and there is really no competition ; but the Great Western Company, the moment they go over this piece of ground between Hereford and Shrewsbury, immediately double the rates virtually, compared with what the Midland Company would do if it were their system. The rate to Hereford is 5*s.*, to Leominster, 8*s.* 4*d.* ; to Ludlow, 8*s.* 4*d.* ; to Craven Arms, 9*s.* 2*d.* ; to Church Stretton, 10*s.* ; to Candover, 10*s.* 10*d.* ; and then, because there is no competition there, up to Shrewsbury, 10*s.* These rates have been amended within the last month, but hitherto, the moment you had passed Hereford, it was 10*s.* to any station up to Shrewsbury.

8999. Has any representation been made to the Great Western Company on the subject by the trading classes of Gloucester ?—The Chamber of Commerce of Gloucester twelve months ago memorialized the Great Western Board with the whole of those facts, as laid before them at the annual meeting of the Chamber. The memorial was signed by the chairman on behalf of the chamber, and transmitted to the Great Western Board, and it was acknowledged in the course of a week or two ; but it was simply an

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acknowledgment of it, and from that time to this not the slightest notice has ever been taken of it.

9000. (*Chairman.*) Then with regard to this goods traffic also, your objection is the same; namely, that there is no competition, and that therefore the Great Western Company have the power of charging almost what rates they please?—Just so. I think that if their railway had been narrow gauge, the probability is that they could have afforded to have carried at less rates than they can now afford.

9001. Is not the narrow gauge laid down inside the broad gauge along that line?—No; they had power in their omnibus Bill, two years ago, to lay down the narrow gauge from Gloucester to Hereford, but unfortunately they have never touched it, and therefore our goods going to any stations beyond Hereford have to be transhipped at Hereford. But the Midland Company have now running powers over the Worcester and Hereford line, and they have recently taken to run goods for any of those stations *viâ* Malvern and then down through Ledbury to Hereford, and on by the narrow gauge by arrangement, I believe, with the London and North-western Company.

9002. (*Mr. Hamilton.*) Would it be a great convenience to the trading classes in Gloucester if the narrow gauge was laid down all the way?—A very great convenience, and to have no broad gauge at all.

9003. (*Capt. Galton.*) Have you found much inconvenience from the break of gauge?—Very much inconvenience and much damage to our goods.

9004. (*Mr. Hamilton.*) Has there been any communication to you from the Great Western Company that it is their intention to lay down the narrow gauge?—They have taken powers in their Bill to do so, and they keep telling us that they shall do it, but we do not know when.

9005. (*Sir R. Hill.*) Is the Gloucester and Hereford line open at night for traffic?—I believe so.

9006. Can you tell whether it has been long open at night for traffic?—I cannot say. I do not know how they work their goods trains at all, it is a single line and a bad line, and a line which cost a large amount of money.

9007. Are you aware that the London and Hereford mail goes by way of Shrewsbury?—I am not aware of that.

9008. (*Chairman.*) In the event of your having a new company introduced into your district, what security have you for competition continuing, that is to say, for the competition not being replaced, as we know it often is, by a combination?—We think that there ought to be a uniform mileage rate charged upon all railways for different classes of goods, and if the Government compelled all railway companies to carry 50 miles at one rate and 100 miles at another uniform rate, we should not want competition; we do not want to increase the number of railways, provided we have our accommodation.

9009. With regard to a uniform mileage rate, do you think that it ought to be the same whatever the amount of traffic carried upon the line is, and whatever the original cost of constructing the line may have been?—I can hardly answer that question; railways are constructed now much cheaper than they used to be, and they probably will be constructed cheaper yet, and therefore it is perhaps hard to make a railway suffer that was constructed 25 years ago.

9010. (*Capt. Galton.*) If they are constructed cheaper, must it not be at the expense of the gradients or because they make the work more slight in character, and therefore the working expenses would be greater?—No; there are so many more railway contractors now-a-days than there used to be, that if they can find the money to make a line, the works are taken at a much less sum than they were even 10 years ago.

9011. (*Mr. Ayrton.*) Would your mileage rate be upon the direct distance or upon the mileage by circuitous lines of railroad?—I think that they ought to be paid for the actual ground that is gone over, and that they have been compelled to construct. I do not want them to construct a line and to lose money by it.

9012. Has not Gloucester gained as much by the circuitous lines connected with it as it has lost by them?—I hardly understand the question.

9013. Is there not a very circuitous line into South Wales by Gloucester at present, which has given Gloucester a fictitious importance with regard to South Wales?—I cannot conceive of any importance that it has given to Gloucester. There has been a great deal of noise made about it, that Gloucester ought not to be passed by; but I do not know why, except that it might benefit two or three public houses in the neighbourhood of the station, where third-class passengers may stop an hour.

9014. Did not the inhabitants of Gloucester, the commercial class there, oppose the construction of a direct line into South Wales?—Yes, certainly; because it will be a complete annihilation to their trade if the bridge is ever made; but that is for quite another reason.

9015. You said that nobody at Gloucester was interested in this circuitous line by Gloucester to South Wales. I am asking you, why then do all the merchants think that it would annihilate their trade if there was a direct line made into South Wales?—Not that it would prevent the passenger traffic passing through Gloucester, but that the bridge which Parliament has sanctioned to be constructed from Chepstow across to the Gloucestershire side will prevent all large ships coming up to Gloucester; they will not charter to come to Gloucester. We have quite difficulty enough now to get ships to come up our dangerous channel, as they call it, without any impediment being put in their course; and if this bridge is made captains will not charter to Gloucester at all, and therefore all the trade will be ruined.

9016. Parliament was not of that opinion?—Parliament was not of that opinion.

9017. Were they not of opinion that there would be no impediment caused to the shipping by a bridge?—They were of that opinion, but I do not think that Parliament was right, and I really hope that that will be remedied this next session, because a company is going to Parliament for a bridge to cross the river Severn above Sharpness Point, which is the place where ships come in for Gloucester; and should that bridge be passed as an alternative bridge in lieu of the large bridge below, and in fact in lieu of the one above, for which an Act was also obtained last year, we shall be perfectly content; we do not want the traffic to come through Gloucester.

9018. Are we to understand you that the only objection the people of Gloucester had to that line was that the bridge might obstruct the shipping passing up to Gloucester?—That was the only objection.

9019. Will not the construction of that direct line apart from the bridge bring South Wales into direct communication with Bristol by railway instead of with Gloucester?—It will not affect Gloucester. We do no business in South Wales. Notwithstanding all that we can do, Gloucester can hardly hold its own against Cardiff, Newport, and Swansea; we never attempt to compete with them in any way; it would be ridiculous to do so.

9020. (*Capt. Galton.*) Your trade is chiefly with the Midland districts, is it not?—Yes, north of us entirely. What we want is that the bridge should be constructed across the Severn in another way. We do not object to a bridge, but do not put it where it will prevent the ships coming to Gloucester.

9021. Your ships come by canal, do they not, from Sharpness point?—Yes; a great many discharge their cargoes entirely at Sharpness point, because the tendency for the last four or five years has been to increase the size of the ship, so that she is too large to come up the canal, and therefore her cargo is discharged at Sharpness, and brought up by lighters, or in the case of logs of timber floated up to the docks.

9022. (*Mr. Ayrton.*) You say that the merchants and traders of Gloucester complain of not having lines

of railway connecting Gloucester with other districts; if they want those lines why do they not construct them?—They subscribe towards the construction of them; they subscribed largely towards the East Gloucestershire line.

9023. Why do they not subscribe entirely and make it?—Because unfortunately their money is locked up in their business, in the case of most of them.

9024. (*Capt. Galton.*) Is it not the case that the East Gloucestershire Company has not obtained sufficient funds to make the line, and that the object of the application to the Midland Company was to advance them the money?—That was done.

9025. Because the local parties had not sufficient interest in its completion?—It is the same with all railways; you cannot get a railway made now from one point to another by independent persons without the assistance of some of the great companies, you want one of the great companies to work the line, to start with; the arrangement between the East Gloucestershire and the Midland companies was for the Midland Company to find 100,000*l.* and work the line, but by the agreement in the amalgamation Bill they are prohibited from either finding the money or working the line, and what we want is to keep it common to the three companies.

9026. Has not Parliament sanctioned the working of the line by the Midland Company?—No; it was referred to Captain Galton, and he decided against the Midland doing it.

9026. (*Mr. Ayrton.*) Then you would wish that some other people should find the money for making the railway for you, and then that they should be compelled to take a rate for the use of it that they do not think remunerative?—No, I do not want that; all I want is for the Great Western Company to treat me in the west the same as they treat my neighbours in the north; I ask no more, for if it pays them to treat Birmingham as they are treating it, I think it ought to pay them to treat Gloucester in the same manner.

9028. (*Mr. Hamilton.*) But do you assume that it does pay them at Birmingham?—That is not a part of my business. They went to Birmingham to steal a portion of the traffic of the London and North-western away, and I heard evidence given that it would pay them to do so.

9029. (*Sir R. Hill.*) That was before the Bill passed?—Yes, that was before the Bill passed.

9030. Do you happen to know whether it has paid them?—Unfortunately I am not a shareholder in the Great Western Railway and therefore I do not know.

9031. (*Mr. Hamilton.*) With regard to this bridge across the Severn, were there not two bridges passed last session?—Yes.

9032. One above the entrance to the Berkeley Canal and another near the town of Gloucester?—No, about eight miles from it.

9033. And not interfering with the navigation?—No, not interfering with the navigation; the upper one did not.

9034. Did the inhabitants of Gloucester promote the upper one?—They did not oppose it.

9035. In whose interest was the upper one passed?—I think in the interest of the Midland Company.

9036. And you hear now that there is an intermediate scheme which will be acceptable to the people of Gloucester, and which will probably supersede both of those bridges—is not that what I understand you to say?—That is the intention if it is taken up by the Midland Company and by the Great Western Company; it is clearly the best bridge of the three, and we should not oppose it; on the contrary, we should hail it with delight because it is above the entrance of our shipping port, and it would bring the South Wales coal and the Dean Forest coal for shipment on our side of the Severn, so that our ships would not have to go in ballast to Newport and Cardiff to pick up coals, and we should then be put on a level with Newport and Cardiff.

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9037. (*Mr. Glyn.*) What is the immediate interest of the Midland Company in that bridge, which is going to be proposed next session?—The Midland Company would then be able to get the Forest of Dean coals over that bridge up for their northern districts, and the Midland have a large interest in it, at any rate. I know that one of the Midland directors, Mr. Price, a neighbour of mine, has large properties in the Forest of Dean, which would be tapped by this line.

9038. It would bring the Forest of Dean coal into your district?—Yes, for shipment at Gloucester.

9039. (*Mr. Hamilton.*) The Midland are trying, are they not, to extend their system into South Wales?—Yes, undoubtedly; and I am not surprised at it, because the Great Western system there is entirely broad gauge, and the arteries that run from it into the collieries, the whole system, are narrow gauge. It was a monstrous thing ever to lay the South Wales line a broad gauge line, to my mind.

9040. The spot where this recently proposed intermediate bridge is to be is the spot which was originally fixed upon by Mr. Brunel, is it not?—I believe it is.

9041. As part of the Great Western system?—Yes. I think the bridge, if it be made, should be for the common use of the Great Western Company and the Midland Company, and of course it would take the South Wales traffic over it, and avoid Gloucester, which Gloucester does not object to. Gloucester does not object to the bridge; we do not care for the traffic coming through. I do not know how many years ago, but I should think 17 or 18, a bridge was proposed by Mr. Brunel over the Severn at a place called Hock-crib, and it was opposed by Gloucester at that time. It was a very serious matter before Gloucester had a railway, and the present Lord Fitzhardinge, then Admiral Berkeley, opposed it very strongly; the Board of Admiralty threw it out; it never got to the House.

9042. Was that bridge above or below Sharpness Point?—Considerably above. With regard to the big bridge, as we call it, the Chepstow Bridge, the Gloucester Chamber of Commerce applied to the Admiralty upon that question, and the Admiralty referred us to the Marine Department of the Board of Trade; upon which the mayors of all the towns interested, the chambers of commerce, and a great many other persons interested in the matter, waited upon the Board of Trade. I think there was a deputation of more than 30, who were headed by Sir John Pakington, and he pleaded our case, and the Board of Trade decided against this big bridge being made last session, but that appeared to have had no effect upon the House, because afterwards the bill became law. I am speaking now of what is commonly known as Mr. Fowler's bridge.

9043. Is there anything else which you wish to add to your evidence?—No, I think there is nothing else.

The witness withdrew.

Mr. John Smith examined.

Mr. J. Smith.

9044. (*Chairman.*) I think you are the senior partner in the firm of John Smith & Co?—Yes.

9045. Are you wholesale grocers at Lincoln?—Yes.

9046. I understand that there has been a meeting held at Lincoln to take into consideration the unequal rates charged by different railway companies?—Yes, there has.

9047. I think I see your name as having taken part in that meeting?—I did so.

9048. Was it numerously attended?—It was not numerously attended, but the merchants of the city were represented there.

9049. Was it attended by the leading people engaged in trade at Lincoln?—By some of the leading merchants and tradesmen.

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9050. Have you anything to state to the Commissioners in the first place as to the classification of articles without reference to their value?—Yes. In the classification of articles as regards the trade in which I am engaged, namely, the grocery trade, and I can only speak to that trade, there are many anomalies and inconsistencies. For instance, sugar in hogsheads and mats is charged 20*s.* per ton, whilst in lumps it is charged 25*s.* Nothing can be better to carry than lumps of sugar, and yet we have to pay 25 per cent. extra. Then again, for currants in barrels and all fruit in barrels, we are charged 20*s.* per ton; whereas if the same fruit is put into boxes, we are charged 30*s.* per ton. I should certainly consider a box of fruit better to carry than a barrel of fruit. These things have been represented to the railway companies again and again. Then with regard to many other articles, take, for instance, such an article as common tapioca, an article of very trifling value, which enters into large consumption; one of my neighbours recently got a ton of common tapioca, for which the company charged him at the regular rate 35*s.* per ton; whereas had we a ton of Carolina rice come down that is worth double the value, it would only be charged 20*s.* per ton.

9051. Do you not think that the question for the railway company is, what the actual cost and trouble of conveyance is to them, and not what is the intrinsic value of the article?—Just so; but there is no more trouble to the railway company in the one article than in the other. Tea is charged 40*s.* per ton, and only a short time ago the rate was 45*s.* per ton, a most excessive rate; and I may say that the classification of goods altogether is very injurious to trade.

9052. (*Capt. Galton.*) Are the rates that you have mentioned the rates from London?—Yes, from London. For instance, we wrote the other day for a box of onions and 8 lbs. of grapes from Draper's. They were both sent off together; but the onions were entered at one rate, 1*s.* 3*d.* per cwt., and the grapes were charged separately, 1*s.* 6*d.* for the basket. By this classification we frequently have to pay most enormous rates. It appears to me that onions and grapes ought both to be carried at one charge.

9053. Are not grapes more liable to damage than onions?—No, not in the quickness of transit. I should consider that there would be no more risk in the one case than in the other.

9054. It is an article of a more perishable nature, is it not?—Yes, it is; but we should never think of making a claim for such a thing; but it would be just the same if anything else. If an 8 lb. box of muscatels, it would be entered separately.

9055. It comes as a parcel, I suppose?—It would come as a box. The onions would come under one classification, and a box of fruit would come under another.

9056. (*Mr. Glyn.*) Both coming by goods train?—Yes, both by goods train, and yet they enter them separately.

9057. (*Sir R. Hill.*) They would be separate parcels?—Yes, they would be separate parcels; but brought by the same company, both fetched from the same house, and both delivered at the same time.

9058. (*Mr. Ayrton.*) Do you mean fresh English grapes, or grapes in foreign packages?—Foreign grapes. I have here the classification, which I will hand to the Chairman, and from which he will see the rates which we are charged (*handing the same to the Chairman*).

9059. (*Chairman.*) As I understand it, your objection to this existing scale is that it seems purely unequal and arbitrary, and not bearing any fair relation to the labour and trouble imposed upon the railway company by the carriage of articles of that kind?—Just so; that is our point.

9060. (*Sir R. Hill.*) Did the payment of 1*s.* 6*d.* for the box of grapes include its delivery at your place of business?—Yes.

9061. And did it include its collection in London?—Yes.

9062. Do you think 1*s.* 6*d.* an excessive charge for the conveyance of a box of grapes, as well as collecting it and delivering it?—Not by itself; but by reason of this classification they are entered separately, though both the onions and the grapes come from one house, and are both sent off at the same time.

9063. But still they were packed separately, were they not?—Yes, they were packed separately; but they were delivered to the carrier at the same time.

9064. Was not that altogether a matter of accident?—If the 8lbs. of grapes had been put inside the box of onions, and it had been all entered as onions, it would have come down under one rate; but these are the advantages that the railway companies take of us, which we think to be an injustice.

9065. (*Mr. Ayrton.*) Is there not a rule of charge prescribed in all the Railway Acts that goods of a different class should be charged for separately?—Yes, they have an almost endless classification of goods. Though they are sent from the same house, the goods are taken out separately; for instance, mustard is entered separately, almonds are entered separately, and a case of nutmegs, which is of very little value now, for we can buy them at thirteen pence and fourteen pence a pound, they charge 2*s.* 6*d.* per cwt. for.

9066. Do not Railway Acts expressly provide that unless separate packages are of goods of the same class, they shall be charged separately?—Yes, they charge them separately.

9067. Then the charge that was made to you in the case of the onions and the grapes was strictly in accordance with the provisions of the Act?—Yes.

9068. Do you object, then, to a system by which goods are to be charged separately, even though they are in separate classes?—Yes.

9069. Then do you think that having goods of separate classes, if you send them all at the same time, they ought all to be charged as one consignment?—Decidedly. Grapes and onions, and lemons, and all those things are fruit, and they ought to come under one general rate, and not be singled out in the manner in which they are.

9070. I want to know whether your objection is to the system as prescribed in the Acts of Parliament regulating railways, or whether your objection is to the classification of goods that now exists?—My objection is to the classification of goods now existing, I say that that classification is wrong in principle.

9071. Will you state upon what principle you think goods ought to be classified?—I think that goods ought to come under one general classification, for instance, as to groceries, that there ought to be one general rate fixed for them instead of the endless diversity that we have now, very greatly to our loss.

9072. Will you state upon what principle goods should be classified?—With regard to the railway companies, when I have spoken to them about the excessive rates on any particular lots of goods they have always justified themselves on account of the increased risk of the carriage, and they say that that is the reason why they put different rates. I say that there is no risk of carriage, one grocery article is just about as hazardous as the other in the transit.

9073. Is weight an element upon which the classification should be made?—I would have one general rate put upon all grocery goods, or nearly so; on all fruits, for instance. I have just mentioned the case of the grapes and onions because they were both fruit, and both came from one house.

9074. If you are dissatisfied with the present principle, what principle would you lay down for the classification of all goods conveyed by railways, would you make it upon weight only?—I would make it nearly so by weight, I would have, say, one general charge for groceries, another general charge for fruits, another general charge for draperies, and another for drugs, and so on.

9075. Would you consider value an element in the classification?—You can hardly consider it, because

you do not know what the value of the thing is. For instance, in the case of the tapioca which I have just referred to, you may buy a ton of tapioca for 18*l.*, upon which they will charge you 35*s.* for transit, and you may get a ton of very fine tapioca that may be worth three times as much in value.

9076. Then you would exclude value as an element of classification?—I do not see how value can be taken, but I would not absolutely exclude it.

9077. You must either include it or exclude it?—I think it is at present carried to a ridiculous extent.

9078. If you are to exclude it partially, in what way would you include the element of value in the classification of goods, how would you lay down a rule?—I have not given the matter sufficient consideration to be able to answer that question; but my own view about it is, that a classification of goods, without reference to their value, is quite unjust in principle. As I have shown there is a charge made without reference to value. I brought forward the case of a ton of tapioca.

9079. We are speaking now of classification and not of a particular case, and I want to know whether you have formed an opinion as to any principle of classification by value or whether you have not?—No I have not.

9080. Is bulk relatively to weight an element in the classification?—Not as regards groceries.

9081. But generally in the classification of goods is it an element?—Generally speaking, I think bulk is a subject which ought to be taken into consideration.

9082. Would liability to damp be an element in classification?—Yes.

9083. And would the speed at which a particular class of goods is expected to be carried be an element in classification?—Yes.

9084. Are there any other elements that you would take into account in trying to classify goods?—No, I do not know that there are.

9085. Will you explain how we are to classify goods upon the basis that you have named; how should we estimate, for example, the liability to damage, upon what rule?—I have repeatedly mentioned to the railway companies at Lincoln their exorbitant charges for different things, for instance, that nutmegs are charged 2*s.*.6*d.* per cwt., 150 per cent. more than sugar and so on, and the reply has always been that they have to make different rates on account of the increased risk in the transit; but in reply to that I always tell them that there is no risk in the transit. I have been in business now above 20 years, and I should say that for the last five years I have paid the Great Northern and the Midland Companies at least 1,000*l.* a year. I have paid them, in five years, exceeding 5,000*l.* for carriage, and 10*s.* a year would cover all that they have had to pay us for damage.

9086. May not that have arisen from the fact that they take precautions with regard to some classes of goods that they do not with regard to others?—I do not think so.

9087. Do you think that they take groceries with precisely the same amount of care that they take pig iron?—I think that would hardly bear a parallel; but I think they take as much care of one class of goods as they do of another; for instance, tea is double the rate of sugar, and I think that they take quite as much care in the transit of sugar as they do of tea.

9088. Then the Commissioners are to understand that the real nature of your complaint is, that the classification that they have made of particular items is not satisfactory to you in your own business?—It is very unsatisfactory.

9089. But still you would think it necessary to have a minute classification, only that it should be better adapted to your business than it is at present?—Yes; I should not object to that.

9090. But you would recognize all the circumstances that the railway companies themselves recognize in making this classification?—Yes.

9091. (*Sir R. Hill.*) Has not the price of tapioca fallen very much of late years?—It has.

9092. May not that account for the high comparative charge that is still made upon tapioca?—Yes, it may somewhat account for it, but then they will not alter the rates.

9093. What is the retail price of a pound of rice?—Carolina rice is retailed at 5*d.* per lb. A short time ago we could retail common tapioca at 3*d.* per lb., and we could give the public a good article at 4*d.*, but it is rather dearer now; we do not keep anything so low as 3*d.*

9094. Practically, tapioca and rice are about the same price?—Carolina rice and ordinary tapioca can now be sold at the same price.

9095. (*Mr. Hamilton.*) When you went to the railway company they said that the difference of charge arose from the difference of risk, and you say there is none, what do the railway company mean by difference of risk?—I suppose they mean that there is more risk in carrying tea than there is in carrying sugar.

9096. What risk?—I do not know; I cannot understand it.

9097. (*Mr. Ayrton.*) There are a great many risks, are there not, for instance, from robbery, rain, breakage, and so on?—Yes, the casks may get broken in the carriage, or the article may get wet, or they may be pilfered, and the railway company may be called upon for damages; but the principal clerk of the Midland Railway Company told me that he did not believe that we had claimed altogether 5*l.* ever since we had traded with them.

9098. (*Mr. Hamilton.*) Take the two cases that you have mentioned, the box of grapes and the box of onions, what is the greater risk of damage in the one case than in the other, so far as the railway company are concerned?—I do not see that there is any, they are both equally well packed, and the one is as safe to carry as the other.

9099. And yet they justify the difference of charge on the ground that there is a difference of risk?—It is in this way, they charge no package under 1*s.* 6*d.*, and they charge for them separately; by reason of that classification they enter them separately, and the consequence is that we have to pay for a small box or hamper of grapes that has only 8lbs. in it nearly as much as we have to pay for a box of onions which contains 1½ cwt.

9100. (*Capt. Galton.*) Supposing you sent 1½ cwt. of grapes, how much would they charge you?—It would be nearly the same money as for 1½ cwt. of onions.

9101. (*Mr. Ayrton.*) Are foreign grapes packed in sawdust in boxes in the same class as onions?—I think they are pretty much the same.

9102. (*Capt. Galton.*) If you had sent two boxes of onions, one box containing 8lbs, and the other containing a larger quantity, you would have paid very nearly the same for the two?—Yes.

9103. Your complaint is that a small package pays nearly as much as a large one?—Yes, grapes is an article that we do very little business in, but my complaint is this, that because there is this classification kept up the railway company are enabled to charge each of these packages separately, whereas if they were both entered as fruit instead of charging for the two articles 3*s.* 5*d.*, they would have come in at about 2*s.* for the two articles.

9104. If you had sent the onions in two separate packages, should you not have been charged exactly the same as you were charged for the onions and the grapes?—Yes.*

9105. (*Mr. Glyn.*) Do I understand you to say this, that if you had six packages by the same train from the same house you would expect that there would be only one charge made for those six packages?—Just so; I say that it is only right that the company should weigh the whole and put one general charge upon the whole.

9106. (*Sir R. Hill.*) Is not the trouble to the

* This answer was afterwards altered by the witness to "No."

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company much greater in taking charge of six packages than of one?—I do not see that, when they all come together.

9107. (*Capt. Galton.*) Have they not to enter them all separately?—I do not see that there is any necessity for that. They might enter them "six hampers" or "six baskets" or "six boxes."

9108. Would not it be more convenient to the railway company if the person who was sending the goods packed them all up in one parcel?—Generally that could not very well be done.

9109. (*Mr. Glyn.*) Have not the packages to be handled all separately, carted all separately, and loaded all separately?—No; the vans would go to the party in London sending them, and bring all the six boxes together.

9110. All the separate articles would have to be put into the cart, taken out of the cart, and entered all separately, would they not?—Yes; but there is nothing to justify six different charges.

9111. (*Chairman.*) Have you reason to complain that the rates which you are charged are excessive as compared with those imposed upon other towns in the neighbourhood?—Yes.

9112. Will you state in detail what is your complaint upon that point?—I will just take the articles tea and sugar. Sugar is charged to Lincoln 1*l.* per ton in hogsheads and mats; it is carried through Lincoln to Gainsborough, 16 miles beyond, where it is charged 17*s.* 6*d.* It is carried to Sheffield, on the other side of Lincoln, which is 165 miles from London and 26 miles farther than Lincoln is from London, and there also the charge is 17*s.* 6*d.* It is carried to Doncaster, which is about 155 or 156 miles from London, and I believe the rate there is 15*s.* per ton; whereas at Lincoln we have Gainsborough on one side and Doncaster on the other, and Sheffield on the other, and we are paying something like 12½ per cent. higher rates, and we feel that to be an injustice. Tea also is charged to Lincoln 40*s.* per ton. It used until very recently to be 45*s.*, but I so often objected to it, that they have reduced it to 40*s.* per ton; and the same article is actually carried through Lincoln to Gainsborough, 16 miles beyond, where it is charged 30*s.* per ton.

9113. (*Mr. Glyn.*) All coming from London?—Yes, all coming from London; that has been the case for a long time past.

9114. (*Capt. Galton.*) By the same railway company?—By the same railway company.

9115. Do you always get your goods by the Great Northern Railway?—No, we divide it about equally between the Great Northern and the Midland.

9116. Then you get no advantage from the competition?—No, not any advantage. I do not consider so.

9117. (*Chairman.*) If you are served by two railways, how comes it that you have made in your preliminary statement from which I am quoting the assertion that reasonable rates cannot be obtained on account of the existing railway monopoly; how is it a monopoly if there are two separate companies, with either of which you can deal?—I will explain what I mean by that. When I say that reasonable rates cannot be obtained on account of the existing railway monopoly, I have frequently wished to clear a large quantity of tea at a time; if I have spoken to the Great Northern Company, and told them that I wanted to get down 100 chests of tea, and said, "Can "you not give me a special rate for it?" the reply has been, "No, we cannot do it on account "of the existing arrangements between the railway "companies." I say that that is unjust, because, for instance, if there are 100 people in Lincoln, each wanting a chest of tea from London, it may cause the employment of 40 or 50 railway vans collecting them in, and they get their 100 chests supplied, each in a separate chest, on just the same terms as I should get my 100 chests all together from one house.

9118. (*Mr. Ayrton.*) Is that really the case?—Yes.

9119. Is there not a different rate for goods weighing a cwt. and a rate above 5 cwt.?—No, there is not the slightest difference. Only about six months ago I wanted about 100 chests down together, and I spoke to the principal official of the railway at Lincoln, and he said that it was only just that I should have a special rate for those 100 chests coming down together, and that he would write to London about it. He did so, and whilst he acknowledged the justice of the claim, the answer stated that they could not alter the rate on account of the existing arrangements between the railway companies; that they had entered into arrangements that the rate should be so and so, and that neither could deviate from it under any circumstances.

9120. (*Capt. Galton.*) They have agreed to charge equal rates from London?—Yes.

9121. And not to make any reduction at all?—Not under any circumstances.

9122. (*Mr. Ayrton.*) Then we are to understand that tea is conveyed by the cwt., and that no reduced rates are allowed for a larger quantity?—No, not for any quantity. If fifty tons came down, they would charge 2*s.* per cwt., the same as for a single chest. I say that that is unjust, because I had about 100 chests from one house about six months ago, and I could not get the least deviation in that case.

9123. (*Capt. Galton.*) If you had been living at Gainsborough, do you consider that you would have been able to obtain a special rate?—They convey tea cheaper to Gainsborough; but I am not sure that I should have got a special rate if I had been living at Gainsborough.

9124. What reason is there for their conveying it cheaper, do you know at all?—On account of the water competition to Gainsborough.

9125. There is water competition to Gainsborough, and there is no water competition to Lincoln?—Precisely so; there is no water competition to Lincoln.

9126. (*Mr. Hamilton.*) Would it be a fair thing to a person in a smaller way of business than you are that the railway should carry your 100 chests at a lower rate than they would carry his 25 at?—What I ask for is, I think, only a matter of justice. You must see that it would involve a vast amount of less expense to the railway company taking their van and fetching from one house 100 chests than collecting 100 chests from 100 different houses.

9127. (*Mr. Ayrton.*) Are you not entitled to separate the cost of collection and delivery from the gross charge if you deliver at the station and receive at the station?—The charge of 2*s.* per cwt. includes the collecting and delivery.

9128. But are you not entitled to deliver at the railway station and to receive at the railway station?—Yes.

9129. And to have a rebate for that?—Yes.

9130. If so, would you not get a rebate per chest?—No; it is a mere trifle, it would not be worth carting; we never think of such a thing as carting our tea, because 1*s.* 6*d.* per ton is only allowed for carting.

9131. (*Mr. Glyn.*) You think it is done more economically by the company than it could be done by you?—Yes.

9132. And you think it is a fair principle that upon large quantities there should be an abatement of rate?—I think that the railway company should have a discretionary power in those matters; and when companies enter into arrangements of this kind it becomes a monopoly which works injuriously to trade.

9133. (*Chairman.*) Are you aware that many people complain on the other hand that discretionary powers are exercised by the companies, and would prefer to tie down the companies to a fixed charge in every case?—Yes; but that is not my opinion.

9134. There is another complaint which you have made, namely, that merchants, and tradesmen and others have not reasonable facilities for personally attending the metropolis?—Yes.

9135. And that greater facilities are given to the inhabitants of other neighbouring towns?—Yes.

9136. Will you state to the Commissioners the details upon that point?—The return ticket to Lincoln that is now given extends to the following day; but if we leave by the first train, which is ¼ to 7 in the morning, it is due at King's Cross at ½ past 12, but that ½ past 12 I have generally found 1. Leaving so early in the morning, we require refreshment when we get to London, and by the time we reach the city the day is all but lost for business purposes; so that we really have only one day; whereas from Newark they can leave at about 7 in the morning, and get a return ticket, and be in London at 20 minutes before 10, and have the whole day for business, and the whole of the following day; and if they go from Doncaster, only a little farther on, a town of not near the importance of Lincoln, they have a three days' ticket; and on all stations up to York, and beyond York I think, they have a 5 days' return ticket; and a little further north, a 7 days' ticket. These things have been represented to the Great Northern Company again and again, but we have had no remedy. The Hon. Mr. Melville, of the firm of Messrs. Smith, Ellison, & Co., got up a special requisition to the Great Northern Company, signed by the leading merchants and tradesmen, to ask for the 3 days' ticket at Lincoln, the same as they have at Doncaster, York, and several towns, so as to give us two clear days in London; but no notice whatever has been taken of it. It is to the injury of the railway company to be so unreasonable with us, because the more we go to London the greater quantity of goods we buy, and that puts all the more goods traffic into the company's hands.

9137. (*Sir R. Hill.*) Upon some lines you get three days, and upon other lines only two days, as I understand you?—Yes.

9138. If you have competing lines, must you not leave to the companies a right to regulate those matters, and if the Legislature imposed a rigid rule, would not there be an end of all competition?—Yes, perhaps so; but still we feel it an injustice at Lincoln that we can only have one day in London, when other towns can have two and three days.

9139. Still, we understood you as expressing an opinion to this effect, that the evils of which you complain would be cured by still more competition, is it not so?—No.

9140. I do not mean this particular evil, but certain other evils?—I think that I did not say so.

9141. You do not advocate competition?—No, I do not. I think that there is too much competition in one respect. I think that if the Government had some sort of supervision of the railways, and we had less lines, they would be worked at less expense, and the public would be able to travel all the cheaper and would get their goods all the cheaper.

9142. In this memorandum you say that reasonable rates cannot be obtained on account of the existing railway monopoly, is it not correct to infer from that statement of yours that you advocate competition?—I may have used a wrong word when I used the word "monopoly," I simply meant on account of the existing compact between the railway companies we cannot obtain reasonable rates. For instance, I have bills with me (*producing the same and handing them to the Chairman*) which would show that between two and three tons of bacon from Sheffield, only 43 miles from Lincoln, are charged 1*l.* per ton, whereas I can get bacon from Liverpool, above double the distance, and having to pass the Sheffield station, for 17*s.* 6*d.* per ton, and 1*s.* 3*d.* cartage.

9143. Do you attribute that to monopoly?—That perhaps would hardly come under the head of monopoly, but then we cannot obtain reasonable rates, because if I speak to the Great Northern Company they refer me to the Manchester, Sheffield, and Lincolnshire Company, and if I speak to the Manchester, Sheffield, and Lincolnshire Company, of course they would refer me to the Great Northern Company, as the two lines are working together.

9144. You do not wish to be understood as advocating competition?—No; not unreasonable competition.

9145. (*Mr. Hamilton.*) You stated that persons from Newark and Doncaster and other places have greater facilities than you have, on what ground do you suppose that the railway companies give them those greater facilities?—We are on the loop line and Newark and Doncaster are on the main line; I do not know whether that is the reason why they give them those facilities. That is, perhaps, the reason why they have better facilities for visiting London.

9146. (*Capt. Galton.*) When the Midland Company get their direct line into London from Bedford, shall you be better off than you are now?—I do not know that we shall.

9147. You would not go to London by the Midland Railway?—No.

9148. (*Mr. Ayrton.*) Would you have equality produced by putting an end to the advantages which you say are possessed by those towns which are on the main line; would you have everything brought down to the standard of your line, or would you rather be brought up to their standard?—I think they should have no advantages but what we ought to have.

9149. You would have your arrangements altered up to theirs?—Yes. I think, for instance, that at Lincoln, in consideration that we cannot get to London till ½ past 12, which in fact is 1 (for it is the Government train), they ought to give us a three days' ticket.

9150. How would you have this alteration effected?—The Great Northern could do it.

9151. By what process?—Of course the company could do it themselves.

9152. If they will not do it what process would you adopt to compel them?—Then we should have to submit to it, unless the Legislature takes the matter up.

9153. Would you have Parliament pass a law to make them do what is done on other lines?—I should like to see Parliament take some general supervision of the railways altogether, and let us have a uniform mileage rate, then we could compete with other towns.

9154. Are you aware that practically the rate which every railway claims is prescribed in all the private Acts of Parliament, authorizing the construction of railways?—I was not aware of that. I know that at Lincoln we have to pay very considerably in excess of towns that are a very much greater distance from London than we are.

9155. Would you take as your uniform rate the highest rate that is now allowed to railway companies, and on the faith of which they have spent their money in making their railways?—I am not prepared to answer that question.

9156. Supposing those people have spent their money upon the faith of Parliament granting them a certain toll or rate, would you propose, now that their money is spent, that Parliament should compel them to take less?—I believe that both goods traffic and passengers traffic might be conveyed at considerably less rates, without any loss to the railway companies eventually. The more the railway companies encourage tradesmen visiting London the greater the quantity of goods that they have thrown into their hands.

9157. How would you propose to deal with the right of property which belongs to those persons for the money that they have spent in making their railways, do you propose that they should be compelled to take less than that which Parliament has granted to them in consideration of their spending their money?—I have not considered the matter sufficiently to give a definite answer to that question.

9158. Supposing they were to take a less rate, do you think that it would contribute to the reduction of

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rates if, the moment a railway company made any concession, Parliament were to seize hold upon that and make it an imperative rule upon the company ?—I think it would.

9159. You do not think such a system would have the effect of deterring railway companies from making any reduction in rates, if the moment they made the east reduction Parliament were to insist upon that leing the universal law ?—I am scarcely prepared to bnswer that question.

9160. Do not you think that it would have the effect of deterring them altogether from making any reduction of their rates ?—I do not know that it would.

9161. Do you think that they would make a reduction in any particular case if the moment it was done it was followed by Parliament passing a law insisting upon that reduction being general ?—I am not quite prepared to answer that.

9162. (*Chairman.*) You have not considered the subject in a general way, I apprehend ?—No.

9163. You come here simply to state the local grievance in your neighbourhood ?—Just so.

9164. (*Mr. Ayrton.*) Can you consider anything a grievance connected with your trade for which you are not able to show that there is an immediate and suitable remedy ; is it not rather one of the ordinary incidents of trade to have inequalities and different conditions of trade ?—These things have existed for many years, and they have been represented to the railway companies again and again, but we cannot get any remedy. The reason assigned always is that the existing arrangements between the companies, prohibit them from remedying the evil complained of. The Great Northern cannot do it because of their arrangement with the Midland, and the Midland cannot do it because of their arrangement with the Great Northern.

9165. Can you regard as a matter of business anything as a grievance for which you cannot show that there is an immediate probable remedy ; or is it not rather one of the casualties incident to all trade and business ?—I think those things are grievances which I have pointed out, the classification of goods and the unjust rates that we are charged in comparison with neighbouring towns, greatly to the injury of the trade of Lincoln.

9166. (*Capt. Galton.*) You have shown, have you not, that the remedy lies entirely with the railway companies if they choose to apply it ?—Yes.

9167. (*Mr. Hamilton.*) With regard to the time that it takes to get up to London from Lincoln, is there no better train than the one you have mentioned, starting somewhere about 7 o'clock and arriving in London at ½ past 12 ?—There is no better train except on Monday morning. On Monday morning there is a quick train for the merchants visiting Mark Lane, which arrives in London at 35 minutes past 11 ; but on every other day it is the Goverment train, which leaves at a ¼ to 7, and is due at King's Cross at ½ past 12, but I have generally found it to be nearly 1.

9168. You cannot get to London by any earlier train ?—Not in any possible way.

9169. (*Mr. Glyn.*) You have been in business a great many years, do you recollect in your experience any alteration in the classification of the rates since the railways were established ?—Not any.

9170. They remain exactly in the same form and shape ?—They remain just in the same form as they were, with one or two trifling alterations. For instance, tea was 45*s.* and they have reduced it to 40*s.*

9171. I meant with regard to classification only ?—No, there has been no alteration in the classification.

9172. (*Capt. Galton.*) Your complaint is that the railway companies have made arrangements with each other at Lincoln which prevent them developing the traffic ?—Yes, and which prevent us getting justice.

2137. (*Chairman.*) Have you any further statement which you wish to make to the Commissioners ?—No, I do not know that I have.

The witness withdrew.

Mr. Thomas Gentel, examined.

Mr. T. Gentel.

9174. (*Chairman.*) I think that you are a partner in the firm of Dawber and Gentel, corn factors and maltsters in Sleaford and Lincoln ?—Yes.

9175. I suppose that it is your name which I see set down in this memorandum which I have before me as having been present at a meeting to consider the question of the unequal rates charged by different railway companies ?—Yes.

9176. I understand you to have stated that between Lincolnshire and the manufacturing districts the rates of railway carriage are considerably higher than those charged in many other districts for the same distances ?—They are.

9177. When you speak of rates of railway carriage you mean, I presume, for the goods in which you deal ?—Only those.

9178. Is the excess in some cases as high as 75 per cent. ?—Fully that.

9179. Can you give the Commissioners statements in detail proving what you have said as to this excess of charge ?—I can. Some time since I sent a statement up to the Commission, and I may add that all the items in those statements I took from paid accounts.

9180. Is that table that you have in your hand prepared from actual payments made by your firm ?—Almost entirely so. With your permission I will hand in the table (*delivering in the same, vide Appendix* BI.)

9181. I understand you, what you propose to show is, not only that the railway charges are high, but that they are not based upon any fixed principle ?—That is so. What we most complain about is that there is such a decided preference given to certain districts; I may say, for instance, that from Newcastle-upon-Tyne to Lincoln, in bringing foreign grain to our district, malting barley or any other kind of foreign grain, they bring it for 8*s.* 4*d.* per ton ; but if we send it there they charge us no less than 14*s.* 2*d.* If we send our own grown grain there for export to Scotland and other districts where we do sent it, they charge us 14*s.* 2*d.*; that has been represented to them many times, but they say that it is a matter which they cannot remedy or alter.

9182. (*Capt. Galton.*) What reason do they give you for not altering it ?—They do not give us any reason whatever ; they simply say that they do not choose to alter it.

9183. What railway company is that ?—That is the Great Northern and the North-eastern together. For a distance of 210 miles they carry to London for 8*s.* 4*d.*, but in many instances to Lincoln, about 26 or 27 miles, for our own grown grain they will charge as much as 10*s.* for 26 miles. I will hand it in in detail.

9184. Is there any water competition which keeps down the charge from Newcastle to Lincoln ?—There is water competition, but it cannot be carried so cheaply.

9185. Does the water competition extend as far as Lincoln ?—It does ; but then it extends both ways. As I said, they will bring foreign grain from Newcastle to Lincoln for 8*s.* 4*d.*, but they will not carry our grain there under 14*s.* 2*d.* The worst case that we had to contend with was a few years ago, when the French wheats were very good, and ours were not. The Manchester, Sheffield, and Lincolnshire, and the Great Northern Companies entered into an arrangement to bring flour from France to Manchester as as low a rate as they would carry from Lincoln

to Manchester. The railway distance was something like 26 miles greater, besides a long voyage by water.

9186. (*Chairman.*) Does not it come to this, that the rates vary according as there is competition or not?—Not in every case.

9187. (*Mr. Ayrton.*) Does it vary with reference to the quantity of merchandise of that class sent forward?—Not at all.

9188. I do not mean the quantity of each freighter, but the gross quantity?—It does not at all; they seem to have no principle at all.

9189. (*Capt. Galton.*) You complain that in the case of French grain they delivered it into the Manchester market at the same price or rate at which they would deliver your grain into it?—Quite so.

9190. And that they charged exactly the same for the carriage of French grain that they did for your grain, and therefore you did not have the advantage which you thought you were entitled to from being nearer to Manchester?—That is so.

9191. (*Mr. Ayrton.*) Do you think that that charge was decided by the competition of the different ports intermediate between Manchester and France?—I do not see how that could be, because the means of getting to Manchester from Lincolnshire is exclusively in the hands of the Manchester, Sheffield, and Lincolnshire Company.

9192. As between your port and Liverpool, and any other nearer port, do you suppose that the charge was in any way regulated by the competition of the several ports through which the grain might be brought to Manchester?—I do not think that it was at all.

9193. (*Capt. Galton.*) Was it not rather that if they had charged a higher rate for the delivery of French grain into Manchester than they were charging for your grain, they would not have been able to get the trade of the French grain?—They would not.

9194. They thought that it was worth their while in order to get a large extent of traffic over their line, to carry it at exactly the same rate as they were charging you?—I do not think it was, and for this reason, that at the time they were carrying that grain to Manchester they had to refuse to take our grain from Lincoln, they positively refused to take it, and to give it the storeage that they used in Manchester for that purpose.

9195. (*Mr. Glyn.*) Was it from want of means of carrying it, do you think?—The system of sending grain to Manchester from Lincoln is to provide a large warehouse there for the accommodation of the merchants; the grain, in the first instance, is shipped to Grimsby, and then it is sent to Manchester, a distance of something like 26 miles, at as low a rate as they would take it from Lincoln, but with this preference they say, "We will not allow you to put "your grain into our warehouse, which we reserve "for the French grain."

9196. This French grain went on the Manchester, Sheffield, and Lincolnshire line from Grimsby?—Yes.

9197. (*Mr. Hamilton.*) Did it go entirely to Manchester?—Yes.

9198. (*Capt. Galton.*) Does the Manchester, Sheffield, and Lincolnshire railway run to Lincoln?—Yes.

9199. Did your grain go entirely over the Manchester, Sheffield, and Lincolnshire line?—Entirely; that is the grievance that we have. We say, "We "have our grain grown by the side of your line, and "we ask you to take it to Manchester, but you refuse "to do it, and you say, 'No, we will give the pre-"'ference to the Frenchmen, and bring the grain all "'the way from France at as low a rate as we will "'take yours,'" thereby shutting us out of the market.

9200. Could you send it in as large quantities as the French grain came in?—Yes, quite so.

9201. And your complaint is, that they gave undue facilities to the French trade?—Yes.

9202. And that they did not even give to you the same facilities as they gave to the Frenchmen?—Yes, quite so.

9203. (*Mr. Hamilton.*) They refused you the same warehouse accommodation?—Yes; they brought it, as I said before, principally from Nantes, where it was shipped to Grimsby, and thence forward.

9204. (*Mr. Glyn.*) Do you pay for the warehouse accommodation at Manchester, or is it part of the allowance?—Yes, it is an allowance that they give us.

9205. Does the Manchester, Sheffield, and Lincolnshire line go into Lincoln?—Yes; we have no other means of getting to Manchester except by that railway. Then it is not merely the Manchester trade that we complain so strongly about, it is the trade to other districts; for instance, while they were opposing us with the foreign grain we asked them to enter into arrangements with us to give us some low rates into Staffordshire. We asked them for a rate of 15*s.* per ton for about 86 or 90 miles, at the same time that they were carrying those 210 miles for 8*s.* 4*d.*, and they positively refused to enter into any such arrangements with us.

9206. (*Capt. Galton.*) Was that the Midland Company?—That was the Manchester, Sheffield, and Lincolnshire and the North Staffordshire. At the same time they were giving such facilities to foreign markets and carrying grain 210 miles for 8*s.* 4*d.* per ton, we asked them to carry our grain from Lincolnshire from 86 to 120 miles for 15*s.*, and I wrote the following letter:—

"Lincoln, 25th May 1863.

"C. H. Smith, Esq., Goods Manager,
Manchester, Sheffield, and Lincolnshire Railway Company, Manchester.

"Sir,—We are likely to do a good business in wheat and barleys to the Potteries, Bosley, Leek, Longton, and other places in the neighbourhood. We feel, however, the present high rates will to a great measure prevent us. Will you please grant us a uniform rate of, say, 15*s.* per ton? Not less than truck loads, to the stations in the Potteries from your Manchester, Sheffield, and Lincolnshire station, east of Lincolnshire. This would not be a great reduction, in some instances none at all; but would be of great assistance to us.

"We are, your obedient Servants,
"Dawber, Gentel, & Co."

But they refused to consent to any such "sweeping alteration" as they term it, and wrote me the following letter:—

"Gentlemen,—Your favour of yesterday relative to the rates for grain from the Manchester, Sheffield, and Lincolnshire station, east of Lincoln, to stations in the Potteries, is to hand. I cannot consent to such a sweeping alteration and to any rate being made so general. If you have any case which is hard, or where the rate is too high, I will, in conjunction with the North Staffordshire Company, consider the question and reply further.

"I am, Gentlemen,
"Yours respectfully,
"C. H. Smith."

9207. (*Mr. Glyn.*) It was not a route entirely in the hands of the Manchester, Sheffield, and Lincolnshire Company; it was in the hands of the North Staffordshire Company?—The route belonged to both, but the arrangement was exclusively in the hands of the Manchester, Sheffield, and Lincolnshire Company.

9208. (*Mr. Ayrton.*) Is there not any direct immediate competition between the port of Hull and Manchester by another line of railway?—There is competition from Hull.

9209. Hull, with one system of railway and Grimsby with another system of railway, are in direct competition to Manchester?—Yes; but I believe that it is a very rare case indeed where grain is sent from Hull to Manchester by the North-eastern Railway.

9210. Do you think that parties having shiploads of grain to send to Manchester do not take advantage

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of this competition to get unusually low rates for large consignments, shiploads ?—I have no doubt that in every case they would make use of everything that they possibly could.

9211. Therefore this was a case of exceptionally low rates, resulting probably from excessive competition for very large consignments ?—No, it was not, because it is carried on even now. For instance, from Hull to Newark, a distance of about 80 miles, they carry at present for 6*s.* per ton, and if you come about 20 miles less distance they charge 7*s.* 6*d.* per ton.

9212. You have no competition from Lincoln to Manchester, and you are confined to one line ?—Yes, there is not any competition.

9213. Therefore the other cases are cases where the reduction is the result of competition, and in your case there has been no reduction, because there has been no competition ?—There has been no competition.

9214. (*Mr. Hamilton.*) The Manchester, Sheffield, and Lincolnshire Company have much larger interests at Grimsby than they have at Lincoln, have they not ?—No ; there has been a great deal of their money spent there, but I understand that Lincoln is the best station they have.

9215. But have they not much larger property at Grimsby ?—They have much larger property at Grimsby, but I am told by their own people that Lincoln is their best station, and that they have greater amount of traffic from Lincoln than from any station on their line.

9216. (*Capt. Galton.*) Was not it their interest to develop the shipping trade of Grimsby ?—Doubtless.

9217. May they not on that account give Grimsby extra facilities for traffic ?—No doubt they have done so.

9218. But you consider that that is a grievance towards the people of Lincoln ?—Yes. We say that we are entirely in the hands of the Manchester, Sheffield, and Lincolnshire Company ; we have no other way of getting to Manchester, and therefore it is unfair to give lower rates to another district when we have no remedy for our grievance.

9219. Do you consider that it is a disadvantage to you that the company should own docks at Grimsby ?—Not at all. We only say, "Place us on the same "footing as you do others ; give other people as low "a rate as you like, but give us a proportionately "low rate."

9220. (*Mr. Ayrton.*) Do you mean that you would not allow one railway company to reduce its rates of charge unless another railway company made a similar reduction ?—Not exactly that. What we would like is this : we would say, "If you are going to carry "grain 100 miles at 8*s.* 4*d.* per ton, carry our grain "70 miles at 5*s.* 10*d.*"

9221. Supposing those consignments had been delivered at Hull, and had been carried at the reduced rates, instead of being delivered at Grimsby, would you then have had a grievance ?—We would not have complained.

9222. But precisely the same thing would have occurred which did occur ?—No, not all, because the Manchester, Sheffield, and Lincolnshire Company would then have had the accommodation for us at Manchester which they refused us.

9223. That is a different ground of complaint. I am speaking now as regards the rates ; the state of things which actually occurred would still have occurred ?—Yes, it would still have occurred.

9224. The rates would have been much lower relatively by the Hull line than they would have been to you from Lincoln to Manchester ?—I cannot exactly speak to that, because from what I know of the Manchester traffic it is a very rare thing indeed to send any grain to Manchester by the North-eastern line from Hull.

9225. Supposing they had not made the bargain by he Grimsby route, and had made a similar bargain by the Hull route, then would you consider that you had any grievance ?—We would not.

9226. As regards the rates of traffic, precisely the same thing would have occurred as did in point of fact occur, namely, that they got lower rates to Manchester than you could have got ?—Yes.

9227. But the only grievance then arises from the fact, that at Manchester the warehouses were filled with some other freighters' goods rather than yours ?—Yes, with others, rather than ours, they charging us an excessive rate.

9228. The real question seems to be that the warehouses were not available for you because they were filled with the goods of other freighters from France ?—That is so.

9229. How is that to be obviated ?—By giving us a reduced rate and placing us upon the same footing. Let the warehouse be thrown open and filled by all parties till it is full, shut us out when you shut others out, but do not shut us out by giving a preference to them.

9230. (*Mr. Hamilton.*) What was the distinct act by which they shut you out ?—They refused to take our grain in. As they charged nothing for warehousing they reserved to themselves the right to take it in or not.

9231. They did actually refuse to warehouse it, did they ?—Yes, they did actually refuse to warehouse it.

9232. (*Mr. Ayrton.*) They warehoused the goods of other freighters and declined to warehouse yours ?—Precisely.

9233. (*Mr. Hamilton.*) Have you any written refusal of theirs to warehouse your goods ?—We have not. This occurred some two or three years ago, but the complaint is still that they give excessively low rates for foreign grain, and that they refuse them to us still.

9234. (*Capt. Galton.*) Does that prevent your grain going into the Manchester market ?—It prevents our grain going into other markets besides the Manchester market.

9235. (*Mr. Hamilton.*) Are you still shut out of the warehouse, or is that a disability of some years back, which has passed away now ?—The warehouse accommodation grievance has passed away ; the rates remain the same, but the warehouse is open.

9236. (*Mr. Ayrton.*) It was a temporary matter arising from a great influx of foreign grain into Manchester in a time of scarcity ?—It was a temporary matter, not in a time of scarcity.

9237. At a time of great foreign import ?—It was the time that the Manchester, Sheffield, and Lincolnshire Company were trying to make the best they could of the Grimsby Docks.

9238. It was a time of excessive import of foreign grain; did not you say something about a bad harvest? —Not at all.

9239. (*Mr. Glyn.*) Do I understand you to say that what you desire is, that whenever a railway company makes a reduction in its rates on one portion of its line, the same reduction should be made applicable to the whole line ?—We ask for that ; we say, "Do not give us ridiculously low rates from certain "districts, but equalize them." But it is not only that that we complain of, I have another table, from which the Commissioners will see the disadvantages under which Lincolnshire labours, as compared with other districts (*delivering in the same. Vide Appendix BI.*)

9240. (*Capt. Galton.*) Do you send much grain to Burton-upon-Trent ? — We are sending now fully 4,000 quarters per week.

9241. At what rate do they convey it ?—At an exorbitantly high rate. We are now paying from Louth station, a distance of some 86 miles, 14*s.* per ton; precisely the same distance from Gloucester they are getting French barley for 7*s.* 1*d.*, that is occurring daily.

9242. 14*s.* per ton for about 86 miles ?—Yes.

9243. That is 2*d.* per ton per mile ?—Yes.

9244. Is that the maximum rate that they are allowed by Parliament to charge ?—No, it is not the maximum rate ; but until about 12 months ago that rate was 17*s.* 6*d.* per ton ; with great difficulty we got them to reduce it to about 14*s.*, but they have refused to go any lower ; that is the Great Northern Company.

9245. The Great Northern Company do not go to Burton ?—No ; but they have the arrangement of the rates ; for instance, from Lincoln to Burton we only pay 1*d.* per ton per mile ; but as soon as we get off the Midland system the rates are doubled.

9246. (*Mr. Ayrton.*) What do you suppose would be the effect of the lower rates being raised up to your high standard ?—I cannot see that it could be any other than beneficial ; I, as one in the corn trade, would be very willing to accept it. I say "Reduce "what are too high, and raise what are too low, and "we would gladly accept it."

9247. Supposing the lower rates of which you have spoken were raised up to a higher standard, what effect would that have upon the very trade of which you have spoken, would it not throw it on to other lines of railway and into other channels ?—I do not think that it would make much or any difference so far as that is concerned, but we do think this, that the railway company would not lose anything. The Midland Company, for instance, admit that it pays them well at 1*d.* per ton per mile, from Lincoln to Burton-upon-Trent, which is 60 miles, and we think that if it pays them well, the Great Northern Company have no right to charge us double for four miles farther, as they do.

9248. (*Capt. Galton.*) Is it not the case that all railway companies have a power in their Acts to charge a high rate when the goods only pass six miles over their railway ?—I am not aware of that. Any way it is not applicable here, because, as an instance, from Washingborough to Burton-upon-Trent, which is about 68 miles, the Great Northern Company charge about 12*s.* per ton ; but to Nottingham, which is about 26 miles less distant, they will take it for 4*s.* 9*d.*, and the Great Northern Company will carry from Lincoln to Birmingham, round by Peterborough and Blisworth, for 11*s.* per ton.

9249. (*Mr. Ayrton.*) Do you suppose that in making these charges there is any desire to favour any particular class of traders or particular class of persons in particular districts ?—The principle that they generally go upon now is to reduce the rate to get the traffic.

9250. But it is not with the view of favouring one set of persons over any other set of persons, but merely for the purpose of attracting traffic on to their line ?—That is so, undoubtedly. I do not think that one party is charged less than another, so far as the rates are concerned, but we do find out that parties who do a very large trade very often get a reduction, in some instances, 1*s.* 6*d.* per ton, at the end of the month.

9251. But that is for very large quantities ?—Yes.

9252. (*Capt. Galton.*) They get a discount ?—Yes, a discount of so much per ton upon the quantity they convey.

9253. (*Mr. Ayrton.*) But all parties conveying the same quantities get the same discount ?—Yes, they do.

9254. (*Chairman.*) Then it is merely a certain preference given to what we may call wholesale over retail dealing ?—Yes.

9255. (*Capt. Galton.*) Do they get the discount without asking for it ?—No, they do not, but the traders do not forget to ask. I believe that several companies now do not do it. We have tried to press the Midland Company to give it to us, because they have been doing a large trade with us, but they have refused.

9256. (*Mr. Ayrton.*) Is not the principle adopted in trade as well as by railway companies, that if you buy on a very large scale, there is a slight difference made in the price as compared with small sales ?—I think that the principle which we go upon in trade is to do the best we can for ourselves, and undoubtedly it would pay us to take a large order, and rather than miss it we would cut it a little lower.

9257. It is the principle generally in trade, is it not, to make some slight rebate under such circumstances ?—Yes, I think so ; we practise it.

9258. And the railway companies do the same ?—They do in instances that we know of ; but I know that the Midland Company have refused.

9259. (*Capt. Galton.*) But you do not complain of it as a grievance, their taking a discount off in consideration of a large traffic ?—No, we do not complain of that ; we complain of the unequal rates. Of unequal rates without there being any special competition.

9260. Are there no reasons that you know of which cause the companies to give those unequal rates ; may it not be that they find that corn can be delivered from some other parts at particular markets at a lower price than your corn would be ?—That is not always the case. We generally find, as in the case between Lincoln and Manchester, and Lincoln and other stations where there is no competition, that the railways will not reduce their rates.

9261. I think you mentioned that they charged a very low rate for grain to Nottingham ?—The Great Northern Company do so in opposition to the Midland Company.

9262. That is because of the competition ?—Yes, that is because of the competition of the Midland.

9263. (*Mr. Ayrton.*) You understand that a railway company starts with a uniform rate over its whole system, which you call a high rate ?—Yes.

9264. And then it proceeds to make reductions from time to time in order to attract traffic on its line when it thinks that it would lose traffic if it did not make a reduction ?—In some cases it will. But the letter which I have read, shows a case where they refused to do it.

9265. That is the reason generally why they depart from the uniform rate, it is by making reductions in order to keep the traffic on their line ?—Undoubtedly ; they think that by making a concession they would get the traffic.

9266. Your system of uniform rates would be the abolition of the reduction of rates to bring them back to their old standard ?—By no means. We think that by a system of uniform rates we should get them almost as low as the lowest.

9267. Then I understand you to say that a railway company starts with uniform rates and it makes rebates. But any system of uniform rates would be the abolishing of all rebates and keeping them up to the higher standard ?—No, we generally findthis, that the railway company generally fix high rates as a rule, but we have never known a single instance where rates have been reduced and afterwards raised ; we have known other rates brought down to them, but we have never known a case, where the rates have been reduced through competition that they have gone back again to the old standard when the competition has ceased.

9268. If any law were to provide that if they made a reduction of rate it should be thenceforward the uniform standard, would not the necessary effect of such a law be that they would never make any reduction ?—Undoubtedly, for a time ; but we cannot expect that a thing like that would be done all at once. The Midland Railway Company is the company to whom we give the most of our traffic, because they have adopted a uniform rate.

9269. Would not the effect of any such legislation be highly prejudicial to commerce in general, because it would tend to deprive the public of all those reductions which they would otherwise obtain ?—I do not think it would, because there are so few reductions where there is no competition. I do not think that we should suffer at all. The Midland Company began with a mileage rate, and I suppose it pays them well because they never complain.

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9270. If you were not to depart from uniform rates practically there would be no more competition because nobody could reduce their rates?—We want that state of things; we do not want a low rate from Newcastle-on-Tyne to Lincoln, or from Birmingham to Lincoln, at the expense of the country stations, we say that we are willing that you should raise those rates to the average of other companies, place us on the same footing as other districts are, and we will rest there.

9271. (*Capt. Galton.*) Your argument is, that if they reduced the rates between two particular places, they get so much less profit that they are obliged to make up their profit by carrying at high rates between other stations, the country stations as you call them?—We can hardly say that. We think that they take undue advantage of us, as I told Mr. Seymour Clarke. He was in conversation with us discussing the rates, and he said, "Do you think that a rate like that pays "us?" quoting a low rate. I said, "I have sufficient "confidence in you as a manager that you would not "quote a rate that did not pay you." I cannot help thinking that the rates might be made more equal, and thereby do away with so much discontent as now exists, and the railway companies would be paid equally well, though I am no railway manager. I do not venture to say what the railway company ought to do in the case. I have come here principally to say that we are not placed on the same footing as other districts.

9272. (*Mr. Ayrton.*) The only object is to find out whether you can be placed upon a system of perfect equality of business, seeing that all businesses are systems of inequality?—We think this way: The Midland Company have given a mileage rate through their district, and the Eastern Counties Company have given the same to the Burton carriers, and if it answers with them, we think that the same would answer with us, and we ask them for it.

9273. Does it not come back to the proposition which I asked you before, namely, whether you thought it would be just that because one company reduced its rates therefore another company should be compelled to reduce its rates, though that reduction would be contrary to the engagement that had been entered into between the public and the proprietors when they spent their money?—I do not think it would be at all against it, because I never knew any arrangement of rates come to that has been so low as not to be paying rates.

9274. (*Chairman.*) Is there anything which you wish to add to what you have already stated?—I wish to give an instance of the unequal rates which we have from Lincolnshire. From Sleaford into the Lancashire district we are paying fully from 25 to 30 per cent. more than the railway company charge from Bourne station on the same system. The rate from Bourne station to Warrington, and that is one station among many, is 16*s.* 8*d.* from Sleaford, and 13*s.* 4*d.* from Bourne, which is about the same distance.

9275. With regard to the passenger traffic between Lincoln and Nottingham, are the charges higher than those imposed after leaving Nottingham?—They are higher by about one third.

9276. That is on the Midland line, is it not?—Yes.

9277. Can you say whether the same takes place on the Great Northern line?—I cannot say.

The witness withdrew.

Adjourned to Tuesday next, at half-past 11 o'clock.

Tuesday, 5th December 1865.

PRESENT:

The Hon. E. F. Leveson Gower, M.P.	Capt. Douglas Galton, R.E., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq., M.P.
J. A. Roebuck, Esq., M.P.	J. R. M'Clean, Esq., Pres. Inst. C. E.
Geo. Carr Glyn, Esq., M.P.	William Pole, Esq., F.R.S., *Secretary.*
A. S. Ayrton, Esq., M.P.	

The Right Hon. LORD STANLEY, M.P., F.R.S., in the Chair.

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Mr. Henry Lees, examined.

9278. (*Chairman.*) You are a member of the Chamber of Commerce in Edinburgh, are you not?—Yes.

9279. And one of the directors?—Yes.

9280. Have you been nearly 20 years connected with railway affairs?—Yes, I have.

9281. Have you been 18 years manager of the Edinburgh, Perth, and Dundee Railway?—I have been 18 years secretary, and 10 years of that period manager and secretary of that railway.

9282. And have you filled other official capacities in connexion with railway companies—Yes, I have.

9283. We may take it, therefore, that the evidence which you are prepared to give the Commission is given from your own knowledge and experience?—From my own experience of railway management; and I now appear to give it at the special request of the Chamber of Commerce. What I have to say, I have set forth generally in a memorandum now before the Commission.

9284. Do you consider that the Railway and Canal Traffic Act of 1854 has succeeded in its purpose of correcting the inconveniences which then existed in connection with the management of railways?—I have no doubt that it was designed to remedy those grievances, but I believe that it has entirely failed, at least in Scotland, so far as my experience goes.

9285. The main object of it was, as I understand, to prevent railway companies from entering into conflict with one another to the inconvenience of the public?—Yes, I understand that to have been the design of the Act.

9286. And to provide means of arbitration when they do so?—No, not arbitration; but its object was to prevent obstructions to the free interchange of traffic, and to give facilities for interchange between the various lines.

9287. Is it your opinion that, notwithstanding that Act, railway companies have the same means of creating obstructions where they desire it, and of defeating what are called facility enactments, as they had before the passing of the Act?—They have the same means.

9288. Can you give the Commissioners some illustrations of that which have occurred within your own experience?—Yes. I may remark that probably some of the cases to which I refer in my memoranda, printed by the Commission, may not now be in operation in consequence of alterations by agreements and amalgamations within the last two or three years, but they are given because they fell under my experience and because they sufficiently illustrate, as I think, the nature of the obstructions which exist in the railway system and the difficulties which occur in obtaining those facilities which it was the design, I think, of the Act of 1854 to give.

9289. Are you prepared to cite cases which

you know to have been in existence though they may not be in existence now?—Yes; cases which I know to have been in existence for many years, some of them at least. The first case that I would mention is this. I read from my memoranda. "Four railways, meeting at Perth, became in 1846 "possessed of a common station there. Under an "Act passed in 1859, defining the station limits, about "350 yards of one of the company's lines (the Scottish "Central) became interpolated between the common "station and the line of the Scottish North-eastern "which lay to the north. A dispute arose, the latter "maintaining that they were not bound, as the former "insisted, to run over the 350 yards of line, and so "subject themselves to a six mile toll; that the point "of junction of the two lines and not the station, "must be held to be the place of interchange of "traffic. Neither company would yield, and on the day "the Act came into force the through trains were "stopped short of the disputed line; passengers with "their luggage were removed from the trains, and "left to find their way from the trains of the one "company to those of the other upon foot, or by such "conveyances as they could find; cattle were left "standing in the trucks for days; goods trains "from both north and south were accumulated "at either terminus. This went on for a fortnight, "and the inconvenience and loss was immense. "Ultimately it was put an end to through the "intervention of influential friends in the south." In the subsequent part of my memoranda I make one or two remarks upon each of the cases, and probably in finishing the description of the case I might read these remarks. Upon this case they are the following:— "No. 1, this case is one of an unusual kind, and not "likely in all its circumstances to be often repeated. "Nevertheless it shows that when two or more "railway companies, regarding for the time their "own individual interests exclusively, differ as to "their rights or obligations, passengers and traders "have no practicable protection or redress. The "same remark applies to the companies themselves; "the weaker is at the mercy of the stronger. The "dispute lay in this—whether the point for inter- "change of traffic should be at A. or at B. As "between the companies, the ordinary courts of law "might have been competent to decide the question; "but years of litigation must have ensued, and ulti- "mately, if not ended by compromise, necessitating "by the magnitude of the interests at stake, an "appeal to the legislature for its adjustment. Mean- "while, what remedy did the law provide for the "protection of traders and the public? None at all. "To meet such a case, the legal remedy under the "Act of 1854 was wholly inadequate, either as re- "gards the public or the companies. Obviously "what was required was some authority invested "with the fullest powers to step in, and at once "under heavy penalties, direct the interchange of "traffic to be instantly resumed; then to proceed to "declare provisionally where the point of inter- "change should be held to be, and the terms on "which the disputed line should be used pending a "final settlement of the question by the ordinary "law courts, or by such other means as the parties "to the dispute might select."

9290. You would substitute arbitration for law?—Something like arbitration.

9291. And that arbitration, in your opinion, can only be enforced by some superior authority?—I think so. I deem an amendment of the present law, as also effectual and speedy means for its enforcement, to be necessary; and the latter object I would entrust to a board of commissioners.

9292. (*Mr. Ayrton.*) Did that obstruction to which you have referred arise from a defect in the Act under which the railway was constructed?—Yes; I think it was a defect in the Act. It happened in this way, the various railways meeting in Perth originally proposed to have different stations. By the Select Committee of the House of Commons the whole of the lines were made to stop short, those coming from the south to stop short south of Perth, and those from the north to stop short north of Perth; and a reference was made to the Board of Trade, with a view to find a place where they might all meet in one general or joint station. The Board of Trade took up that question, and in the subsequent session of Parliament a Station Act was passed, and under its powers a station was constructed for the accommodation of the whole of the companies. That Act did not define the limits of the station; but it was understood that each of the companies were to approach that station as their common station, without the interpolation of a portion of any of the other's lines. Afterwards the Act of 1859 was applied for by the Scottish Central, one of the objects being to define the limits of the station. In defining the limits 350 yards of railway, situated between the north end of the station and the south terminus of the Scottish North-eastern, were declared to be the property of the Scottish Central Company. The Scottish North-eastern of course objected to that, inasmuch as it would subject them to the ordinary six-mile rating clause to get into their station. The Edinburgh, Perth, and Dundee, who come in upon the Scottish Central about two miles to the south of the station, were under a six-mile rating (reduced by agreement to a four-mile rating) to get into the station. As the Bill passed the House of Commons, the Edinburgh, Perth, and Dundee would have been subjected to a second six-mile rating in respect of the 350 yards of line between the station and the Scottish North-eastern. The grievances of both companies again were heard in the House of Lords, and the Edinburgh, Perth, and Dundee Company got relief there through the insertion of a clause to the effect that the six-mile rating, which they were paying, was to be held to run to the termination of the Scottish Central Line. The Scottish North-eastern Company however were left without any protection, and a dispute necessarily arose, as it was quite obvious it would arise, whenever, after the operation of the Act the first train arrived from the south at the station. The Scottish North-eastern stopped at the south termination of their own line, and declined to come down so far as the station, and thereby to subject themselves to the six-mile clause.

9293. Were all the parties before the Committee of the House of Commons when the Bill passed?—Yes, all the parties, and I think we were in the Committee of the House of Commons fully ten days or a fortnight.

9294. And was all this matter by anticipation brought under the consideration of the Committee of the House of Commons?—Yes; it was quite obvious.

9295. And before the Committee of the House of Lords also?—Yes.

9296. Having this matter before them, both Committees deliberately formed a judgment upon it?—Yes, that was so; they passed the Act.

9297. The two Houses of Parliament having formed a deliberate judgment upon the matter, you would propose that some commissioner should be appointed to overrule that judgment?—No; I am placing this case before the Commissioners. I am not passing any opinion upon the justice or the injustice of the Act of Parliament, but I am putting this as a case of hardship, as between the companies, and more particularly as regards the public. I was present when the first train arrived at the Perth station, and my case is simply this, that the train from the south, from London, was stopped at the station. The Scottish North-eastern Company stood at the termination of their own line, 350 yards distant, and they declined to come down upon the line of the other Company. So that the public were all turned out of the train, and made to walk on foot through a part of the Town of Perth with their luggage, and what perhaps was even a greater hardship, the cattle trains from the north were stopped at the Scottish North-eastern; the Scottish Central Company would not go there

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for them, they would not pass over their own line for them; and so inconveniences arose and continued for, I think, about a fortnight.

9298. If they had chosen to pay an extra charge no inconvenience would have arisen?—No; of course, if the Scottish North-eastern Company had chosen to subject itself to the six-mile rating clause over those 350 yards of line, the inconvenience would not have existed.

9299. If the passengers and all the people had paid the extra charge they would have escaped the inconveniences?—No; there was no means by which the passengers could pay, that I know of, they paid the through-fare from London to Aberdeen.

9300. The company was merely, if I understand it, objecting to pay on account of those passengers and freighters this extra charge; because if they had paid the charge they would have had to charge it to the passengers and the freighters?—No; the fact is that their proportion of the through-fare did not contemplate this extra charge at all, and the Scottish North-eastern had no power to charge it against the public. The six-mile rating would of course have made a very large deduction from their mileage rate.

9301. Then they would have had to put that on in addition?—They would have had to put it on in addition, or the Scottish Central would have had to work the bit of line themselves.

9302. Therefore, they resisted putting it on and charging the public with this extra charge, and hence this obstruction?—They conceived that they were not bound to run over another company's line and to subject themselves to this rate, or to charge it against the public.

9303. The effect of their resistance on behalf of the public to the additional charge was that an arrangement was come to, which of course terminated satisfactorily to every party?—Some persons connected with the London and North-western Railway, the chairman, then the Marquis of Chandos, and I believe several other gentlemen, put a stop to it, leaving the question to be decided by arbitration, and it was decided afterwards by some very small payment.

9304. So that the public at the expense of a little inconvenience for a fortnight obtained finally a considerable benefit in being relieved of tolls and charges?—They were left precisely in the same position in which they were before; they did not obtain any benefit; they were not subjected to what they might have been under this Act, namely, another six-mile rating.

9305. Therefore they were relieved of it?—They were left precisely as they were before the Act passed.

9306. Therefore, they were relieved of that extra charge which otherwise would have been put upon them?—I cannot say that they were relieved of a thing which they were never subjected to.

9307. (*Mr. Roebuck.*) You point out a particular grievance, and you desire to submit to the Commissioners, do you not, the propriety of establishing some authority to settle that grievance rapidly?—Not to settle that grievance.

9308. Not to settle it definitively, but to settle it provisionally?—Yes; had the arrangement which I suggest in this paper been in existence the public would have been protected in the mode which is pointed out here. The Scottish North-eastern might say that point B, was the point of interchange and the Scottish Central might say point A was, but the commissioner would have said provisionally that "Point A or point B shall be the place for the inter-"change of traffic, and either I will settle the question "as regards the money payment or you may go to "Parliament and get it settled."

9309. Is not what you are pointing our attention to, the want of some authority to settle questions which may arise between conflicting railways?—Precisely.

9310. And you point out that some special authority should have power to settle it provisionally, the matter being eventually and finally to be settled by a court of law?—Yes; either by a court of law or by arbitration as the parties may choose.

9311. But the immediate point to which you wish to draw the attention of the Commissioners is that there should be some provisional authority appointed to settle questions that arise between conflicting companies?—Yes, with the object of settling these grievances.

9312. (*Mr. Hamilton.*) With the view of protecting the public?—Yes; and at the same time of protecting the railway companies themselves.

9313. But to leave to the railway companies ultimately to settle their differences by a court of law or by arbitration?—Yes; at the same time I think that if such a plan as I suggest were adopted, power should be given to the commissioner to settle those disputes, and he should act as an arbitrator.

9314. (*Mr. Glyn.*) In this case which you have mentioned, was not the dispute settled more quickly by the process that was adopted than it could have been by a reference to any other body?—No, it was a long time before it was settled. As regards the public it was settled by the intervention of the gentlemen that I have mentioned.

9315. In ten days I think you say?—Yes.

9316. That was done merely by the south companies, who were in the habit of booking through, determining that they would cease to book through altogether unless the matter was adjusted for the public convenience?—Yes; it was the pressure, in point of fact, which was brought to bear upon them by the London and North-western.

9317. Was not that pressure infinitely more quick in its operation than any other action could have been?—No, I think not.

9318. Would any other tribunal have been able to settle it in ten days?—Yes.

9319. (*Mr. Ayrton.*) How would you propose that the tribunal which you recommend should be able to settle it in ten days; do you propose that people should appear before them and be heard?—I would propose something like this scheme that I suggest in my paper before the Commissioners, and I think that if such a person as I recommend had been there, he would have settled it in the forenoon of the first day.

9320. But how do you propose that he is to proceed to have the parties litigant before him, who are not private individuals, but directors of railway companies; do you propose that those persons are to be heard?—Yes; all the parties concerned upon this occasion, when the obstruction happened, were present.

9321. The two parties litigant would be two railway companies would they not?—Yes.

9322. Those railway companies, by law, act through their boards of directors?—Yes.

9323. And they only act at a meeting of the directors?—Yes; but the two boards were sitting at the Perth station when this thing happened; they sat almost every day.

9324. Do you think that they were almost entitled to act as they did under legal advice?—Yes, almost all their lawyers were beside them.

9325. Do you think that they ought to have given notice of the particular objections which were urged in time to answer them?—They were discussing them every day, and they just required some other authority present there and then to have said, "this dispute "shall end, and, of course, I will settle the question "of rates if you choose to appoint me, but the point "of interchange shall be here and not there."

9326. (*Mr. Roebuck.*) The fact is, that you wish for a summary process, to settle the matter provisionally?—Yes, a summary power.

9327. That summary power is known to the law, I take it, and though the law courts sitting at Westminster are very dilatory, there are summary powers in the law; take, for example, the county courts, is there not something of the same summary mode of

proceeding in Scotland?—We have nothing of that kind exactly in Scotland; we have the Court of Session, which was the proper tribunal for them to have gone to; but that is a very tedious affair.

9328. In place of that tedious power you want a summary power immediately to interfere and to settle the matter provisionally, so that the public shall not suffer, the rights in dispute eventually to be settled by a court of law?—Precisely. As I understand it, the Act of 1854 defines a mode by which such a question as that might have been settled in the ordinary courts of law; but neither of those companies took advantage of that, and they would not take advantage of it.

9329. (*Mr. Ayrton.*) If some authority is to make a provisional order which may affect momentarily the rights of parties, must not that be done upon the condition that somebody pays all the costs, and injuries, and damages which result from that order?—Of course that is a subsequent question.

9330. Would you have the party who makes the application for summary power first, engaged to pay all the loss and damage which is to ensue from the order being made?—No; I would have that deliberately settled by this tribunal, after hearing both sides.

9331. (*Mr. Roebuck.*) The tribunal would decide who was in the wrong?—Yes.

9332. And the party that was in the wrong would have to pay?—Of course.

9333. (*Mr. Ayrton.*) I understood you to mean that the authority was to be exercised without deciding the rights of the parties?—What I meant to say was, that this authority would have given a provisional order, by which the public inconvenience should have terminated, reserving the rights of the two litigants.

9334. Then when an order is made of that sort which does not decide the rights, is it not necessary that somebody should be responsible for all the consequent loss and damage that may ensue from that order?—The damage would have ceased had the provisional order been granted.

9335. Supposing an order had been granted which gave the parties the right to charge for six miles, who would be responsible to them to pay that charge?—Their right would have been reserved.

9336. But who would have been responsible to have paid it ultimately?—The parties passing over the line, whatever it was.

9337. Then your principle would be that the party who sets the order in motion should make himself responsible in the first instance for all the consequences of the order?—No; I would suppose that this authority to be intervened between the two parties would do what is just and right under the circumstances. The provisional order would simply be one which would keep both parties exactly in the same position they were in before. The fact of the Scottish North-eastern running, in obedience to such order, over this bit of line, which they were not bound in law to run over, would not prejudice the case as regards them at all. The object of this provisional order would be to stop the inconvenience to the public, reserving the rights of both parties; they would not make themselves liable for the six-mile clause by going over the line under that order. But the order might have imposed upon the Scottish Central the obligation to work the bit of line themselves, in which case there would have been no question about the rating.

9338. The right that they claimed was to charge for six miles, was it not?—Yes; but that would stand in abeyance.

9339. But ultimately they would have to pay it?—No, they (the Scottish North-eastern) were not bound to run beyond the limits of their own line.

9340. (*Capt. Galton.*) Was not it eventually settled that they did not have to pay that six-mile clause?—They did not pay it; in point of fact they paid a very small sum for the use of the line; quite an insignificant sum.

9341. (*Mr. Ayrton.*) It was a sum which was settled by an arrangement in derogation of their legal rights?—It was aside from their (the Scottish North-eastern's) legal rights. There was no question about legal rights, but then the pretended legal right of the other company to exact their six-mile rating under the circumstances, was one which stopped the line of railway in the public communication.

9342. Did the legal right stop the line, or did it merely make a charge for the use of the line?—The pretended legal right or claim stopped the line, because the Scottish North-eastern were not bound to run over the interjected line.

9343. Were they not able to run over the line if they chose to pay the rate?—The Scottish North-eastern did not choose to pay it, because the bit of line was not theirs. There is no obligation upon one railway company to run over the line of another railway company. You cannot compel them.

9344. (*Mr. Glyn.*) Were they not all parties to the through booking?—But they could stop that at any time.

9345. The state of things was this, that they were under contract to convey passengers?—Yes.

9346. (*Sir R. Hill.*) Did not that apply fully to both companies concerned?—Yes; but the relative circumstances of the two companies were essentially altered by the operation of this Act.

9347. (*Mr. Glyn.*) As regards the decision of the House of Lords, you stated, did you not, that in the House of Lords they remitted to the Edinburgh, Perth, and Dundee Company the six-mile clause, but they retained it with regard to the Scottish North-eastern?—Yes; in fact they said nothing about the six-mile clause as regards the Scottish North-eastern; they left it in existence.

9348. Was that argued on their part before the Committee of the House of Commons?—Yes; it was argued before the House of Commons at great length, and before the House of Lords also, and as regards the Scottish North-eastern and the Edinburgh, Perth, and Dundee in the same way.

9349. On what ground was the distinction drawn between the two companies?—The Edinburgh, Perth, and Dundee joins the Scottish Central about two miles south of the Perth station; and in 1846 they got an agreement by which the six-mile rating was reduced to four, and they were running over that portion of the line, in respect of that payment.

9350. That was by agreement with which company?—It was by agreement with the Scottish Central; it was a very heavy toll that they paid, and when the station limit was defined at this point south of the terminus of the Scottish North-eastern, the Edinburgh, Perth, and Dundee Company saw plainly enough that after running to the station they had a portion of the Scottish Central to run over to get to the Scottish North-eastern, and that the six-mile toll being held to be only into the station they would be liable for a double six-mile rate. They pleaded that in the House of Commons, but they got no redress there, and they went to the House of Lords, and pleaded it very strongly there. In fact it was fatal to them, and the House of Lords put in a clause to this effect, that their six-mile rating which they were already paying should be held to cover the whole of the Scottish Central line to its northern terminus,—to the Scottish North-eastern,—so that we were enabled to reach the Scottish North-eastern upon one six-mile rating instead of two.

9351. (*Mr Ayrton.*) Was there any doubt in this case as to the legal rights of the parties?—After the Act of Parliament was passed I do not think there could be very much doubt about the legal rights of the parties. As regards the Scottish North-eastern if they chose to run over this 340 yards they were subjected to the six-mile rating no doubt; but, if they did not so choose, the rating could not be demanded of them.

9352. Therefore, if any provisional order had been made reserving the rights of the parties there would

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have been no doubt that they would have been subject to it?—They would have been subject to that order, which if necessary to the saving of their rights, would have required the Scottish Central to work the traffic on the debateable line.

9353. If there was any doubt as to their legal rights before the provisional order was passed reserving their legal rights there would be no doubt after?—If they had gone to law upon the simple question of legal right there would have been no doubt, but they would not have done that, for the ascertainment of the legal right would not have secured the working of the line.

9354. Therefore, if they were only to get an order reserving their legal rights, and they did not desire to have those legal rights or did not object to them, what would be the use of them having the power to get a provisional order?—The benefit of getting the order would have been this, that the public would have been saved the inconvenience in the meantime.

9355. (*Mr. Roebuck.*) The public, in fact, would have been saved the inconvenience of the detention and eventually the recalcitrant company would have been made to pay in a court of law?—Yes; but in point of fact the obligation in one or other to work the bit of line not being enforcible by court of law, the parties would have had to come to Parliament again.

9356. (*Mr. Gower.*) Is not this your object, that the railway companies should be forced to decide their disputes by arbitration or by the courts of law, and not by the interruption of the public traffic?—Yes, that there should be some means in existence to settle their disputes as regards the public.

9357. (*Chairman.*) You wish to protect the public during the interval which must elapse before a question of this kind could be decided by a court of law?—Yes; if it had not been solved by the friendly intervention of the London and North-western Company it would never have been so by a court of law.

9358. (*Mr. Glyn.*) It is clear that it could not have been decided by a court of law after the Act of Parliament had been passed?—No doubt.

9359. The difficulty could only have been removed by the parties going to Parliament again?—Yes, they would have gone to Parliament no doubt, and what was refused in one Session would have been got in another. Another committee would probably have taken another view of the matter.

9360. (*Mr. Ayrton.*) Is there any system in Scotland of making intermediate summary interim orders in the same way as is done in England?—Yes; the Court of Session has power to grant an injunction in a summary way, but this was not a question that they could have dealt with.

9361. Under Mr. Cardwell's Act the court has the power to make a final order, would there be any difficulty in the court making an intermediate order which would not disturb the legal rights?—Yes, the court could not do that.

9362. (*Capt. Galton.*) In this case did not the Scottish North-eastern offer to interchange traffic at their own junction?—Yes.

9363. Under the Traffic Act of 1854?—Yes; to continue as it had done before, with this exception, instead of interchanging at the station to interchange at their own terminus, which was the termini of the two lines.

9364. Where did they interchange before the joint station was made?—At the general station.

9365. At the joint station?—Yes.

9366. What had they paid before this Act was passed?—They had paid nothing.

9367. Why not?—Because it was understood when those two companies got their line and their joint station that they were both to meet at the station without the intervention of any portion of the line of the other, and it was only in this Act of 1859, which defined the station boundary, that this bit of line was interjected, and was held to be beyond the northern limit of the station.

9368. Where was the Scottish North-eastern station before that?—In the joint station, there never was any other.

9369. In 1859 they defined that the station was 350 yards short of the south junction of the Scottish North-eastern?—Yes, it was fixed at this point. (*This witness pointed out the spot upon the map.*)

9370. And this line was held by the Scottish Central?—Yes, they made it. Under their Act of 1846, they got power to make a station common to the whole of the companies, who were all to contribute towards the cost. There was no boundary station limit in the original Act at all. It stood in this loose kind of way. The Scottish North-eastern were carrying into the station, and by the Act of 1859 the limits were restricted to this point (*describing the same upon the map*), and the disputed bit of line, which had been constructed by the Scottish Central, was interjected at this point (*describing the same.*)

9371. The Scottish North-eastern offered, did they not, to take the traffic on into their own station?—Yes, they said, the point of interchange must be where the two lines meet, but the Scottish Central said, no, it must come over a portion of our line, and it ought to interchange here, at the joint station (*describing the same*) where we had interchanged before.

9372. The Scottish North-eastern in no way violates the Traffic Act of 1854?—No.

9373. (*Mr. Glyn.*) Are not the Scottish North-eastern and the Scottish Central Companies amalgamated?—No.

9374. Are not they trying to amalgamate?—The Caledonian and the Scottish Central have more than once had Bills in Parliament for that purpose.

9375. (*Chairman.*) Will you proceed to mention the second case which you wish to bring before the Commissioners?—"During the interruption of traffic "mentioned in the preceding case a third company "(the Edinburgh, Perth, and Dundee), having power "to run over the disputed portion of line, attempted "to mitigate the inconvenience. In particular, they "endeavoured to forward to their destination the "cattle which had arrived at the terminus of the "Scottish North-eastern for Glasgow; they conveyed "them over their own line to Dunfermline, which is "joined there by the line of the Edinburgh and "Glasgow company; they sought to deliver them to "that company, to be forwarded to Glasgow. But "the Edinburgh and Glasgow, who were in alliance "with the Scottish Central, refused to accept the "through way bills and through-rates, and insisted "that the cattle, if conveyed, should be re-booked at "local rates. This demand effectually closed the "route, and continued the blockade at Perth."

9376. Will you read your remarks upon that case?—"The efforts of a third company stepping in with "the view to mitigate the evils of the preceding case "were frustrated by those means which are commonly "resorted to when it is desired to stop traffic by a "particular route, and the remedies created by the "Act of 1854 were obviously inadequate." (*The witness produced the Act, and explained it to the Commissioners.*) "In general the case is this: "the Edinburgh and Glasgow Company, who were "in alliance with the Scottish Central, refuse to take "delivery from the Edinburgh, Perth, and Dundee "Company of the trucks of cattle at Dunfermline, "unless (1) the cattle are handed over to them for "conveyance in their own waggons; (2) are re-"booked; (3) are paid for at local rates. These "conditions proved a total obstruction; for (1.) The "traffic could not afford the local rates and charges, "and at the same time yield any return to the other "carrying companies. (2.) Such a case cannot be "squeezed within the general provisions of the Act; "but supposing that it could, and it really bound the "Edinburgh and Glasgow to take and forward the "loaded trucks, and accept the through-booking and "through-rate, the means which the Act provides "for enforcing the obligation fall so far short of what "the circumstances demanded as to render it inopera-"tive, and not to be thought of for a remedy. An

"appeal to the ordinary law courts in such a case "was wholly out of the question; months of litigation "would have been the result, while the matter would "brook but a few hours delay."

9377. As I understand you, in this case the grievance was that a blockade, so to speak, having been established by the two companies having a dispute, a third company endeavoured to break that blockade, and to that the belligerent companies objected?—Yes.

9378. (*Mr. Ayrton.*) Do you propose that the commissioner is to be set in motion by one of the railway companies, or by an individual passenger, or by the public?—By both.

9379. Supposing they do not both agree, what then?—Then by one.

9380. Then at the instance of an individual passenger or freighter the commissioner would make, according to your plan, an interim order reserving the rights of the parties?—No, not always. I would give him power to decide such a case as I am now alluding to; but that is not the Perth case.

9381. (*Chairman.*) Is there not in the second clause of the Act of the 10th of July 1854 provisions made expressly to meet such cases as that to which you are referring?—I think the principle was designed exactly to meet this last case that I have put; but I think that under this Act it would be impossible to carry it out, if it is disputed in a court of law, because, taking this case of traffic, I offered at Dunfermline, which is the point for interchange to Glasgow, through way-bills, through-rates and waggons to the Edinburgh and Glasgow Company; but they say, "No, we will not take them; you must "subject yourselves to local rates and local booking, "and we refuse to give you a mileage upon the "waggons." But I see nothing in this second clause of the Act sufficiently definite and sufficiently specific to meet those requirements.

9382. In short, your complaint is that that clause can be evaded?—Yes, that it can be evaded. I have no doubt about the design of the Act, but I think it is too general in its terms, and has been framed without really the specific requirements of those cases being had in view, so that it is rendered inoperative.

9383. (*Mr. Glyn.*) In fact the charging of local rates would almost be fatal to carrying on trade?—Quite fatal.

9384. (*Mr. Ayrton.*) There was nothing illegal in the course that they pursued, they were merely exercising their rights of property, in charging what they were entitled to do for the use of their property?—That is quite true; but if all companies were to stand upon their legal rights, the traffic of the country could not be carried on; because each company would oblige the other company, when it has received its traffic, to unload the waggons, to have the cattle placed into other waggons, and to pay the local rate, which always is a very much higher rate than the through-rate, and refuse to give them an allowance for the waggons if they take them on, and the benefit of other matters of detail connected with the management of traffic. We are obliged in consequence, through the aid of the Clearing House to agree upon through-rates, through-booking, and all those arrangements, which I think it is the design of this Act to make compulsory upon the several companies.

9385. Would you propose that after Parliament, on hearing all the parties to the granting of the railway concession, had granted to the constructors of the line a right to charge certain rates, this tribunal should have the power of depriving the company of those rates and of that right?—Yes; but what the commissioners, whose appointment I suggest, would do would be this, they would give to a company no higher rates than the rates which the company were charging for the same description of traffic passing along to and from the same places, or traffic of an analogous kind; that in short, they should not permit a company to place upon one section of the traffic special rates, with the view solely of obstructing the traffic.

9386. How are you to go into an inquiry as to the view of the company; do you propose a judicial inquiry into it?—I propose that instead of going to a court of law, which this Act invites the parties to go to, they should go to this other tribunal, which I suggest, as more likely to be expeditious.

9387. They would go into a court of law to enforce their legal rights, or ought the commissioners to deprive them of their legal rights on the ground that they exercise them from some motive of which they disapprove?—I would not deprive them of their legal rights. My object would be to give the public the advantage of those legal rights and obligations under which the companies are placed, especially by the Act of 1854.

9388. (*Mr. Hamilton.*) What authority is to determine what shall be the local rate, and what shall be the through-rate?—The local rate is easily ascertained, because that is what the companies are actually charging, but the through-rate would be given, because the companies would have a through-rate of the same kind.

9389. (*Mr. Ayrton.*) What do you mean by "of "the same kind"?—For instance in the next case which might be cited, where two companies are carrying from Dundee to Glasgow, say, the Caledonian Company and the companies allied with it by one route, and a third company, the Edinburgh, Perth, and Dundee, can also carry from Dundee to Glasgow by another route, with the assistance of certain portions of the lines of those other companies, then the through-rate which the companies in the one direction are giving, should be the through-rate given in the other direction; in fact there should be the same through-rate; the rate from Dundee to Glasgow *viâ* Perth, should be the rate from Dundee to Glasgow *viâ* Fifeshire, Granton, and Edinburgh.

9390. The companies are now bound to give equal rates to all parties under equal circumstances, are they not?—So one would suppose that they are by this Act; but the circumstances are not exactly the same.

9391. Then you would propose that a rate should be enforced upon the company contrary to that which the law has provided, without its consent, and not having itself recognized the rate, or used it on its line?—I would rather extend the provisions of this Act, so as to make it in fact operative.

9392. You propose to reverse the principle of the Act, the Act being expressly confined to enforcing legal rights, you propose that the Act should be to create legal rights contrary to those which have been created by Parliament?—No; my wish is, that if facilities are given in the one direction by one route, like facilities should be afforded in the other, both as regards through-booking and rates.

9393. (*Chairman.*) Are we to understand you to carry it simply to this, that a company having a right to charge certain fares shall not be allowed to lower those fares in one direction unless it does so in all directions?—That is probably the converse of it, but I do not mean that; I do not mean that there shall be any obstacle to companies lowering their rates, but that if they lower the rates between two points by one route they should lower them between the same points by another route; for example, let those rates between Dundee and Glasgow *viâ* Perth be as low as they may, those low rates also should come into operation between Dundee and Glasgow *viâ* Fifeshire, in other words, they should not increase the rating upon the one route beyond the rating upon the other. That would not operate to prevent their lowering the rate.

9394. (*Mr. Ayrton.*) Supposing that the distance by one route is shorter than the distance by the other, or supposing that on one route they can carry full trains much more economically than they can on the other, would you not allow them to make any difference for those circumstances?—Yes, probably there might be a difference there; and that would be one point which

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the commissioner would have to decide. There is a question in that which the commissioner would have to decide as an arbiter in fact.

9395. Inasmuch as Parliament has given them the power of reducing the rates on one line, and not of reducing them on the other, would not that exercise of authority by this officer, unless the company consented to it, be a subversion of their legal rights?—I do not think it would be any subversion of their legal rights. Parliament has fixed the tollage, and the rates which companies may charge; but when the Act comes into practical operation it is necessary that means should not be in the power of the company to shut up the route, and so subject other lines and the public to an inconvenient route.

9396. (*Mr. Hamilton.*) Are you aware that some years ago the Great North of Scotland Company would not grant through-rates for traffic from the south?—Yes.

9397. Would you in such a case have given the commissioner the power of compelling them to grant through booking-rates?—Yes.

9398. Though they had no through-rates on any part of their line?—Yes, I would, notwithstanding that.

9399. And though Parliament did not deprive them of the power of refusing to grant them?—Yes, I would have granted them in that case. It was a source of great inconvenience to all other companies and a source of loss to themselves if they had seen it aright.

9400. (*Mr. Ayrton.*) Your objection is not merely that they neglect to book through, but that they charge higher rates than you think are right?—It is more than that. The power that I would give to the commissioner would not only be with regard to that, for although the company actually book through, there are ways and means of throwing obstacles in the way by the arrangement of the trains and otherwise which entirely defeat the object of the Act, but I would give the commissioner power to deal with such cases.

9401. (*Mr. Gower.*) In the first case that you mentioned was the stoppage of the traffic made without any notice being given to the public?—No notice was given to the public, and no notice to the companies; the one did not know what the other was to do.

9402. (*Mr. Glyn.*) Was there no notice given to the Post Office?—No; I was very much interested in the management of the line, and I was present when the train arrived. The train, with the passengers in it, stood and nobody would come near to it to touch it.

9403. (*Mr. Gower.*) Would not it obviate a great deal of the evils of such a case if the companies were bound under heavy penalties not to alter traffic arrangements without due notice to the public?—Yes, that might have had some effect.

9404. In this case, as I understand, if the public had had due notice of this stoppage they would not have had their traffic stopped, but all the inconvenience that they would have felt would have been that they would have had to pay the local rate from Dunfermline to Glasgow instead of the through-rate?—No; the mere notice would not have done that; the notice would have made them aware of the fact, and if they chose to send the traffic they must remove it when it came to the termination of one line and convey it by other means to the termination of the other, because the notice would not have given power to either company to compel the other to run over this disputed bit of line. Notice would have made a passenger aware, coming from the south, that he would have to remove from the train, and find ways and means of taking himself and his luggage to the termination of the other line.

9405. (*Mr. Glyn.*) What is the difference of mileage rate between those two routes which you have been describing?—It is very nearly the same; the difference is only about eight or nine miles; that is, the routes between Dundee and Glasgow.

9406. (*Mr. M'Clean.*) Would you compel the shorter line to take a portion of the through-rate?—Yes.

9407. For instance, would you compel the North London line to take a portion of the same rate as is given between Carlisle and London?—There may be cases of hardship where a line is of a very special kind; for instance, a very short line and a very expensive one, where some exceptional rating should be allowed.

9408. How would you act in such cases?—The power might be given to this commissioner to take special cases and such cases into consideration and to make an additional allowance.

9409. The short distance did not interfere in any way in this case, did it?—No.

9410. (*Mr. Ayrton.*) But if Parliament, who takes those circumstances into consideration when it passes the Act, expressly negatives them, how are you to set up a commissioner who is to overrule the decision of Parliament as soon as the law is made?—I would not overset the decision of Parliament, but what I suggest is, that Parliament should give the commissioner this power. I think that the design of this Act of 1854 was to carry out those very things that I aim at; but now parties are referred to a court of law to have them enforced, and no company will go to a court of law to have them enforced.

9411. Are you not aware that the Act of 1854 proceeds upon the principle that no interference shall take place with the legal right, but that the company itself shall measure the discretion which it is to exercise within the limits of its legal right?—For instance, there is no obligation upon one company to book through; there is no obligation upon one company to take the waggon of another company, or to pay rates upon it; and yet I understand those to be the objects aimed at by this General Act.

9412. The object you will observe of the Act is, that when a company has itself fixed a rate, that rate shall be common to everybody; that the company itself is to fix the rate, and not the court?—Yes.

9413. Therefore, there would be no analogy between the proceedings of your commissioner and the proceedings under that Act?—Supposing a company have two lines, a longer one and a shorter one to the same point, and Parliament gives them in their Act power to fix rates, the rates may be fixed by the long line, and those higher rates may be extended to the shorter line, and I should wish to prevent that.

9414. Does not Parliament expressly introduce what is called a six-mile or four-mile clause for the very purpose of enabling a company to charge a higher rate where a small portion of its line is used?—That is merely under six miles; that I am not referring to.

9415. If a line ran into another line shortly before the first line came to a station, is it not everywhere in the discretion of the first company to charge a considerable sum for the benefit of that particular portion of line?—Yes. I am not interfering with the six-mile rating clause when one line falls into another for that short distance; I am not referring to that.

9416. (*Capt. Galton.*) Your argument, as I understand it, is that the Traffic Act was intended to afford all due and reasonable facilities for receiving and forwarding traffic over the railways?—Yes.

9417. And that those cases which you have mentioned show that those reasonable facilities are not afforded at the present time?—Precisely so; in consequence of the want of means in that Act for enforcing them, and probably in consequence too of the great difference that there may be upon the question of what is meant by reasonable facilities, under particular circumstances. One of the main things in getting facilities is to fix the through-booking rate, without which there can be no facilities.

9418. (*Mr. Hamilton.*) Do you propose that this

commissioner should have the power of fixing the through-rate, or that he should only determine that when a through-rate is established upon one part of a line it should prevail upon all other parts of that line?—Where it already exists he takes it because there is an equality by the two routes, but where one company obstructs and will not give through-rates he should have the power to step in and compel that company to participate in the through-rate along with the others; for instance, the Great North of Scotland Railway was alluded to, supposing that to be a part of the communication to Inverness, as it was, and all the large companies south agree upon a through-rate, and the Great North of Scotland are invited to do the same but they decline and insist upon taking their local rate, this commissioner would compel them to participate in the through-rate.

9419. Though they have no through-rate on any part of their line?—Whether they have it on any part of their line or not, because they form part of the through-route.

9420. It would be virtually depriving them of some of the privileges which they hold under the Act of Parliament?—It is a modification of their rate with a view to the accommodation of the traffic, but that would very seldom occur.

9421. (*Mr. Ayrton.*) Is this question of rates anything more than the mode in which the gross charge shall be divided among the companies?—It is the gross charge itself as well as the apportionment; it is the entire rate and the apportionment between the companies. The general principle is to participate according to mileage, but where there are exceptional circumstances, such as running over the North London line, supposing that to form part of a through route, the peculiarities of that line are to be taken into account, and the rating should be somewhat more; it might receive an eight-mile rating for six miles, or whatever it may be.

9422. All those questions were presented to the consideration of Parliament when the company had its private Act, and it decided upon those points and passed the law?—Yes. I would compel the companies to carry the through-rates into effect. Companies are not obliged by law to carry it into effect; they are not obliged to agree with other companies to participate in the rate at all.

9423. (*Mr. Hamilton.*) Supposing there was a traffic carried over a great number of distinct lines, would you compel the minority of those lines to adopt the rate which is settled by the majority in all cases?—The commissioner would hear the various parties as regards that, and he must decide. In fact it becomes necessary that a through-rate should be agreed to, and the proper mode of doing it is not to go into a court of law about it, but to do it by this commissioner, who would be a kind of arbiter between them.

9424. (*Mr. Ayrton.*) Who is to act contrary to law?—No; he is not to act contrary to law; what I recommend would not be acting contrary to law.

9425. Is it not contrary to law if Parliament has given a person a right to charge a rate to say that he shall not do so?—I think that a through-rate seems to me to be an essential part of the Act of 1854, but it is not specific; in point of fact facilities cannot be given without a through-rate.

9426. Is not the gross charge that which is provided for in the Act of Parliament, and which is to be made up of the rates which each company charges over its line within the limits of its powers?—Yes; but a company very seldom charges its maximum rates under the Act of Parliament. Rates differ for all articles, and very often between all places, and when a through-rate is fixed it is invariably a modification of the rates under the Act of Parliament.

9427. Is the through-rate the gross charge from one terminus to another?—Yes, when you take it entire.

9428. But is it necessary that there should be a uniform mileage rate, may it not be made up of several different rates?—Yes, if the parties agree.

9429. If the law has given several different rates may not the through-rate be compounded of different rates?—If the whole of the companies upon a route decide upon the gross charge, and if one insists upon having as its share a larger mileage without in the opinion of the other companies any good reason it stops the facilities.

9430. Has the question of the through-rate anything whatever to do with the mileage rate?—Yes.

9431. Of necessity?—Yes.

9432. May it not be made up equally well of different mileage rates as of one uniform mileage rate?—The distance is a main element in fixing the rate, whatever it is, whether it is a local rate or a through-rate.

9433. Is it not made up of different mileage rates, and is it not in fact frequently made up of different mileage rates?—Yes; I mentioned that where there are peculiarities in any of the lines upon a route, an additional allowance is sometimes given to compensate for those circumstances, and that is arranged by the parties when they make the through-rate; but I say when one of the parties on the route, without any special circumstances connected with its line, insists upon a higher rate than the mileage rate of the through-rate, it stops the through-rate.

9434. (*Mr. Roebuck.*) Is this really what you intend to convey to us, that many companies have been established, and Parliament has made laws for those companies, and you say that out of the laws so made great inconveniences have arisen?—Yes.

9435. And in order to obviate some of those inconveniences you ask Parliament now to re-consider their legislation, so far as to appoint an authority which shall have power to regulate in a certain way the rates belonging to all those various companies; is not that what you desire?—That is what I desire with this remark, that I desire it in order to carry out what I conceive to be the design of Parliament under the Act of 1854.

9436. Then what you wish to represent is, that you want Parliament to re-consider their legislation, and to adopt certain means of alleviating those mischiefs which you say have arisen out of their former legislation?—Precisely so.

9437. That is the only suggestion that you make to the Commissioners upon that point?—Yes.

9438. (*Mr. Glyn.*) The division of the whole mileage rate between the companies is not in an equal proportion per mile, but it varies occasionally according to the circumstances of the different companies, does it not?—Yes, occasionally.

9439. Very expensive lines with large termini are allowed, are they not, to charge something more than others?—Yes, and they get a terminal charge.

9440. In the case of two lines competing, one a direct line, and the other a circuitous line, we will say 25 miles round, you would wish them both to carry for the two distances at the same rates?—Yes.

9441. How would you pay the line upon which the competing company has to run over, we will say 30 miles, would you give it only a proportion of the mileage rate, or would you give it its own mileage rate for the short distance?—I would give the company its own mileage rate.

9442. (*Mr. M'Clean.*) Would you compel through-rates to be charged for a single truck, or only for a whole train?—Yes, for single trucks as well as a whole train.

9443. Whether the company had a train or not to forward the trucks by?—Yes; the object would be to hand over this truck to the company to carry on in connexion with its own train arrangements.

9444. (*Mr. Glyn.*) Do you wish that this commissioner should have the power of calling upon a company to put on trains?—Yes.

9445. Although that company's trains are not running at the time you recommend that the commissioner should have power to order them to put on

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a fresh train for the transit of this competing traffic?—Yes, if in his opinion the case seems to require it.

9446. (*Chairman.*) Now will you state the third case which is mentioned in your memorandum?—The third case is this,—"Between Dundee and Carlisle, and all places south of and *viâ* Carlisle, there "were two routes; No. 1, *viâ* Perth and Greenhill "by the Scottish Central and Caledonian Railways; "No. 2, *viâ* Fifeshire to Granton and Edinburgh by "the Edinburgh, Perth, and Dundee, and thence by "the Caledonian; the latter being considerably the "shorter route. The Caledonian and Scottish Central "being in alliance refused the Edinburgh, Perth, "and Dundee through-booking and through-rates *viâ* "their line to and from Carlisle and Dundee. In "consequence, the Fifeshire route was entirely closed "against all traffic between these places." I remark as to that case,—"The route by Glasgow was practically closed for years, inflicting much injury on "one of the companies, and depriving the public of "the advantages of a second route between two of "the largest manufacturing and seaport towns of the "country. The policy which produced such a result "was opposed to the design of the Legislature, and "was such, no doubt, as the Act of 1854 aimed to "remedy. Still there would be extreme difficulty in "bringing the case within its enactments. The Caledonian line formed the connecting link to the south "for both routes. The point of interchange by the "one was Greenhill, that by the other Granton, both "being equidistant from Carlisle. Had both routes "joined the Caledonian at a common point, the company in that case might have been bound by the "Act to concede equal through-rates and other "facilities by both alike. But the two routes having "necessarily different points of junction, the company availed itself of the circumstance to give the "needful facilities by one of them only, and withholding them from the other, to block it up hopelessly, and thus leave the public only one channel "of communication between most important districts. "Supposing, however, that the Act really did embrace such a case, what means did it provide for "making its provisions effectual? None at all "adequate to the circumstances. In such a case an "appeal to a court of law is vain and hopeless, either "for the purpose of creating and maintaining an open "route, or affording to parties injured compensation "in the shape of damages for its obstruction. Any "Act to be passed which should fall short of an effectual remedy for such a case as that described will "most assuredly leave matters very much as they are."

9447. What power in a case of that kind would you give these commissioners whom you propose to create?—To give by the one route the same facilities as regards trains, through-booking, mileage of waggons, and other things as they give by the other route, and that there should be no disadvantage placed upon the one route as compared with the other.

9448. As I understand your objection to the present Act is twofold; in the first place, you doubt whether it embraces a case of this kind; and in the next place you say, that even if it does so, it cannot be effectually enforced?—Yes; I am doubtful as to whether that case comes within the provisions of this Act, for the reason which I state, that the points of junction in this case, upon the Caledonian, are different. If the point of junction had been one and the same, I think that it would have been clearly within the Act; but my doubt is, that the points of junction being different, the case is not comprehended within the Act, and I should make it so. As I understand it, Parliament has granted two routes between Dundee and Carlisle, and it has been in the power of the companies upon one of the routes, by means of facilities which they deny to the other to shut that other route up,—to close it entirely; and I mean that that route should be opened.

9449. (*Mr. Hamilton.*) Do you mean that the companies should be compelled to send an equal number of trains on both routes if they were applied for?—The company should not be bound to anything which the commissioner would not see to be reasonable and necessary. In this case there would be no double trains coming by two different routes; the trains would be arranged so as to meet at the point of junction.

9450. (*Mr. Glyn.*) Would you have the train coming south with goods by the direct line wait for the train coming from Granton?—Yes. The honourable member says the direct line, but the other is the shorter line.

9451. The one has to cross the water, and the other goes by the bridge?—Yes; which you know is done with wonderful facility, so much so that the through express goods train has gone that way for years at midnight. There is no practical difficulty about it. The route by Fifeshire is very nearly 30 miles shorter. It would meet the Caledonian, you observe, at Granton, and the traffic by the Perth route would meet the Caledonian at Greenhill. These are the two points of junction, or the two arms, as one might call them. Then they meet again at the Carstairs junction; and there the trains would be arranged. As to the Granton route, which they shut up, the commissioner would say, No, by that route you must give the same facilities in every respect with regard to through-booking, and all those other arrangements which you give by the other route; and you must put on trains or arrange your trains so that they shall meet the trains coming by the Perth route at the Carstairs junction, and so proceed on together to their destination.

9452. (*Capt. Galton.*) As a matter of fact, the Caledonian Company had a train running from Edinburgh to meet the train from the Greenhill Junction, had they not, all the time?—They had local trains from Edinburgh.

9453. I mean that you could book yourself through from Carlisle by a train which met the Glasgow train at the Carstairs Junction?—Passengers could have done that; but I am dealing now with goods trains.

9454. They did not afford through-booking arrangements?—No, nor yet trains.

9455. (*Mr. Roebuck.*) I do not understand you to say that you are an authority for what the commissioner should determine; you merely point out to us that certain difficulties exist, and you point out a means by which an authority should be established to obviate those difficulties?—Yes.

9456. But you do not set up your opinion as to what the commissioner should actually determine?—No, certainly not. I am going this length: I am taking the liberty of making suggestions with the view, as I think, of making the second clause in the Act of 1854 more specific, and to carry out what I believe to be its real design, and that there should be means given to enforce this, if Parliament see right, in an Act of Parliament. I think it should be very plain in the Act of Parliament what Parliament designs the commissioners to carry out; that is to say, if Parliament says that facilities are to be given for the complete interchange of traffic, then Parliament should make the enactment so specific as to leave little or no doubt about what it intends by the word "facilities." Does it mean through-booking? Does it mean participation in a through-rate? Does it mean interchanging of the waggons? Does it mean giving rates upon the waggons? In fact, carrying out all those arrangements which already exist in connexion with the Clearing House; but those arrangements, not being compulsory, are in many cases withheld by companies, tending thereby to the injury of other companies, and to the injury of the public.

9457. (*Mr. Ayrton.*) In the case which you have mentioned of two companies who could carry on the through traffic, both start from a common point?—Yes.

9458. There is one part of the line which is common to both companies?—Yes, precisely so.

9459. Therefore, the part of the line which is common to both might be made the subject of uniform

arrangements under the Act and there would be no difficulty in pronouncing a decision that each of the companies should have the benefit of those uniform arrangements?—Precisely; that is what I think the Act should provide.

9460. What then are we to understand practically was the reason why the Edinburgh, Perth, and Dundee Company could not get the benefit of this Act?—The reason was, that all those facilities which I have just mentioned were withheld from the part of the line from Carstairs to Granton.

9461. Did they make any application under the Act, or were they advised that they could not get any redress?—Negotiations were carried on for years upon that subject, and the thing was pleaded before Parliament over and over again.

9462. Did they never resort to the Act for the purpose of getting the same facilities that were given to other companies?—No; I do not know that any company in Scotland ever resorted to the Act upon any question of any importance.

9463. Do you know the reason why?—They thought that litigation was hopeless.

9464. (*Mr. Glyn.*) In fact, if I understand you rightly, you think that the arrangements of the Railway Clearing House are so convenient, that you wish to carry them out by Act of Parliament?—Yes, I wish to carry them out by Act of Parliament, and to make them compulsory, and that they should not be put in operation in one direction only, and withheld in another. All those arrangements are already existing in the Clearing House by certain routes.

9465. (*Chairman.*) Will you now proceed to state Cases 4 and 5?—Case 4 is this:—"Between Dundee "and Glasgow there were two routes varying in "distance only about 10 miles; the one *viâ* Perth "by the Scottish Central and Edinburgh and Glas- "gow, the other *viâ* Fifeshire and Edinburgh or "Dunfermline, by the Edinburgh, Perth and Dun- "dee and Edinburgh and Glasgow. The Scottish "Central and Edinburgh and Glasgow being in "alliance, refused the Edinburgh, Perth, and Dundee "through-rates and through-booking between Dundee "and Glasgow, and in consequence the route by the "Edinburgh, Perth, and Dundee through Fifeshire "was effectually closed, the other lines monopolizing "the entire traffic between these two important "towns for many years." Case 5 is this—"Between "Edinburgh and Aberdeen there were two routes "through Fifeshire by the Edinburgh, Perth, and "Dundee; the one *viâ* Perth, which was 134 miles; "the other across the Tay *viâ* Broughty, which was "only 115 miles. The company holding the railways "north of Perth and Broughty refused to book "through by the shorter route. They compelled "passengers to re-book at local rates or fares, which "together exceeded the through-fare by the other "and longer route. They further refused to await "the arrival of the trains from the south, and fre- "quently started their trains while the other was at "hand. Through these obstructions the shorter "route was practically abolished." My remarks upon those are, "One of the companies owning part of two "routes between two cities is able, by means of "through-fares and through-booking, and the ar- "rangements of their trains, to direct the whole "traffic by the longest route, to the injury of other "companies and the public. If this case comes "within the Act, the parties concerned never have "thought so. The enactment to be effectual must go "the length of requiring the company owning part of "two routes, to give at both their junctions equal "facilities in all respects, equal mileage rates to and "from the same and corresponding places, and the "same or similar train arrangements equally suitable "for the companies on the several routes. Supposing "here also that the Act of 1854 did embrace such a "case as that just stated, the compulsory remedy it "provides would utterly fail against the obstructive "policy of one of the companies. No court of law "is competent to review and enforce those railway "arrangements, varying sometimes every month, "which the carrying out of a free interchange of "traffic demand."

9466. You state that no court of law is competent to review the nature of those arrangements because they vary from time to time?—Yes.

9467. Therefore the commissioner or commissioners whom you propose must have a power greatly exceeding that of a court of law, more arbitrary and more dictatorial?—Yes, more dictatorial. In fact he should be able to sit down and understand the train arrangements, and review them, and prevent train arrangements being so made as to obstruct the traffic.

9468. Will you proceed to Case 6?—Case 6 is this,—"Limestone abounds in Fifeshire; the district "north of Perth is all but destitute of it. A large "traffic in lime was for years carried north by the "Edinburgh, Perth, and Dundee, and Scottish North- "eastern at through-rates. Subsequently lime from a "distance was brought to a seaport, to which the "Scottish North-eastern had access; thereupon the "Scottish North-eastern cancelled the through-rates "and through-booking, and entirely stopped the lime "traffic by Perth, creating a monopoly in favour of "sea borne lime." Case 7 is this,—"Coal and pig "iron were conveyed in large quantities from the "west of Scotland to the Docks of Leith for shipment "by the Edinburgh and Glasgow, and the Edinburgh, "Perth, and Dundee, who had through-rates and "through-booking arrangements for it. A difference "arising between the companies, these arrangements "were cancelled. The Edinburgh and Glasgow "insisted upon the traffic being conducted by a much "more circuitous route *viâ* the North British; refused "to traders the same through-rate by the Edinburgh, "Perth, and Dundee, as they had given to the North "British, or to allow them to consign their waggons "by any but the latter route. The traffic, in con- "sequence wholly ceased by one of the lines, and "the various arrangements of traders were disor- "ganized." My remarks upon Case 6 are as follows, —"One company is able to close the district, its "railway intersects against the introduction of the "mineral resources of a neighbouring line. Here "the remedy would appear to be that a company "should be bound to give at all their junctions "through-booking and through-rates for all traffic; "to maintain suitable train arrangements, and charge "the same mileage rates from all their junctions and "stations to all stations on or beyond their own line, "as they themselves charge for similar traffic to the "same places, and carried for similar distances, and "in case no such traffic be carried for similar dis- "tances, to charge the mileage rate charged by them "for like traffic carried the next greater distance. "But for the inquiry into the business and arrange- "ments of the company, as the above would imply, "a court of law is an unsuitable tribunal. More- "over, the means of enforcement, to be available, "would need to be expeditious and inexpensive, and "adapted to every change of circumstances." On Case 7 I remark,—"A through-rate and booking "arrangements, with interchange of waggons, were "given to the one company and refused to the other. "The latter, in consequence, were deprived of the "traffic they had carried for many years previous. "This is an instance of unfair dealing, which is very "common, and very injurious, nor is it one which "the Act can prevent. In particular, it cannot com- "pel the company, on whose line the traffic lies, to "give their waggons to traders, to be addressed and "forwarded over another line; nor can it compel "the same company to take the empty waggons of "another company to places on their line, to be "loaded and returned."

9469. You have furnished the Commissioners with a Memorandum stating very fully in detail your views as to what ought to be done in respect to these matters; may I request that you will put it in and make it evidence before the Commission?—Yes. The memorandum, I may explain, was prepared by

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me, in compliance with the wish expressed by the Commissioners, that they should be provided with a statement of the kind of evidence the Chamber of Commerce proposed to offer.

(The witness delivered in the paper, of which what follows is a part.)

The cases above cited, which have all taken place since the Act of 1854 was passed, show the character of some of those obstructions and disadvantages which it is in the power of railway companies to create. Any new Act to be passed, if it is to deal effectually with these and the other evils of a like nature, and secure a thorough and complete interchange of traffic throughout the entire railway system, must be one of a most comprehensive kind. In the first place, it must declare the illegality of all known modes of obstruction, and set forth clearly and fully the various obligations as regards interchange of traffic, suitable train arrangements, through-booking and through-rates, without favour or partiality to any company or person; and in the second place, and in particular, it must provide means by which all its requirements, both in spirit and letter, should be fulfilled expeditiously and inexpensively.

1st. The first requisite of the Act is not to be attained by any mere general description or recital, as that in the Act of 1854. In addition to a full statement of its principles and objects, the Act should contain (perhaps in a Schedule appended) a select number of cases descriptive of the facilities and arrangements which are to be afforded in given circumstances. Such a selection may be made as would set forth its design comprehensively, and ensure its embracing all, or nearly all, the various facilities desired.

2nd. The compulsory means of carrying the requirements of the Act into operation must be something altogether different from those prescribed in the Act of 1854. The latter have been so obviously inadequate and unsuitable as scarcely to have been thought deserving of trial. A due consideration of the several objects desired, and the varied means of defeating them, must make it plain that the matter is foreign to the business of the ordinary law courts. It has been truly said by an eminent judge, in reference to the Act of 1854, that no judge can adjust a time table. The matter is special, and the measures for dealing with it must be special also. Moreover, the interests involved are of such magnitude as to warrant an extraordinary remedy, although at considerable expense.

What is suggested is this, that the whole powers of the Act should be vested in Commissioners, say three in number, appointed by Government. They would give their whole time to the business, and be paid a fixed salary, to be levied, along with the other necessary expenses, from the railway companies, by a uniform rate on their gross receipts. The whole railways should be classed into three groups, or as many groups as there are Commissioners, each Commissioner having exclusive jurisdiction within his own group, but each being at liberty to consult the others with a view to uniformity of decision. When the matter in dispute extends through more than one group, application to be directed to the Commissioner within whose group the offence complained of has originated. Thereupon he would inquire into the complaint, and prescribe the remedy which would be commensurate with the utmost requirements of the case. His decision, when certified to the Commissioner or Commissioners of the other groups, should be effectual within such groups. An appeal from the decision of one Commissioner to all three Commissioners, acting jointly, should be competent if leave given by the Commissioner whose decision is sought to be appealed against, and after arrangements were made to his satisfaction, to stay the offence complained of pending the appeal. They should have power to award the whole, or part, of the expenses incurred by one company against the other. Their decisions should be enforceable under a suitable penalty, which they would fix, and which should be leviable by authority of an ordinary judge, to be interposed by certificate, on the application to him of any of the parties concerned.

Besides other qualifications which will suggest themselves, it would be imperative that the Commissioners should be possessed of practical knowledge of railways and their management. They would provide themselves with such clerks and other assistance as they required.

They would report their decisions to Parliament every three months, accompanied by brief statements of the circumstances of each. It might be desirable to give publicity to their proceedings otherwise, that their conduct might be subject to the salutary check of public opinion.

The expenses of this suggested plan, though it were considerable in itself, would hardly be felt by the railway companies. At any rate it would be as nothing compared to the benefits which the plan would confer were it to result in putting an end to many of those differences and grievances which prevail throughout the railway system. Objections could and would be stated against it, as they would be against any plan which could be devised. It would be urged that the comprehensive powers vested in the Commissioners would interfere with the responsibility which ought to rest exclusively upon the direction and management of railways. But such an objection ought not to be regarded. It is one which may be as readily used in support of uncontrolled licence on the part of railway management. The plan would be fatal to abuse and unfair dealing wherever it appeared, but innocuous elsewhere. Indeed, were it carried out in its integrity, occasion for the Commissioners' interference would rarely occur. It could be shown that in every one of those instances of grievance which have been described the Commissioners could adjudicate with safety, and without the appreciable risk of danger to the public, or of compromising railway management. But, in point of fact, had such legal powers of control as suggested been in existence not one of these instances would have arisen.

Most of the amalgamations which have taken place within the last few years, and all the new lines authorized since 1856, have been subjected to a future general revision of the rates and tolls, pursuant to Standing Order of the House of Commons (No. 162 of Standing Orders of 1865). Notwithstanding, in the exercise of this power due regard must be had as well to the railway interests as to those of the public. However, in any future general railway legislation one maximum scale of rates and tolls may be framed which would extend to the whole railway system, so that the rating powers, at least, of the several companies may not conflict or remain doubtful. Adopting for such a scale the rates and tolls actually levied upon the more important lines, and extinguishing rating powers which could only be exercised for injurious purposes, substantial justice would be done. Exceptional cases there would be where higher rates would be maintained, such as upon the high level bridge at Newcastle, the Britannia Bridge, &c., but the exceptions would be comparatively few in number.

But concessions beyond what that measure would afford might be justly extended to the public. The Act should make provision for *return* fares. They should be made universal for all classes at one ordinary fare and a half as a maximum, and by all trains, and available to return same or next day; those on Saturday available to return on or prior to the following Monday. At present the practice regarding return fares varies with every line, and on some lines hardly two stations are on a like footing. They are to be had on one line and not on another, at one station and not at another station upon the same line; while on some lines they are limited to one or two days in the week. For all this diversity seldom any substantial reason exists, and it should come to an end.

A third-class passenger by the Parliamentary train can seldom procure a return fare; and while he has to pay one penny per mile going, he has the higher third-class fare, generally 1½*d.* per mile, to pay returning.

As the Parliamentary trains run only once either way each day (as provided by s. 7. of 7 & 8 Vict. c. 85.), and as they very frequently are started from either end of a line about the same time, the Parliamentary passenger, with rare exceptions, travels only in one way at a penny per mile. His return journey is paid for at the higher third-class fare. About 37½ per cent. of the entire passenger receipts are derived from third (including Parliamentary) class passengers, while in numbers they reach to 59 per cent. of the whole passengers. In Scotland the proportion is about 56¾ per cent. of the whole receipts, and 76¾ per cent. of all classes In every mixed train they generally much exceed the other two classes in numbers, and yield the larger receipt. They are entitled to cheaper and better accommodation than they commonly receive; and in affording this the companies would advance their own interests, for, with greater inducements to travel, the third-class passengers would increase in numbers very largely, especially at all the great seats of population. In the Act provision should be made that Parliamentary trains should run either way morning and evening, and that Parliamentary class passengers should have a return fare of (1½*d.*) one penny halfpenny per mile.

Third-class carriages, in general, are in a much less comfortable condition than they ought to be. On many lines they are as wretched and filthy as they can possibly be made. While a fair distinction should continue to be made between the several classes, no class of carriage should be allowed to descend to what is accommodation fit only for animals. On lines, paying too a good dividend, and drawing a large proportion of their receipts from third-class passenger traffic, the third-class carriages are fit for nothing better. The Act above quoted provides that the Parliamentary class carriages should be provided with seats and

protected from the weather in a manner to the satisfaction of the Board of Trade. The Board of Trade have not been difficult to satisfy. The carriages have been provided with seats, but the number of passengers admissible in a carriage has not been restricted to the accommodation provided. There is a call for this enactment being enlarged. The carriages should be after a model, than which no company should be allowed to use any inferior. They should be divided into compartments with a separate door to each compartment. At present they are generally open from end to end, frequently having the seats running from end to end up the centre and along the sides. To get in and out there is consequently much crushing and squeezing, and considerable loss of time. They should, for greater safety, be padded for a breadth of a couple of feet along the backs, with leather covering. It should be required that they be lighted after dark by one lamp to each compartment, that they should be suitably painted inside, and be kept at all times clean, and the numbers each compartment is fitted to accommodate should be painted inside.

All these provisions it would be the duty of the Commissioners to see carried out, and their orders would be enforceable under a suitable penalty.

If we except the Parliamentary train, there is no express obligation upon a railway company to run trains upon its line. Their self-interest secures their doing so, but their views and those of the public in reference to the number of trains, and more particularly the classes of carriages in each, do not always concur. This circumstance in any legislative measure designed to be complete should not be lost sight of. The obligation should be imposed to run a suitable number of trains and afford suitable accommodation for all classes, and powers should be given to the Commissioners to require, 1st, that a minimum number of trains should be run on each line daily; and 2nd, that third-class carriages should be carried by at least three-fourths of the trains carrying first and second class carriages; and all differences as to through connexions, times of running, and classes of carriages they should also have power to settle.

The obligation should also be imposed to run goods, mineral, and live stock trains sufficient for the accommodation of the traffic. This also to be enforced by the Commissioners, who should be entitled to hear and decide upon complaints on the part of the public in reference to the insufficiency or want of accommodation. As some check upon useless or unreasonable complaints, the Commissioners might be empowered to award expenses (not exceeding a maximum sum) against parties complaining without sufficient ground.

The measures which can be made matter of legislation with a view to increased safety must necessarily be few. These must lie almost wholly in the character of the management. At the same time there may be legislation to some extent.

The Commissioners should further be invested with the power to investigate accidents, and to require, under a suitable penalty, the removal of the causes of them so far as practicable. Their inquiry and directions would form part of their report to Parliament.

The investigation presently made into accidents at the instance of the Board of Trade would of course be superseded. This would not be matter of regret, as little, if any advantage has accrued from the investigations in that quarter, limited as they were to mere inquiry.

The powers given to the Board of Trade to inspect and approve of railways before being opened should also be transferred to the Commissioners, and they should be extended so as to entitle the Commissioners to inspect the railways and rolling stock from time to time at their discretion, and to require repairs and improvements in the permanent way and signals which the public safety may seem to them to demand. Under this power they would probably find it advisable to frame a uniform code of signals throughout the railway system. It would also enable them to require the removal or renewal of worn out plant, and to devise and direct a uniform system of communication between engine-drivers and guards of trains.

The Commissioners should also have the right to inspect the companies' reports of the arrivals and departures of trains, to inquire into delays and irregularities in the advertised times of arrivals and departures of trains, and to direct the adoption of measures by which greater regularity will be secured. By the failure to keep time much inconvenience is sustained by the public; and as by it the whole business of every line of any considerable length becomes deranged, a fruitful source of danger is created. However, this and one or two other sources of danger may be made the subject of positive enactment. First. There should be a probibition against goods waggons being attached to passenger trains, except on short branch lines, where the trains seldom exceed four or five carriages. The practice of running what is called express goods with passenger trains will be found to prevail somewhat extensively. It will be found to be done almost systematically along with the through-trains between Scotland and England. Take the following as an instance:—On 8th August 1865 the 4.15 p.m. first and second class train from Edinburgh for the west and south of England by the Caledonian Railway was detained at Carstairs Junction 50 minutes waiting the arrival of the train from the north with which it unites. On arrival the train was found to have attached to it seven waggons laden with salmon boxes and herring barrels. The combined trains started from Carstairs Junction exactly one hour behind time, and besides a more than usual number of passenger carriages it carried seven loaded waggons and two horse boxes. It is needless to point out the disarrangements which a heavy train so much behind time caused throughout its whole journey to the south; but it may be noticed that the limited mail started from Edinburgh at 6.5 p.m. The interval of two hours became reduced to one hour at Carstairs Junction, and instead of the limited mail passing the preceding train at about Crewe, it would have to pass it between Carlisle and Lancaster. The prohibition would occasion little if any inconvenience, because perishable articles, as fish, game, &c., would come to be conveyed by what may be called express goods trains, which are already run to some extent.

Second. The telegraph should be made universally available in connexion with the working of the lines. Telegraph wires for that purpose exclusively should be provided on all lines; and it should be made compulsory that the arrival, departure, or passing of every train at and from a station should be telegraphed from it to the station in advance, as well as to the station in the rear. Convenient means should be provided for exhibiting these intimations at the stations, so as to be seen by all, especially, by signal or otherwise, to the drivers and guards of trains approaching the station immediately behind. There would be no difficulty in showing the latter the condition of the line between and the station in advance as regards the trains. Neither would it be difficult to forward information to the station in the rear, of the replacing of old rails or other extraordinary repair on the permanent way which calls for shortening speed, or the stoppage of trains. A single wire for the exclusive service of the permanent way could be provided conveniently and at a trifle of expense. An instrument capable of being easily attached to the wires would be put into the custody of the head of each squad of men, or of every alternate squad. The general adoption of such an arrangement would undoubtedly conduce to the safety of the line, and it would economize the time of the men. Of course the above would not supersede the signals presently in use by the surfacemen.

Merely the obligation to provide the telegraph and means of working it suggested above would form the subject of enactment; the details regarding the use to be made of them would be laid down in byelaws framed pursuant to the Act.

Third. Some more comprehensive statutory provisions than presently exist with reference to byelaws and regulations should be secured. By the Railways Clauses Consolidation (Scotland) Act, (the English Act being to the same purport) power is given to companies to make regulations, and, for their better enforcement, to make byelaws, subject however to the provisions of the Act 3 & 4 Vict. c. 97., which provides that all such byelaws, to have force, must have the previous approval of the Board of Trade. Now, from the idea, it may be correct, that their powers in that respect are very limited, the Board of Trade have restricted the byelaws to some five or six in number, embracing merely the prohibition against persons travelling without paying their fare; against smoking in the carriages and stations; against being in the carriages in a state of intoxication; against injuring the carriages or leaving the carriages while in motion; other byelaws than these the Board of Trade have refused to sanction. They fall short, most absurdly, of the requirements of the case, and hence it will be found that besides the byelaws so confirmed, the companies enact an additional code of byelaws. The latter, although by far the more important as respects the public safety, receives no confirmation by the Board of Trade, and it is doubtful if the penalties they contain can be enforced. Further, the companies embody in separate regulations all matters of detail in regard to the working of the lines, the use and description of signals, &c., and which, as they concern only the servants of the company, are placed in their hands alone. Now there ought to be no necessity for two separate codes of byelaws, the one enforceable and the other not, save at common law. The statutory provisions referred to should be repealed, and the companies should be required to enact a code of byelaws sufficiently compre-

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hensive in reference to the protection and use of the lines, the same being subject to the approval of the Commissioners, who should further have power to see that an effective code is in force. The regulations for the internal government of the lines should also be subject to their approval, that one uniform set of regulations should be in force over the whole railway system, varied only in each case by special regulations adapted to the peculiarities of each.

9470. I understand that what you propose is this, that you would give to a certain board or commission the very general power of enforcing absolute equality and absence of favour as between one company and another ?—Yes, of course taking into consideration the peculiar circumstances of each line.

9471. Would you propose that such a board should have the power of finally deciding, or that there should be any appeal from its decision ?—I propose that there should be an appeal from one of those commissioners acting within his group to the whole jointly.

9472. You would have three commissioners, and an appeal from the decision of one to a full court consisting of three ?—Yes.

9473. And would you leave in their hands an absolute control with reference to those matters ?—Yes.

9474. (*Mr. Gower.*) That appeal, as I understand, is merely to be with the assent of the commissioner whose decision is appealed from ?—Yes, but I do not attach much importance to that.

9475. (*Mr. Ayrton.*) You would in fact form two powers, one a power to decide upon legal rights, and another power to supplement the law where the law was defective in relation to railway companies by making orders of an executory character ?—Yes; but at the same time I would desire that the Act of Parliament to be passed appointing those commissioners should specify very fully their duties, and that they should be empowered to carry out the design of Parliament. I want to put it in that shape, not to do anything that is opposed to law, but to carry out the design of Parliament.

9476. Then you would have the Act of 1854 extended and explained by an Act legislating in detail for the management or defining the rights of parties in relation to railways ?—Yes, precisely ; I would have the second clause in the Act of 1854 made very much more specific, so as to define in detail what I conceive to be the various facilities which are required, and the commissioners' business should be to carry out that Act in its letter and in its spirit.

9477. Do you mean that they are to adjudicate upon all the rights that would arise under that Act only or to go beyond that, and where the law was found to be defective, to make orders which should have the force of law ?—No, not to go beyond the Act, but I should have the Act made very full. For instance, take one obstruction that arises from the want of train arrangements, I should have the Act so full as to make it appear that that is one portion of the facilities which it is the design of Parliament should be given, and that the commissioners should have power to sit and ascertain in what way the arrangement of trains can be made so as to give that facility and prevent obstruction.

9478. (*Mr. Hamilton.*) What do you mean by "want of train arrangements" ?—Take the case which I have already mentioned, where the two routes joined at Carstairs Junction from Dundee to the south, by the Caledonian and the Fifeshire routes ; the communication by Fifeshire was prevented by one of the companies not giving train arrangements, and instead of fixing the hours for the trains from Granton so as to catch the train at Carstairs, designedly making their arrangements so as to prevent it. That I should hold to be opposed to the spirit of this Act, and there I would suggest that the commissioner should sit and see that the company carried out, by train arrangements which he would prescribe, the means of two such trains uniting at the common point of junction.

9479. (*Mr. Ayrton.*) Would you allow the parties to appear, as they do in a court of justice to contest all questions that might arise ?—They should appear before the commissioner.

9480. But would you give them all the same rights for the purpose of enabling them to appear and defend their interests as they have in a court of justice ?—No ; probably that would require to be defined ; but they would deal with those questions very much as arbitrations are frequently dealt with ; the parties should sit and be heard, and the matter should be decided, but there should be no written pleadings, and no appearing by counsel or anything of that kind.

9481. Arbitration is generally a very dilatory mode of investigating, is it not ?—Yes, because the arbitrator generally selected is a person who has other duties to attend to, and has not probably time to take up the question referred to him ; but the business of those commissioners should be solely and exclusively confined to those duties.

9482. You are probably aware that arbitration proceeds upon the principle that the parties having selected their own judge he has an absolute control over the whole matter to decide for them what ought to be done, do you think that you could give the same power to a person who is not selected by the parties ?—The arbitrator decides just within the terms of the arbitration. Arbitration generally proceeds upon a deed of arbitration in which the question at issue is put, and he decides that question which is so referred to him. These commissioners would decide under this Act of Parliament, which would be the deed of arbitration as it were.

9483. Would you give any appeal from their decision to any court of justice ?—I should doubt if that would be necessary ; I should desire very much that those questions should be settled speedily and inexpensively. I think that all parties would be benefited by that, and if it were found in a short time, and after a little experience that it was not a means of carying out that which is desirable and workable, Parliament could soon rectify it by further legislation ; but I am very strongly of this opinion that all those matters are not fit subjects of litigation in the ordinary courts of law.

9484. Is there not the same difficulty in asserting legal rights in any other matters as there is in railway matters ?—But this commissioner would not be strictly confined to the mere legal right.

9485. Is not a person practically just as much without a remedy in the ordinary dealings of life if he go to a court of law and he does not get it, in a certain way is he not without a remedy ?—He goes to a court of law and there litigates the matter, or he suffers loss rather than go to a court of law. It might become a matter of litigation for years probably, and there is much expense in these cases. But these are not subjects which one can go to a court of law about. Parliament has legislated upon the subject already, and its Act is not in operation practically for one reason, as I think, that these matters are not for the decision of a court of law. My experience is that the companies will not go into a court of law upon these questions.

9486. (*Mr. Roebuck.*) You are probably aware of the mode in which the administration deals with ships carrying emigrants ; that administrative power is applied to regulate those ships, requiring that they shall carry a surgeon, and do this, and that, and the other, all of which is an interference by the administration in a matter of trade, do you not contemplate something of the same sort in the regulation of matters of trade in regard to railways ?—Very much ; but I should not have it to appear that the commissioner is to be acting contrary to law. I want the law to be so framed as to make it obvious that the design of his appointment is to carry out these things in reality, and not in pretence, as the Act of 1854 does.

9487. Then I presume that the administrative

power that determines the regulation respecting emigrant ships does not act contrary to law but in accordance with the law ?—Certainly.

9488. Exactly in the same way you propose, do you not, that the commissioner whom you desire to have appointed should act according to law, but with a discretion given to him by the Act of Parliament ?—Yes.

9489. (*Mr. M'Clean.*) And you would wish the railways to be treated as belonging to the public and not to private parties ?—No, not exactly that. I do not want the railway interest to be sacrificed. I hold that interest to be deserving of the greatest consideration, but I do not think that the carrying out of those arrangements which I suggest would be opposed to their interests. I think that in many cases it would be beneficial to their interests.

9490. Would it prevent competition between different companies ?—Very much it would prevent competition ; but competition seldom continues any length of time between companies ; but my plan would obviate that very much, because it is from the want of those facilities that they are obliged to enter into combinations which are often very much opposed to the interests of the public.

9491. (*Capt. Galton.*) How would equal rates between two places prevent competition ?—It would not prevent competition ; it would be a very fair competition.

9492. (*Mr. Roebuck.*) Do not equal rates preclude competition ?—They prevent competition probably in this way, that where one of the companies is shut out by means of a through-rate, rather than lose the traffic, it makes a sacrifice of nearly the whole of its own rate, allowing the other company to take its local rate, and there competition goes on.

9493. (*Sir R. Hill.*) You say, in one part of your statement, "Most of the amalgamations which have "taken place within the last few years and all the "new lines authorized since 1859, have been sub-"jected to a future general revision of the rates and "tolls." Is that by a general Act or is it by special provisions in the several railway Acts ?—I think it is in the special Acts.

9494. Do you mean special clauses inserted in all Acts ?—Yes ; in the special Acts.

9495. Are you quite sure of the fact that such revision is provided for ?—Yes.

9496. Is it accompanied by any provisions as to the amount of dividend earned by the company ?—No ; it simply reserves the power of Parliament, by any general Act or by a clause in a special Act to revise the rates and tolls.

9497. Can you draw the attention of the Commissioners to any one Act, which contains such a provision ?—Yes ; the whole of the Acts since 1859* contain it, but that can easily be ascertained.

9498. Considering the number of amalgamations which have taken place since 1859,* may we not presume that most of the old companies must be brought under the operation of this provision ?—Yes ; but the thing stood in this way ; I think before the clause was inserted in the Acts, there was a distinct understanding with Parliament, that when companies come before it, particularly for additional powers, they subjected themselves to a revision of their tolls ; indeed it was very often done ; but to prevent anything like doubt, or to prevent the allegation that it was unfair to interfere with the tolls which Parliament had given them, a clause was framed and, I think, put in at the instance of Lord Redesdale in all Acts passed since 1859* subjecting them, in express terms to such revision.

9499. (*Capt. Galton.*) Are you not aware that in every railway Act which has been passed for a long time a clause has been inserted stating that the company shall be subject to the provisions of any future general Act ?—That is my statement.

9500. (*Sir R. Hill.*) The company may be subject to the provisions of a general Act, but this is somewhat different, is it not ?—My statement is this, "Most of the amalgamations which have taken place "within the last few years, and all the new lines "authorized since 1859,* have been subjected to a "future general revision of the rates and tolls."

9501. (*Mr. Glyn.*) I think, in answer to a question which I put, you stated that sometimes you would have the power of the commissioners to extend to putting on trains when necessary ?—Yes.

9502. Do you also think that they should have the power of calling upon the companies to enlarge their stations for the accommodation of their traffic if it is necessary ?—No.

9503. How can they provide for the new traffic if they have not stations large enough for it ?—I do not think that that would occur very often, because that very traffic already gets to them in other ways ; for instance, the traffic that I spoke of from Dundee to Liverpool, and which I say is shut up to one route, is not increased very materially by the fact of another route being opened between the same points.

9504. It goes to a different station in the same town, does it not ?—No, it goes to the same station ; it goes to the Caledonian Company's station ; not to the other line uniting at Carlisle ; and it would become the Caledonian Company's traffic the moment it met their junction.

9505. You do not mean that the commissioners should have power to call upon the companies to enlarge their stations ?—No.

9506. (*Sir R. Hill.*) It is no essential part of your plan that that particular power should be given to the commissioners, is it ?—No.

9507. If Parliament should think that power or any power too great to be entrusted to the commissioners it might be withheld ?—Yes.

9508. (*Mr. Ayrton.*) If any orders that were given by these commissioners diminished the profits of the company or their dividends, would you propose any mode of compensating them ?—No.

9509. If any loss or accident occurred in the working of the traffic in consequence of an order of the commissioners would there be any provision made for indemnifying the company ?—No.

9510. You would leave them to take their chance of what might result from the orders that were made ?—Yes ; some risk might be contemplated in the commissioner fixing a particular train to run at a particular hour instead of another, and if the company think that that would be attended with danger they could appeal to the three commissioners together, and, of course, if they are men of sense, they will just judge of that as easily as a railway manager, and one cannot suppose that they will not be men of sense. But, if the plan worked so very injuriously, after a very short experience it could be stopped, and of course it would be stopped, and some other arrangement made. But I would not contemplate any such risk as that.

9511. You would give them the power of reversing their orders and reconsidering them when an application was made ?—Yes, from time to time.

9512. But supposing that a train that was ordered by the commissioner to be run turned out to be a losing train, would you make the company bear the loss ?—Yes. The commissioner's power to put on the train would come into operation because the public was sustaining some hardship and injury from the want of the train, and he would hear the parties complaining and hear the companies upon it. I do not suppose that if the commissioners acted like judicious men they would put on a train which would be a very losing train.

9513. Supposing the train was not a profitable one, would you allow the comfort of the public to be considered at the expense of loss to the company ?—Yes; that would be a grievance which the company would

* This date was afterwards altered by the witness to 1856. He also states that the clause in question is inserted pursuant to a Standing Order of the House of Commons (No. 167 of 1865).

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sustain, but if it were found to work in that unjust mode, and it seemed to be unavoidable under the plan, then the plan would have to be altered.

9514. Would it not be rather a necessity of the plan if the commissioners are to act within any legal limits, that you should define the extent of profit that a company should be entitled to obtain from any train ordered by the commissioners?—No, I think that quite impossible. In fact, the companies themselves in arranging their trains do not have a very clear perception upon the question of payment; they judge of the number of trains required by the public wants generally.

9515. As the owners of property they bear the profit and loss of what they do, just like other owners of property?—Yes.

9516. But in this case, where some one would step in and compel them to use their property against their judgment, would it not be necessary to lay down some rule defining their rights in that transaction?—I should think it difficult to lay down any such rule, but I think it is quite just that under the present circumstances, with the powers which railway companies possess of having the whole carrying trade of the country in their hands, there should be obligations laid upon those companies to run trains for the wants of the country in some way. Just now there are no obligations to run trains at all, but I think that the public have claims, and I propose that the claims of the public should be decided by the means that I suggest.

9517. The only obligation upon them is to run a train at a penny a mile, is it not?—Yes, that is the only obligation.

9518. The rest is left to a number of accidents, from their having spent a great deal of money, and the fact that they must get a return for it?—Yes, that is the security that the public have.

9519. Practically it has been found to be a security since we find a great number of trains run?—Yes, and there always will; I do not say that they do not go a very great length in giving the public what they really require, but many cases of hardship do exist.

9520. Do you think that there are many cases where trains are withheld from the public, whether from error of judgment or other causes, where they could be run with considerable profit to the company and the public?—Yes, I think so.

9521. To what do you attribute that defective management of companies?—A railway manager frequently does not concur with the public in their demands made upon him for trains.

9522. Is not his reason generally this, that it would not be profitable to the company?—That, of course, is the main reason which actuates him, and which ought to do so; but I may remark that, of course, it is his effort almost invariably to run as few trains as he possibly can, getting the greatest amount of traffic.

9523. In order to get the largest amount of profit?—Yes; that is to say, if he can possibly get the traffic by one train, he will not at different hours put on two trains, although the public wants may very much require the two instead of one. Upon that point there is no means of deciding now. It is left entirely to the companies, and the public have nothing to say to it.

9524. You would have the commissioner decide that the two trains, or the additional trains should be run, even though he might be satisfied that it would entail a loss of profit to the company?—No, the very fact of its being left to his decision implies that he is to use a sound discretion.

9525. But is he to use a discretion upon the basis that there should be no loss of profit to the company?—I do not know that you could exactly say that; but if the wants of the public very much require it, and the loss is immaterial, and there is no great hardship imposed upon the company, I consider that then he might decide that the train should be put on.

9526. Would you, in the regulating Act such as you propose, lay down any rule to limit that discretion so as to protect the companies against loss?—I would give the commissioners a restricted discretion.

9527. (*Mr. Hamilton.*) These matters involve very important considerations, do they not?—Yes.

9528. Yet you stated that you would not allow the public to appear before those commissioners by counsel?—Yes, I think so; but I did not say that very absolutely.

9529. (*Chairman.*) You would consider the commissioners themselves as representing the public?—The parties complaining would appear before them, and the railway managers would appear before them, and it would be a question not involving any legal argument at all. Business men would be able to settle it.

9530. (*Mr. Hamilton.*) What would be wanted would be not legal arguments, but the establishment of facts?—Yes.

9531. (*Mr. Ayrton.*) A man may be a very good railway manager, may he not, but a very unsatisfactory advocate in contentious matters before a judicial tribunal, or a tribunal such as you recommend?—That is a matter of detail upon which I have not a very decided opinion. I think that very often those questions are much better settled without lawyers.

9532. (*Mr. Hamilton.*) You say in your memorandum, "Adopting for such a scale the rates and tolls "actually levied upon the more important lines and "extinguishing rating powers which could only be "exercised for injurious purposes substantial justice "would be done." They hold those powers under an Act of Parliament, and would not it be an interference with the vested right of a railway company to deprive them of the power of imposing their maximum rate because they found it to their interest in some cases to use a lower rate?—Yes.

9533. Would not it be a case of compensation if you deprived them of it?—No; I think not of compensation to the companies.

9534. You deprive them of a right which may have led them to construct their line, and it may have been one of the inducements to the public to take shares in the line, that they had the legal power of charging rates up to a certain maximum, and you now propose to reduce that maximum to the level of that which has usually been charged?—Yes.

9535. Would not that be a case of compensation?—No, I think not; I think Parliament constantly interferes, when companies come before them, in revising their tolls.

9536. Only on the principle of giving a *quid pro quo*?—No, Parliament never does that.

9537. Is not this the case when a company goes before Parliament for further powers that Parliament says, We will make a bargain with you; we will not give you these powers which you are seeking unless you cede some one or more of the powers which you already have?—They do not put it in that kind of way.

9538. Is it not a case of bargain?—No, not in that absolute way; because I think Parliament always retains the power of revising the tolls and rates of companies; but to place it beyond question they have put an express clause in the Acts passed since 1859* declaring their right to require a general revision of tolls and rates. I should not advocate any very serious interference with the companies; but we know this, that they have rating powers in some of their Acts of Parliament which are never used except for injurious purposes — purposes of obstruction. They are not commonly used in dealing with traders, unless there is some object, as in the way of shutting out traffic in competing with another company. I have limited myself in the revision of the tolls to the rates and tolls actually levied upon all the more important lines. I do not think that any very great injustice could be done; there would, of course, be a few exceptional cases.

* See note to question 9497.

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9539. Which the railway company must judge of themselves. Parliament cannot or does not usually take away a right, which has already been ceded?—They frequently revise the tolls in opposition to the company. There is a special clause, which has been inserted in special Acts since 1859,* reserving to Parliament the right to revise the tolls and rates.

9540. (*Sir R. Hill.*) Will you read the clause to which you have referred, under which many railways are subject to a revision of their rates and charges?—Yes. I will read clause 35 in the London and North-western Railway (New Branch Lines) Act, 1863. "Nothing in this Act contained shall exempt the "railways of the company from the provisions of any "general Act relating to railways, or to the better or "more impartial audit of the accounts of railway "companies now in force, or which may hereafter "pass during this or any future Session of Parlia-"ment, or from any future revision and alteration "under the authority of Parliament, of the maximum "rates of fares and charges, or of the rates for small "parcels, in respect of the railways authorized by "this or any other Act, relating to the company."

9541. I think you stated that such a provision was to be found in all railway Acts passed since 1859?—Yes.*

9542. I have here a railway Act dated 1853, which contains a similar provision, the Cork and Bandon Railway Act, 1853 (*handing the Act to the witness*)?—Yes; I am not sure that it was in the whole of them at that early date.

9543. May not that provision have been contained in all the railway Acts at a much earlier period than 1859?—It appears so from this Act.

9544. Here is another Act, the Drogheda and Portadown Railway Act, 1845 (*handing the Act to the witness*), which I think you will find contains a similar provision?—Yes, it does.

9545. Will you have the goodness to read the clause?—"Be it enacted that nothing herein contained, shall "be deemed or construed to exempt the railway and "branch railway by this Act authorized to be made "from the provisions of any general Act relating to "this Act, or of any general Act relating to rail-"ways, which may hereafter pass during the present "or any future Session of Parliament, or from any "future revision and alteration under the authority "of Parliament of the maximum rates of fares and "charges authorized by this Act."

9546. Does not it then appear probable that this provision extends to almost all the railways now existing?—I think it must do so; at the same time I think that in 1859* a short clause was given by Lord Redesdale, according to my recollection, which was put into all Acts.

9547. (*Mr. Ayrton.*) You will observe that that clause is exclusively confined to a general Act fixing a general maximum of tolls?—Yes.

9548. It would not allow, therefore, any particular rate of tolls for a particular company?—No; I presume that it means if there should be a general revision.

9549. (*Chairman.*) Is there anything that you would wish to add in explanation or confirmation of what you have already stated?—With regard to the extension of the byelaws, I believe that within the last two or perhaps three years the Board of Trade have sanctioned some two or three additional byelaws besides those that are specified in the code of byelaws which I had for my line, and which I was guided by. I request to be allowed to add that in the memoranda of my evidence, I purposely refrained from entering upon various matters connected with the rates for goods, minerals, and live stock traffic, arrangements with trades, &c.; for this reason, that another gentleman connected with the Edinburgh Chamber of Commerce had, as I understood, been engaged to give evidence specially in reference to that branch of the inquiry.

9550. (*Mr. Glyn.*) Had you a double code of byelaws on your line?—Yes; all companies have, I believe.

9551. One code under the sanction of their own Act, and the other under the sanction of the Board of Trade?—Yes.

* See note to question 9497

* See note to question 9497.

The witness withdrew.

Adjourned to to-morrow at half-past 11 o'clock.

Wednesday, 6th December 1865.

PRESENT:

THE HON. E. F. LEVESON GOWER, M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. LORD STANLEY, M.P., F.R.S., IN THE CHAIR.

[*There not being a quorum present, the following evidence was taken provisionally; it was accepted at the next official meeting of the Commission.*]

MR. WILLIAM ALEXANDER WOOLER examined.

Mr. W. A. Wooler.
6 Dec. 1865.

9552. (*Chairman.*) I understand that you come from Darlington?—I do.

9553. In the Memorandum which we have here you have not stated what is your occupation?—I am a coal-owner.

9554. Have you been in communication with other coal-owners and other employers of labour in Darlington upon this subject?—A good deal. I have come here as representing the Chamber of Commerce of Darlington.

9555. Has any resolution been passed by the Chamber of Commerce upon the question of railway communication?—Yes.

9556. To what effect?—They have made me some returns with regard to the passenger fares which have been charged between Darlington and Newcastle, showing the irregularity of the charge.

9557. That is on the North-eastern Railway?—Yes.

9558. What is it that you complain of; is it of the rate being high, or of the rate being unequal as between place and place?—Of the rate being high and unequal. The fare by first-class from Newcastle to Darlington is 8*s.* 4*d.*, but if the ticket was taken from Newcastle to Pelaw Junction it would be 6*d.* there and 6*s.* 10*d.*, making 7*s.* 4*d.*, a difference of 1*s.*

9559. (*Capt. Galton.*) They charge more for a through ticket than they do for the combined local tickets?—Yes, excepting in one case; if you go to Shincliffe it would be 8*s.* 6*d.* The Chamber of Commerce has made me very full returns,—perhaps I had better put in those returns,—showing the percentages, and showing the rate per mile for each separate class.

Mr. W. A. Wooler.

6 Dec. 1865.

The Witness delivered in the following tables :

NORTH-EASTERN RAILWAY.

Passenger Fares to Newcastle.

From	Distance. miles. chns.	Distance. Say Miles.	1st Class. Fare.	1st Class. Rate per Mile.	2nd Class. Fare.	2nd Class. Rate per Mile.	3rd Class. Fare.	3rd Class. Rate per Mile.	Government. Fare.	Government. Rate per Mile.
			s. d.		*s. d.*		*s. d.*		*s. d.*	
Newcastle	0 0	—	—	—	—	—	—	—	—	
Gateshead	3 45	3½	0 4	1·14	0 2	0·57	—	—	—	
South Shields	12 46	12½	0 9	0·72	0 6	0·48	0 4	0·32	—	
Pelaw Junction	6 54	6½	0 6	0·92	0 4	0·61	0 3	0·46	—	
Usworth	—	—	1 6	—	1 0	—	0 9	—	—	
Washington	11 27	11	2 0	2·18	1 4	1·45	1 1	1·18	0 11	
Pensher	12 72	12½	2 6	2·40	1 10	1·76	1 4	1·28	1 0½	
Fence Houses	15 1	15	2 6	2·00	1 11	1·53	1 6	1·20	1 3	
Sunderland	18 27	18¼	1 8	1·09	1 3	0·82	1 0	0·65	—	
Leamside	17 38	17½	3 3	2·23	2 6	1·71	1 10	1·25	1 5	
Durham	21 49	21½	3 3	1·81	2 6	1·39	—	—	1 8	
Bishop Auckland	32 58	32½	6 0	2·21	4 0	1·47	2 10	1·04	2 8½	
Sherburn	20 7	20	4 3	2·55	3 6	2·10	2 2	1·30	1 8	
Shincliffe	22 19	22	4 9	2·59	3 10	2·09	2 4	1·27	1 10	
Ferry Hill	26 67	26½	5 7	2·52	4 6	2·03	2 9	1·24	2 2½	
Bradbury	29 48	29½	6 3	2·54	5 6	2·23	3 1	1·25	2 5½	
Aycliffe	34 21	34	7 3	2·55	5 10	2·05	3 7	1·26	2 10	
Darlington	39 53	39½	8 4	2·53	6 8	2·02	4 2	1·26	3 3½	

Passenger Fares to Darlington.

From	Distance. miles. chns.	Distance. Say Miles.	1st Class. Fare.	1st Class. Rate per Mile.	2nd Class. Fare.	2nd Class. Rate per Mile.	3rd Class. Fare.	3rd Class. Rate per Mile.	Government. Fare.	Government. Rate per Mile.
			s. d.		*s. d.*		*s. d.*		*s. d.*	
Newcastle	39 53	39½	8 4	2·53	6 8	2·02	4 2	1·26	3 3½	
Gateshead	36 8	36	7 8	2·55	6 2	2·05	3 10	1·27	3 0	
South Shields	36 26	36	7 4	2·44	6 0	2·00	4 0	1·33	3 0	
Pelaw Junction	32 79	32½	6 10	2·52	5 6	2·03	3 5	1·26	2 8½	
Usworth	—	—	6 3	—	5 0	—	3 1	—	2 5½	
Washington	28 26	28	6 0	2·57	4 6	1·92	3 0	1·28	2 4	
Pensher	26 61	26½	5 7	2·52	4 4	1·96	2 9	1·24	2 2½	
Fence Houses	24 52	24½	5 2	2·53	4 0	1·95	2 7	1·26	2 0½	
Sunderland	32 62	32¼	6 10	2·52	5 6	2·03	3 5	1·26	2 8½	
Leamside	22 15	22	4 9	2·59	3 8	2·00	2 4	1·27	1 10	
Durham	25 72	26	5 0	2·30	3 8	1·69	2 6	1·15	1 11	
Bishop Auckland	—	—	—	—	—	—	—	—	—	
Sherburn	19 46	19½	4 2	2·56	3 0	1·84	2 1	1·28	1 7½	
Shincliffe	17 34	17	3 9	2·64	2 10	2·00	1 10	1·29	1 5	
Ferry Hill	12 66	12½	2 8	2·56	2 0	1·92	1 4	1·28	1 0½	
Bradbury	10 5	10	—	—	—	—	—	—	—	
Aycliffe	5 32	5½	1 0	2·18	0 9	1·63	0 7	1·27	0 5½	
Darlington	—	—	—	—	—	—	—	—	—	

Passenger Fares between Newcastle and Darlington.

From	1st Class. To Newcastle.	1st Class. To Darlington.	1st Class. Total.	2nd Class. To Newcastle.	2nd Class. To Darlington.	2nd Class. Total.	3rd Class. To Newcastle.	3rd Class. To Darlington.	3rd Class. Total.
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
Newcastle	—	8 4	8 4	—	6 8	6 8	—	4 2	4 2
Felling	—	—	—	—	—	—	—	—	—
Pelaw Junction	0 6	6 10	7 4	0 4	5 6	5 10	0 3	3 5	3 8
Usworth	1 6	6 3	7 9	1 0	5 0	6 0	0 9	3 1	3 10
Washington	2 0	6 0	8 0	1 4	4 6	5 10	1 1	3 0	4 1
Pensher	2 6	5 7	8 1	1 10	4 4	6 2	1 4	2 9	4 1
Fence Houses	2 6	5 2	7 8	1 11	4 0	5 11	1 6	2 7	4 1
Leamside	3 3	4 9	8 0	2 6	3 8	6 2	1 10	2 4	4 2
Sherburn	4 3	4 2	8 5	3 6	3 0	6 6	2 2	2 1	4 3
Shincliffe	4 9	3 9	8 6	3 10	2 10	6 8	2 4	1 10	4 2
Ferry Hill	5 7	2 8	8 3	4 6	2 0	6 6	2 9	1 4	4 1
Bradbury	6 3	—	—	5 6	—	—	3 1	—	—
Aycliffe	7 3	1 0	8 3	5 10	0 9	6 7	3 7	0 7	4 2
Darlington	8 4	—	8 4	6 8	—	6 8	4 2	—	4 2

9560. (*Chairman.*) First, with regard to the rates being too high, what is the fare charged, for instance, from Darlington to Newcastle?—The charge from Newcastle to Darlington is at the rate of 2·53*d.* per mile.

9561. What is the distance?—39½ miles.

9562. What is it as compared with the average?—Newcastle to Shields is only ·72*d.*, less than three farthings per mile.

9563. (*Capt. Galton.*) But that is not on the same line, is it?—It is by the same company although not upon the same line; but to Washington it is 2·18*d.*, and to Fence Houses it is only 2*d.*, and those are upon the same line, with an intermediate station between the two.

9564. All those lines belong to the North-eastern Company, do they not?—They do.

9565. There is no competition between the places?—There is only one small line in the whole district that does not belong to the North-eastern Company, and that is, I believe, the Tynemouth line, and there is another small line, but it is not a passenger line. The North-eastern hold the whole of the district between York and Newcastle and Newcastle and Carlisle, with two small exceptions.

9566. (*Chairman.*) Are you referring now to the case of passengers only?—Yes, to the case of passengers only.

9567. Have you any similar complaint to make with regard to goods?—I can go more fully into that with regard to minerals, because it meets me in my own practice a good deal more; and the complaint that I have to make with regard to that is that parties who have influence, directors, being competitive coal-owners with myself, are very much favoured indeed, and that they can get waggons and keep their own colliery working when other people cannot do so. I have brought a return with me showing the days when we were short, the state of our customers, and the complaints that we had by letter from our customers at the time. I may state, perhaps, that our customers are ironsmelters.

9568. (*Capt. Galton.*) Do you own a colliery of your own?—Yes; two collieries near Crook, near Darlington.

9569. Are we to understand that some of the directors of the Darlington line are themselves owners of collieries?—They are.

9570. Of course the charge is the same for you and for them?—They are the same as mine, as far as I know, but there are other colliery owners who do not carry on such a large trade as I do who are not in that favoured position. It is the practice to charge down to Middlesboro' from our collieries 3*s.* per ton, but directly you exceed 20,000 tons, they give you a drawback of 1*s.*, so that it becomes 2*s.* per ton. They do not return you the shilling, but give you credit for it, and you take it out in traffic. There are other small collieries that do not reach 20,000 tons, and they do not get this drawback.

9571. Does this rate of 3*s.* per ton apply to any amount that is sent, or must it be a train load or a truck load?—No; any amount.

9572. Is that drawback of 1*s.* per ton given to persons who send full train loads by particular trains or to any amount?—No, it extends to any amount.

9573. The company coming with their engines and taking it away when it suits them?—Yes.

9574. Do the company find the waggons in both cases?—Yes.

9575. (*Chairman.*) Then, as I understand, it is simply that a certain advantage is given in the case of what may be called wholesale dealing?—It is scarcely wholesale dealing, because there is no difference between me and my neighbour sending out the quantity per day that I do, because, supposing I send 10 waggons to one iron furnace, and my neighbour would send the same quantity, still, because he cannot send 20,000 tons per year to the iron furnaces, he has not the privilege of getting the drawback of one-third.

9576. (*Capt. Galton.*) He would send the same quantity per day for certain days in the year, but he would not send it perpetually every day in the year?—No; the same quantity to one or two customers each day, but not to so many customers.

9577. (*Mr. Glyn.*) He does not make up the full number of tons?—No; he has a less number of customers.

9578. (*Chairman.*) That reduction of price to the large owners does not represent any real saving of trouble to the railway company?—Not a bit.

9579. On what ground is that justified or explained?—It is never entered into; I should have kicked at it, but I have not been affected by it.

9580. (*Mr. Glyn.*) Do they allow two coal owners to join together to make up the required amount?—If one coal owner will introduce another colliery he can do so, but it must go in one man's name or one firm.

9581. (*Chairman.*) But if two or three coal owners were to join together for carrying purposes, would they be able to command as good terms as a single large owner?—I think that they might arrange it.

9582. (*Capt. Galton.*) Putting it all in one name?—Yes, putting it all in one name.

9583. (*Mr. Glyn.*) Would they go to the different small collieries to collect from them by their own waggons?—Yes, just the same. We received a notice some years ago that they would not take out less than eight waggons at a time.

9584. (*Capt. Galton.*) But do they take less than eight waggons?—Yes, they do.

9585. Do they take any number?—Yes.

9586. (*Chairman.*) Are we to understand you to say that notice was sent that they would not take less?—There was notice sent that they would not take less.

9587. But they have not acted upon it?—They have not acted upon it.

9588. Then I suppose that that notice may be considered as not in existence?—Yes.

9589. It was an attempt to introduce a rule which was found inconvenient, and was dropped in consequence?—I do not know what was their object.

9590. (*Capt. Galton.*) Have they ever enforced it against certain parties and not against others?—Not to my knowledge.

9591. Then they deal equally with all parties in respect of their rules and the rates which they charge?—As far as I know; but there are special rates and drawbacks that you cannot possibly get at.

9592. You mean to different dealers?—Yes, to different dealers. We tried to send coke a year or two ago to Glasgow, and although the waggons were not theirs but lent us, and we paid the railway dues that were charged upon us, we really could not compete, although it was a neighbour who was selling in competition with us; we lost, I think, nearly 3*s.* per ton.

9593. In competition with a colliery close to you?—An adjoining colliery.

9594. To whom did it belong?—I would rather not mention names, but if it is pressed I could mention them.

9595. Was it anybody connected with the railway?—Yes, a director.

9596. Do you suppose that this man could work his colliery and get out his coal at a cheaper rate than you could, so as to be able to undersell you?—No, he cannot do it cheaper than I could.

9597. One would gather from your evidence that you think it is possible that he may have had some special advantage in the way of rates?—It must have been in the rates.

9598. (*Mr. Glyn.*) Do you know that the invoice for the coke was the same in your case as in that of the other individual?—I rather fancy that their prices were rather more than ours at the coke benches; that they would be selling their coke at 3*d.* to 6*d.* per ton higher at the coke ovens than we were at the time.

9599. (*Capt. Galton.*) Do you sell your coke at

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the place where you make it?—No, we generally charge the price at the benches and then add the dues and thus deliver it.

9600. And you think that although they were charging higher at the benches than you were, yet that when delivered in Glasgow the coke was delivered at a lower rate?—Yes, we could not compete with them.

9601. (*Mr. Glyn.*) It would go over other lines besides the North-eastern line, would it not?—Yes, it would go to Tebay by the North-eastern, and then get upon the Caledonian line.

9602. (*Capt. Galton.*) Who made the rate, was it the North-eastern Company?—The North-eastern Company would make it to Tebay.

9603. (*Mr. Glyn.*) Are you correct in saying that the North-eastern Company would make it to Tebay; is not that a separate company?—That is upon their line; then it goes upon the Caledonian line.

9604. Tebay is on the London and North-western line, and not upon the North-eastern line?—It is the terminus of the North-eastern line; the South Durham and Lancashire Union Railway *viâ* Barnard Castle joins the London and North-western there.

9605. Do the North-eastern Company work that line?—Yes; it is their line.

9606. (*Capt. Galton.*) You mean Tebay on the Lancaster and Carlisle line?—Yes; from Darlington to Tebay is the North-eastern line.

9607. Did you get as favourable a rate from the Lancaster and Carlisle and the Caledonian Companies as the other man did?—That I am in ignorance of; I found that we could not sell it; we charged the coke at a certain price and then added the dues which we paid, and we lost by it.

9608. (*Mr. Glyn.*) You sent your coke by the same route as the other party?—Yes.

9609. (*Capt. Galton.*) To whom did you apply to give you a rate through?—We applied to nobody; they sent in their accounts.

9610. You did not ask for a special rate?—No.

9611. Had they published the rate?—The special rates are always matters of private arrangement; the public rate by Act of Parliament they are obliged to hang up at every station, otherwise they cannot charge the dues. It only seems fair to me that those special rates that are made to parties should also be published in the same way.

9612. Did you ask for a special rate?—No.

9613. Should you have got it if you had?—No, it would have come just to the same thing.

9614. (*Mr. Glyn.*) Were you sending a large quantity?—No.

9615. Was your neighbour sending a large quantity?—No; there is a very small trade, indeed, between the two places.

9616. (*Capt. Galton.*) But the fact was that you could not deliver your coke so as to make it pay at Glasgow and your neighbour could?—Yes.

9617. Although his price was higher than yours at the works?—Yes; he continued the trade and I was obliged to give it up, although we were making waggons for a party who lent us them.

9618. Did your neighbour find the waggons too?—No, he paid for the waggon hire.

9619. He received the waggons from the company?—Yes; we had the advantage of paying no waggon hire at all, and yet we could not compete.

9620. Are there any other cases where you find it difficult to compete with your neighbours who were directors?—In reference to the supply of waggons, I find that in the way in which the trade is carried on there the directors had a very large supply, and an extra supply in one case which I will give, and which I investigated myself. On a Tuesday, Wednesday, and Thursday, my colliery had to begin between one and two o'clock to team the coals on to the heap for want of waggons. On the Friday I went up myself, and just waited about, and I found that we were then stopped for want of waggons at about half-past one o'clock. I told the manager to inquire for waggons, and he replied he had done so and was promised that the first that came up should be given to me, yet I saw several trains of empty waggons go past; but none of them were put into Cold Knot, my colliery, and on the opposite side of the hill, at a director's colliery, I could see them actively employed, and they had waggons in abundance. At four o'clock, I walked up to another colliery of theirs and there I found that there were upwards of 70 empty waggons standing doing nothing, 50 of which were standing alongside the coke benches, where there was not coke upon the benches that would have filled one-third of them.

9621. (*Mr. Glyn.*) Had you given them notice that you had a quantity of coke that you wanted to move?—I do not recollect at this time; but the coke deteriorates and gets broken, and we are always willing to take a less price if we can get a regular trade, because broken coke goes into ashes, and the consequence is that I lose by it.

9622. Had you given notice to the company's servants that you had a quantity of coke that you wanted to move?—We had applied for waggons. According to the system that is pursued, our customers make a daily return to the railway on the afternoon previously of what coals or coke they want.

9623. And then do you send notice to the company's servants that you want a certain number of waggons?—The company's servants go round to all the iron furnaces and the large works, for those returns, and then they (the railway) send us a copy of these returns and provide the needful waggons.

9624. (*Capt. Galton.*) Then you had applied for waggons, so that the company could not say that they had had no notice?—Yes; the company knew what were our orders.

9625. (*Mr. Gower.*) In this case, how long was the notice that they had?—The manager told me that he had gone down about 11 o'clock. I got to the colliery about half-past two, and he told me that he had been down to tell them that he had only a few waggons, which would be very soon filled and wanted a fresh supply.

9626. (*Mr. Glyn.*) That was the same day, was it not?—Yes, the same day. I have here the returns for 1864, of the number of waggons ordered and the number supplied daily. The orders come through the company themselves; the iron masters give them to the company, and they come through their hands, and they are sent on to the colliery by the railway.

9627. Did not you state in the early part of your evidence that you used your own waggons?—Yes, borrowed ones; but that was to Glasgow.

9628. Only to Glasgow, and not in your general trade?—No, not in our general trade.

9629. (*Chairman.*) Is that tabular statement which you have in your hand a return, or what?—It is a statement of the orders that were given to the company, and the number of waggons that were put in for us to supply. In 1864, and up to the end of last month, we had 7,766 waggons short of the orders that came into the colliery.

9630. And you were rendered unable to do business to that amount from the want of means of conveyance?—Yes.

9631. (*Mr. Glyn.*) Do you mean to say that you were deficient altogether that amount of waggons, or that they delayed sending you that amount of waggons?—No, we were deficient altogether that amount.

9632. In point of fact, it was a loss to you in your trade of the profit which you might have gained by that number of waggons?—Not only that, but when we do not get waggons we are obliged to team over. We pay the pitmen by the score, and it would be an unfair thing to stop the men from their work, and the consequence is that we suffer loss by allowing them to go on, and so have to team the coals over. It is a great stoppage to the work, the work does not get on quite so quickly, and then the coal is teamed over on to a heap.

9633. (*Chairman.*) If I understand you rightly the coal that has been won is accumulating at the colliery itself, which causes some inconvenience to the business ?—Yes, and a deterioration ; besides it breaks up and injures the coal and causes an expense in filling them again.

9634. (*Capt. Galton.*) Do you complain that the company did not find you a sufficient number of waggons, whilst they were finding waggons for other individuals ?—Yes. My complaints became rather urgent, and the secretary made an appointment that on the 9th of August 1864 I should meet a deputation of the directors ; accordingly I met the deputation of the directors, and if I relate what took place upon that day it will illustrate the matter perhaps better than anything else I could say. I had my returns with me, and I complained of a case in which one of our customers, the South Durham Iron Works Company, had ordered a certain number of waggons ; they were very short indeed upon that day of our coals ; they had none standing at their works, showing that there was no reason for the railway company not supplying us with waggons. One of the directors asked the mineral manager what was the reason that we were short upon that day, and he looked at his returns and said that another coal owner had sent in a very large quantity indeed, and had choked up the South Durham with the coal of that colliery owner in preference to ours, he thereby getting a larger amount of waggons than was his due.

9635. Was he a director ?—They did not mention the name.

9636. However, they had given an undue preference to that man, whoever he was ?—Yes. I would mention another case which occurred about the same month. There was a shipper who ordered some coke ; he came up and saw me on a Friday evening, and he asked whether I would send it down on the Saturday, and he would have a ship ready for taking the coke on board by 12 o'clock on the Saturday. We communicated with the railway company at once to put in a supply of waggons for that purpose ; but they put none in on the Saturday. We applied to them on the Monday, but they put none in on the Monday. Then on the Tuesday they put them in, but the ship which was lying alongside ready to take them in, was coming on to demurrage, and the shipper went and bought director's coke that was then down at the dock, waiting for a ship that was not in the dock, and was not in the dock for some days afterwards, and he gave a shilling a ton more than he would have given to me for it. This coke was standing in waggons.

9637. And you contend that that was a case of undue preference given in the transport ?—Yes, in the supply of waggons. Then in addition to that the mineral manager is a part-owner of a small colliery which loaded at the same siding as my other colliery ; and about the 22nd or 23rd of last March he filled up not only the waggons that were put in for his own colliery, but those that were put in for mine ; he loaded them with coke and sent it down to the docks, and he had 118 waggons there standing at one time, and they stood there until the 18th of April. The ship never got ready to receive it for all that time, and he was obliged to sell it for consumption at the iron works adjoining.

9638. (*Mr. Glyn.*) During that interval you were in want of waggons for your coal ?—Yes ; in the case that I stated before, I could not get waggons when my ship was ready for them, but in this case he could get them for the best part of a month and keep them there for the best part of a month when his ship was never able to receive the coke.

9639. Did you make any application during that period for a supply of waggons for yourself ?—He took my waggons which were put in daily in the sidings purposely for my trade and I had to keep my coals.

9640. Has he the ordering of the waggons himself ?—Yes, he had ; but he has left since then.

9641. But had he then the ordering of the waggons ?—Yes, entirely.

9642. He, in point of fact, laid out the scale of supply for each colliery during the day as he choose himself ?—Yes, entirely.

9643. (*Capt. Galton.*) Was he himself connected with any colliery ?—Yes ; he told me himself that he was part owner of the Howden colliery.

9644. He was the person, was he, who arranged the whole supply of waggons ?—He and his assistant.

9645. Under his directions it was all done ?—Yes ; he was the chief mineral manager. I have copies of the complaints showing that our customers were in great distress for want of coals, and we could not supply them in consequence of the irregular supply of waggons. I could give the names if it was necessary, but, being a private matter, I would prefer not to do so. I see that on the 5th of January 1864 there is a complaint "Short of coals ;" and on the 6th another party writes, "Short deliveries." On the 12th of January, by telegram, "Standing for want of coals ;" on the 22nd, from the iron furnace, "Short delivery ;" on the 11th of June, "Extra supply wanted ;" on the 18th of July, "Received very little coal ;" on the 23rd, "Quite out of coal ;" on the 2nd of August, "Very short of coal ;' and so on.

9646. Did the appointment with the directors to which you have referred result in any improvement ?—Not at all. The mineral manager said that I had no cause to complain, as I was better served than my neighbours, which I believe was the fact, in consequence of my having kicked a little.

9647. (*Mr. Glyn.*) Was that mineral manager dismissed, or did he resign ?—He resigned.

9648. (*Capt. Galton.*) I do not understand you to contend that the railway company should find all the waggons which you require for your trade, but only that they should divide the waggons which they possess equally between the different collieries ?—Precisely so. They profess to find the whole for this description of trade.

9649. Do you contend that they should invest a larger sum in the supply of waggons as the trade increases than they have already invested ?—The trade upon the Stockton and Darlington is the most extensive of any, I believe. There are more wheels pass Shildon than any other place in the world ; there are between 3,000 and 4,000 waggons pass daily at Shildon.

9650. Of course that requires an enormous expenditure of money in the purchase of waggons for that trade ?—Not such a very great deal ; and it pays very well.

9651. Is your contention that the company should keep adding to their waggon stock in proportion as the trade grows ?—Generally speaking, I think that they have been rather short, but in the instance that I mentioned their waggons were very often standing in the directors' collieries empty when I was in distress.

9652. Your contention is that they do not equally distribute the waggons that they have got ?—Precisely so.

9653. But that they give an undue preference to some collieries over others ?—Yes.

9654. (*Mr. Glyn.*) Some collieries supply their own waggons, do they not ?—Not for this trade.

9655. Do you mean not for the shipping trade ?—Not for the shipping trade, and not for the local trade to the iron works. If they go to a great distance they do.

9656. (*Mr. Gower.*) Do you mean that if they leave the North-eastern system they do ?—No ; if they leave the Stockton and Darlington. The Stockton and Darlington is amalgamated with the North-eastern ; but we have a committee that manages that railway in respect of all its local traffic.

9657. (*Capt. Galton.*) Have you considered in what way these grievances of which you complain

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could be remedied ?—There is no doubt that Government supervision is what is wanted.

9658. In what way and to what extent do you consider that the railways should be under Government supervision ?—My opinion is that what is wanted is a special Commission to attend to the interests of the public with reference to railways. The direct interest of those who now have the management of the railways is to monopolize the benefits to themselves, and it is a natural thing, and one that you must expect, that other parties who have not a seat at the Board will not be dealt with so fairly as they should be.

9659. You consider that the great inconvenience which is suffered in your particular district arises from the directors or the officers of the company being men in business themselves in which carrying is an important element ?—Yes.

9660. (*Mr. Glyn.*) And you would wish to make your representations of any grievance to an independent Board which could not be swayed by any influence of that sort ?—Undoubtedly.

9661. But supposing that that Board is placed in London would not the reference to that Board be very inconvenient ?—I think with all due submission that this Commission should have been a roving one, and that they should go to every important place and take evidence there in the same way as the Salmon Fishery Commission did. I do not think that you will ever acquire the vast amount of information which is necessary to enable you to legislate upon the subject unless you do so.

9662. You mean that this Commission should collect evidence in different parts of the country ?—Yes.

9663. My question had reference to the Board which you wish to be established for the representation of grievances and complaints, that could not be a roving Board of course ?—No, that would be central here.

9664. Would it not be extremely inconvenient and almost impossible for you to get such speedy redress as to do yourselves any good ?—No ; if you had a Board that was specially attending to that point they would become very acute and would soon settle the matters in dispute.

9665. Do you think that they would lay down some general rules which they would see observed, and which would remedy the evil that you complain of ?—Yes. With reference to special rates and drawbacks the law makes it imperative upon the company to publish their dues, and to hang them up at every station upon a board ; generally speaking they have it behind the door, but it is there.

9666. (*Capt. Galton.*) But those are the dues which they are authorized by Parliament to levy ?—Yes.

9667. Those are not the dues which are really in fact levied ?—No.

9668. Would you make them publish the dues which are practically levied ?—Yes ; that is the spirit of the law. The spirit of the laws of this country generally is to guard against such a thing as I complain of. With reference to any office, whether in parish matters, the Board of Health, or anything else, they cannot deal with the members of their board ; but it is different with a railway company.

9669. (*Mr. Gower.*) You would not prohibit their making special rates, would you ?—No, provided everybody had the same advantages under similar circumstances.

9670. (*Chairman.*) Would it not be always possible to lay down general rules, or rules which should appear to be of a general character, which yet should be of such a character as to favour one party more than another ?—All special rates and all drawbacks no doubt should not be permitted, except by the ruling body in London.

9671. Which you would not allow them to depart from, even in the direction of lowering their ordinary charge, without special permission ?—No.

9672. (*Capt. Galton.*) Unless they lowered the rate universally for all individuals affected by it ?—Precisely so, with previous consent from the commission and publication on the boards.

9673. (*Mr. Glyn.*) And that with previous notice ?—Yes.

9674. (*Chairman.*) With regard to the question of colliery owners, or other persons interested in the communication, sitting as railway directors, do you think that objectionable ?—It is objectionable in many points, but I see advantages in it ; and I should not like to make such a revolution in the management of railways as to prohibit it, provided I could have a due restriction put upon them.

9675. In fact, if you did prohibit it would not it be a prohibition very easily evaded ?—It would ; but I think that there are advantages in having parties who understand the nature, and who are intimate with the trade of the district, provided it could be kept right.

9676. Persons who practically know the wants of the trade, as well as the management of the line ?—Yes.

9677. (*Mr. Gower.*) Have you any water communication to your colliery ?—No.

9678. (*Chairman.*) Is there any competition at all with this line ?—None whatever ; it is all in the hands of the North-eastern Company.

9679. (*Capt. Galton.*) When the Stockton and Darlington line was a separate undertaking had you any advantages of competition then ?—No ; railway directors know each other very well. I may state another case ; I can only extend my knowledge down to about six or seven years. I did not open out my colliery till then ; but prior to that I believe that for some time the North-eastern Company and the Stockton and Darlington Company were not upon the most amicable terms ; but we opened our colliery out in about 1860, and during that storm I know, from the ironmasters coming to me for coke, that they were in very great distress for want of fuel ; and there was one firm, as I was told by the manager himself, that was stopped positively three hours without any fuel. You are aware that the stoppage of an iron furnace is not a small matter ; and during that time, in consequence of the monopolizing system that the North-eastern Company carries on with regard to the household coal in Yorkshire, coal was about 3*s.* per ton dearer there than upon the Stockton and Darlington line for household purposes ; and the storm coming on in that severe winter made the coal rise in price and rather in demand. One of the Stockton and Darlington director's concern got a promise that they would allow the use of the small waggons to go on to the North-eastern with household coals. The Stockton and Darlington Company had a number of small waggons, for they worked the traffic chiefly at that time in chaldron, three-ton, waggons, which were inefficiently wheeled, made of cast iron, and they could not stand a rapid transit. He sent down a very large quantity of coal on to the North-eastern line ; he sent such a large quantity that three agents of other collieries told me that he not only filled his own depôts, but he filled theirs too.

9680. This was a director of the Stockton and Darlington line ?—Yes ; and I saw on the 4th and 5th of January 20 waggons of those coals standing upon the North-eastern siding at Darlington, in these small waggons waiting for orders, which coals had left the colliery on the 31st of December, and at that time those large iron works were in the greatest distress for want of fuel, and that want of fuel was caused from the want of waggons.

9681. Although those waggons had been standing there all that time ?—Yes. I had never known before and have never known since so great a demand for household coal upon the North-eastern line ; 3*s.* per ton was rather tempting, and this party took advantage of it.

9682. They sent Stockton and Darlington waggons although the iron furnaces on the Stockton and Dar-

lington Railway were standing for want of coal?—Yes; and these small waggons being unsuitable upon this portion of the fast North-eastern line, had not been, at least for years, permitted to go on that railway, and I learnt a considerable smash occurred between Northallerton and Thirsk of these identical unsuitable waggons.

9683. (*Mr. Glyn.*) The allowance in the way of drawback to which you have alluded is that upon large quantities; is that the only allowance?—No, there are certain other drawbacks. We sent some coke once into the midland counties and we got a drawback for the coke that went south of York, but it is difficult to get at the drawbacks.

9684. Was a large quantity sent?—No. We find that our trade is driven to be carried on in the local way. I attempted to do a household coal trade upon the North-eastern line, but I could not get trucks.

9685. How came they to allow you a drawback upon that small quantity?—I do not know the reason why.

9686. Probably they wanted to cultivate a new traffic or to allow you to do it?—I do not know how that was.

9687. (*Capt. Galton.*) What is the monopolizing system of the North-eastern that you allude to?—All the depôts for household coal are built by the company, and they allot them to whom they will.

9688. Not to all the colliers?—No, not to all the colliers, only a few.

9689. Only to such collieries as they select?—Precisely.

9690. And they would not allot you any?—No; we made applications directly after opening the colliery that we were ready to supply household coal, and we could have sent coal at 3*s.* per ton cheaper than they were being sent, but they said that they would not give us depôts. They had some dilapidated coal depôts at Croft, and I offered to be at the expense of putting one into repair if they would let me have it, and that I would pay the same rent that they were charging other people, which was 3*s.* 6*d.* per month.

9691. (*Mr. Glyn.*) Did they allow it?—No, they would not even grant me that, and the consequence was that I took the initiative myself and sent my agents round and sought private orders. Then we sent the coal in waggons and they charged me an extra shilling per ton because I sent it to private order.

9692. (*Capt. Galton.*) In order to check that class of trade?—Yes.

9693. In order to prevent a trade in coals springing up except that which they authorized from their stations?—Yes, they alleged that they were put to a great deal more expense and trouble by shunting, and the attention that was required.

9694. (*Mr. Glyn.*) Did they charge that in the shape of a terminal charge?—Yes, as an extra charge. There is the word "reasonable" in the Act, and in order to prevent their having any reason to do this I adopted this arrangement; instead of allowing my customers to drop the coals these customers were obliged to go to the top of the siding and take the coals in baskets out of the waggons and fill their carts with them, and I arranged that those waggons should be emptied as soon as they arrived, so that there should not be any reason whatever to charge, and yet they charged me 1*s.* per ton. Then I would not pay the 1*s.* per ton, and they would not supply me with waggons, and that is how I have had my whole trade stopped for the last two or three years.

9695. Did they do any work for you at the station in emptying your waggons?—Not at all.

9696. There was no work done in any shape that represented that 1*s.* per ton?—Not at all; and the waggons were detained far less than if they had gone to the depôt.

9697. (*Capt. Galton.*) Has the effect of the system which the North-eastern Company adopts with respect to coal been to raise the price of household coal all over the district?—There is not the shadow of a doubt about it.

9698. In fact you would have supplied coal at a lower rate provided the North-eastern Company would have allowed you to do so?—Yes, I would.

9699. (*Mr. Gower.*) Is there the same inequality of rates as to second and third class passengers as there is with regard to first class?—I think that the inequalities, seem almost greater in the second. Between Newcastle and Darlington the fare is 6*s.* 8*d.* second class, and if you go to Pelaw it is 5*s.* 10*d.*; if you go to Washington and take a ticket it is 5*s.* 10*d.*, making 10*d.* difference; one is 10*d.* out of 6*s.* 8*d.*, and the other is 1*s.* out of 8*s.* 4*d.*

9700. (*Mr. Glyn.*) Is it the case generally along their line that the through rates are higher than the local rates, or is it only so in those exceptional cases?—The Darlington people complain very much that the rates are heavier from Darlington than they are from almost anywhere else.

9701. (*Capt. Galton.*) Is there any reason for that that you can give?—Not a bit.

9702. Is it that in the short distances there is much competition by road by omnibuses or coaches?—I do not know of any competition.

9703. The whole traffic is carried on by railway?—Yes; I do not think it is possible to compete with the railway.

9704. (*Mr. Glyn.*) Have you any more facts to state with regard either to the goods traffic or to the coal traffic?—The Hartlepool line has been amalgamated with the North-eastern, and we are sending coke down to an iron furnace that is upon that line. The waggons belong to that line, and are now kept exclusively to the line for coal and coke, whilst if they have to go up for some stone they may be used promiscuously, either the Stockton and Darlington or the Hartlepool waggons; now the limestone belongs to a director, and the coke belongs to me.

9705. (*Capt. Galton.*) They will not give the same facilities with respect to coke as to lime?—No, they will not; there is that difference, and I really cannot see the reason for it.

9706. (*Mr. Glyn.*) The line and all the stock are now turned over absolutely to the North-eastern Company, are they not?—Yes, everything.

9707. (*Capt. Galton.*) That is another case which you contend is one of undue preference?—Undoubtedly; we are very irregularly supplied with Hartlepool waggons; we have to send out 25 waggons of coke per day to this place, and we very often have it accumulating upon our benches, breaking up and deteriorating for want of this regular supply. If they would allow the Stockton and Darlington waggons to be used, the interest of both the railway and the district would be served, and they would be more accessible.

9708. Are the waggons of a peculiar make?—They are just precisely the same; the Hartlepool waggons are a trifling bit smaller.

9709. But there is nothing in the form or the construction of the waggons which should create that difference?—Not at all. Then with regard to the waggons, I am told that some years ago, before my time, one large coalowner had a very large quantity of waggons, some hundreds, his own property, for his own use, and he found that those waggons, instead of being regularly supplied, were very often found shunted into a siding and standing still, and they never got regularly up. His own agent told me that they could not work them, and that they were obliged to sell them to the company.

9710. (*Chairman.*) Are the Commissioners to infer from that, that in your opinion there is a wish on the part of the railway company to discourage the use of private waggons?—Clearly so, from that.

9711. (*Capt. Galton.*) You mentioned before that you had a certain number of waggons of your own, what do you do with them now?—There was a waggon manufacturer there that owed us some small trifle for coals, and I became connected with that

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waggon company, but I took very little trouble in it, and they made waggons for Scotland for the Scotch traffic.

9712. You do not employ those waggons now on the North-eastern Railway?—No; we sold them all and the party sent them to Scotland.

9713. (*Chairman.*) Is there anything else that you would wish to state to the Commissioners?—There is rather a serious case which I will mention with regard to the protection of passengers. It will be remembered, I think, that Her Majesty issued a circular some year and a half ago, mentioning that the directors of railways universally had the monopoly of the traffic of the country, and calling their attention to the necessity of taking special care of the lives of the passengers. At Yarm there is a high aqueduct about 70 feet high; the platform recedes from the line of the parapet, but around the platform portion of the parapet there are rails; trains are getting longer and longer, and very often a train reaches past the platform,—the step is just about there and the parapet here (*describing the same*), and I went upon it once at dusk, thinking I was stepping out of the carriages on to the platform, and another step would have taken me 70 feet down. Two years ago a farmer did do so, and of course he was killed upon the spot; his solicitor made several applications to see whether they would allow the widow anything, but she got nothing. Since then a porter saved the life of another party who had got on the parapet, by clasping him round the legs, and brought him back again; and a few months ago another man went down, and, beating upon a tin vessel he had, although injured for life, was not killed.

9714. (*Mr. Glyn.*) Have the directors never remedied it?—No, they never remedied it till after this second accident; a 5*l.* note would have continued the railing round.

9715. Had they not to pay compensation in those two cases to which you allude?—There was some difficulty in saying whether there was negligence upon the part of either of the parties.

The witness withdrew.

Mr. J. B. Hutchinson.

Mr. JOHN BATEMAN HUTCHINSON examined.

9716. (*Chairman.*) Are you a wholesale tea-dealer and hop-merchant?—Yes, and a miller.

9717. Do you come here on behalf of the Nottinghamshire and Midland Merchants and Traders Association for the Protection of Trade?—I do.

9718. Is that a permanent association, or has it been organized for any special purpose?—It has been organized to take up questions that affect the whole trade, which individuals could not very well undertake themselves—questions of this sort.

9719. Questions of a nature which would come before a Chamber of Commerce?—Exactly so; only it is more confined to tradesmen and not to merchants. The Chamber of Commerce is more particularly confined to merchants.

9720. Is that association largely supported by the traders in your district?—We have about 800 members.

9721. (*Mr. Glyn.*) It has ramifications also, has it not, over England in different parts?—Ours is confined to the Midland Counties; it is a separate association.

9722. (*Chairman.*) We understand that you have various complaints to make with regard to the railway accommodation to your district?—Yes.

9723. In the first place I understand you to say that the charges of carriage are not in accordance with distance?—They are not.

9724. Can you give the Commissioners any illustrations of that?—I have first to mention the unequal charges with respect to grain. In the first place we have a grain rate from Newcastle-on-Tyne to Nottingham. Imported grain is charged 9*s.* 2*d.* per ton; English grain on the contrary is charged 15*s.* Imported grain from Hartlepool is charged 9*s.* 2*d.*; and English grain, 17*s.* 6*d.* Grain from Hull to Nottingham *viâ* Derby, a distance, I think, of about 120 or 121 miles, is charged 8*s.* Grain from Hull to Newark *viâ* Derby, and through Nottingham, 19 miles farther, is charged 6*s.* 6*d.* On nearly all goods carted either to a station or from a station, a rate of 1*s.* 8*d.* per ton is charged; but at the Newark station, for the millers of Newark they charge no cartage; they charge them the same for their flour as they charge a farmer who sends grain direct to the railway to come to our neighbourhood, giving the miller at Newark an advantage of 1*s.* 8*d.* a ton over the miller at Nottingham.

9725. On what principle is that difference justified?—I have no idea. It was, I believe, to encourage the millers of Newark to send their goods by railway, in preference to sending them up the Trent by water.

9726. As well as to coax traffic from a distance, which might have gone by some other route?—Yes, by water.

9727. In the one case there was competition, and in the other there was none; is that so?—No, there is the same competition, because the farmer might have sent his by water; but I think that several of the Newark millers lay on the water, and consequently they could deliver to the boats direct, and they would have had to cart to the railway.

9728. In each case the object of the company, I presume, was to charge the highest rate they could consistently with not driving the traffic off to any other line or to any other means of communication?—Yes, I imagine so.

9729. And the effect of that is, that the charges for carriage bear no proportion to the distance traversed?—Precisely so.

9730. (*Capt. Galton.*) Do you know at all what is the reason for the difference of charge for imported grain and for home-grown grain which you have mentioned?—I think it is some interest probably which one of the companies may have in the docks.

9731. Do you mean the docks at Grimsby?—No; the docks at Hartlepool or at Newcastle. For instance, our ordinary port, what we may call our natural port for grain, is Hull; and if the company wishes to stimulate their port of Hartlepool they would give those rates, I believe.

9732. That would be the North-eastern Company, I presume?—Yes; that is the North-eastern Company.

9733. And as the North-eastern Company owns the line between Hull and Normanton as well as the line between Hartlepool and Normanton, therefore it is able to control the rates to some extent?—Yes.

9734. And to favour the port in which it has an interest at the expense of the other ports?—Yes; at the expense of Hull.

9735. (*Mr. Glyn.*) Is that charge which you have quoted to Hartlepool a recent charge?—It has been in operation for a year or two.

9736. Are you aware that the Hartlepool line has changed hands lately?—No, I was not aware of that.

9737. Are you not aware that it was an independent company?—Yes, it was some time ago.

9738. And possessed of both railway and docks, but now it is handed over to the North-eastern Company?—Yes.

9739. That has made no change in the rates, has it?—No; the rates are the same as they were.

9740. (*Mr. Gower.*) Do the docks belong to the railway company?—That I cannot say.

9741. (*Chairman.*) I think you have also a complaint that the rates charged differ upon similar articles; do you mean upon articles that are similarly classed on the tariff, or do you mean that the classification itself is defective?—I mean that the rates are charged differently,—that they come under different

classes to different towns. For instance, there is the article canary seed, in which we do rather largely ourselves; from Hull, a distance of 120 miles, we are charged 13*s.* 4*d.* per ton, and from London, a distance of 126 miles, we are charged at the rate of 30*s.* a ton for the same article.

9742. (*Mr. Glyn.*) That is under the same classification, is it not, only the one is nearer the maximum rate than the other; that is to say, it is the same classification in both cases, only different rates?—No, I think that they must put it under a different classification, the price is so different. Again, we have the same article charged from London to Sheffield 21*s.* 8*d.*, to Hull 13*s.* 4*d.*, and to Nottingham 30*s.*

9743. (*Capt. Galton.*) The distance is much shorter from Nottingham to Hull than from Nottingham to London, is it not?—Not much; Nottingham to London is 125 or 126 miles, and Nottingham to Hull is 124¾ miles.

9744. Is there water communication from Hull?—Yes, there are the Ouse or the Humber and the Trent.

9745. Then the water communication would compete with the railway?—Yes, it does compete.

9746. And that probably is the reason for the difference in the rate?—Yes, I think that probably is the reason, but we have the canal from London the same also.

9747. But is the canal independent of the railway?—Yes, it is the Grand Junction Canal.

9748. (*Mr. Glyn.*) But you do not send your seed by that mode?—The difference in price between canal and the railway is very trifling, and it does not make up for the loss of time; I believe that there is an arrangement between the Grand Junction Canal Company and the Midland and Great Northern Railway Companies from London to Nottingham that the Grand Junction Canal shall be 1*d.* per cwt. below the railways, let their rates be what they will.

9749. (*Chairman.*) So that there should be no competition?—Precisely.

9750. Are they at all under the same management?—No, it is a perfectly separate management.

9751. It is merely an understanding for their mutual advantage?—Exactly so.

9752. Have you any other instance of this statement which you have made, that the rates differ on similar articles?—Yes. With regard to the article of flour; flour is sent to Manchester at the rate of 10*s.* a ton, to Bolton, a distance of 10½ miles farther, 16*s.* 8*d.*, to Bury, another town, the exact distance of which I do not know, 16*s.* 8*d.*

9753. Bury being only seven or eight miles farther than Manchester?—Only a few miles farther.

9754. (*Capt. Galton.*) Do you know what is the reason of this difference, is there competition in one case and not in the other?—There are competing lines to Manchester and not to Bolton. The competition ceases at Manchester.

9755. Those rates which you have mentioned are by the Midland Railway, are they not?—Yes, those are by the Midland Railway. On the article of sugar, our rate from London to Nottingham is 21*s.* 8*d.*, a distance of 126 miles; from London to Sheffield, a distance of 165 miles, it is 17*s.* 6*d.*; from London to Selby, a small town in Yorkshire, 184 miles, it is 20*s.*; whereas from Nottingham to London we are charged 40*s.*, Sheffield 35*s.*, and Birmingham 32*s.* 6*d.* In the article of loaf-sugar our price from London to Nottingham is 25*s.*, a distance of 126 miles, and from Hull to Nottingham, about 120 miles, it is 15*s.* 10*d.* That, I think, will comprise the whole of the differences in rates.

9756. (*Chairman.*) As I understand it, your complaint is, not so much that the rates differ from the same distance and over the same line on similar articles, but that different rates are charged upon different lines irrespective of distance?—I complain of both.

9757. You make a further complaint, do you not, that the accommodation provided for traffic is not sufficient?—Yes; it is not sufficient, and we have had great delays in consequence of it. We have had grain bought at Gloucester on the 2nd of November which did not arrive in Nottingham till the 18th.

9758. That is, 16 days in transit?—Yes, 16 days.

9759. Did you complain of that delay?—We made various complaints.

9760. What answer was given you?—That for want of sacks and trucks they could not get it, so that the traffic was more than they could accommodate.

9761. (*Mr. Gower.*) Do you know where the delay occurred?—At Gloucester, I believe, in getting it off.

9762. (*Chairman.*) Was that a case of competition or of monopoly; had you any other means of getting that grain to its destination?—No, I believe not; we have no other means from Gloucester. The great delay is also occasioned in sending flour to Manchester. I hold in my hand three or four notices of the arrival of the flour in Manchester, which we have sent on. In the case of one load which was sent on the 22nd of September the party did not receive advice of it as being in Manchester till the 26th. Another load, sent on the 23rd, arrives on the 28th, and another, sent on October the 4th, the party receives notice of arrival on October the 11th.

9763. (*Mr. Glyn.*) That is all sent by the Midland, is it not?—Yes, in connection with the Manchester, Sheffield, and Lincolnshire Railway.

9764. Making a rate with the Midland Railway?—Yes.

9765. (*Capt. Galton.*) Your complaint is that there is no regularity in the delivery of goods?—Yes; we cannot depend upon their being at their destination in anything like the time that we suppose they ought to be.

9766. And that the time that they take to carry them is very long?—Very long.

9767. In fact, in the case that you gave from Gloucester, I suppose the time would have been sufficient to have carted the grain?—Quite so.

9768. (*Chairman.*) Have you any other cases to mention of similar delay?—No, I think not, except the delay with respect to the coal-trucks. One of the dealers in our town complains that his trucks remain, after being emptied, three or four days in the yard before they can be dispatched again to the pits, and that they often remain three or four days in the yard after their arrival from the pits before he can get at them to unload them.

9769. (*Capt. Galton.*) Are those his own waggons which are thus kept unemployed for that length of time?—Yes.

9770. Therefore he is not able on that account to make the full use of his trucks?—He is not.

9771. Do you happen to know whether the company charge demurrage on their own trucks when they are detained?—Yes, on their own trucks they do.

9772. If they detain the owner's trucks an unreasonable time do they make any allowance to him?—No. In our Midland Railway yard it appears that there has been a want of room for shunting and placing mineral trucks, and the consequence has been that they have lately come to an arrangement by which they will only allow a certain number of coal dealers to bring coals into the yard. A year ago there were about 60 dealers and large consumers who had coals sent them from the pits into the Midland Railway yard at Nottingham; but within the last year, or a year and a half, they have reduced them to 9, and they will only allow nine dealers to have coals sent into the yard.

9773. How do they select those dealers?—They select them from the largest dealers. They took the average quantity of coals sent by the different dealers for a certain time, I do not know how long, and in the case of those which had in that time the largest quantity of coals sent into the yard they gave them the offer of the sidings. They had nine sidings, and they gave them the offer of a siding apiece upon their

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agreeing to sign a certain agreement to the effect that they would work those lines, and pay demurrage on trucks that were kept longer than three days at a certain rate which they fixed.

9774. Then they treated the coal owners fairly, according to that rule?—Yes; they have no complaint to make upon that score.

9775. Has the effect been to raise the price of coals at Nottingham?—That I can hardly say, but I should think the tendency must be to do so.

9776. (*Mr. Glyn.*) Is no accommodation whatever given to the small dealers?—None at all, except that they are allowed to have them sent in the name of one of those nine men.

9777. Unless they make a similar contract with those nine men?—Precisely so.

9778. Then a small colliery has no access by railway to supply?—None, except by water. One coal dealer was charged with demurrage of trucks, and he demurred to paying on this ground,—that though the trucks had been forwarded from the pits, and had arrived at Nottingham, they were not placed on his siding so that he could unload them, so as to allow him three clear days to get them unloaded; and he refused to pay demurrage on that ground. The consequence was that they sent a notice, which I have here, to, I believe, all the coal owners with whom he did business, requesting them to send him no more coals. The notice is as follows:—"Midland Railway, "Goods Manager's Office, Derby, November 7, 1865. "Dear Sir,—We hold an agreement signed by Mr. "J. S. Revill to comply with our regulations for the "conduct of our business in the coal wharf at Not- "tingham station, which he now seeks to set aside "altogether; and in consequence of his refusal to "comply with the regulations, we have to ask you to "discontinue sending coal to our wharf at Nottingham "station for that person.—I am, dear sir, yours "respectfully, THOMAS WALKLATE, per WILLIAM "TATLOW."

9779. (*Chairman.*) Is there any explanation of what is meant by the refusal of the gentleman in question to comply with the regulations?—No, they give no explanation; the explanation that I give is that he refused to pay the demurrage.

9780. (*Capt. Galton.*) Because the waggons were not put in a position in which he could possibly unload them?—Just so.

9781. Therefore the blame of delay he contended rested upon the railway company?—Decidedly.

9782. Has he no legal redress against an operation of this sort?—I believe he has, and he put it in the hands of a solicitor, but he is a man of no great means, and his living from day to day almost depending upon his coal trade, he gave up his claim, and made terms by paying the demand.

9783. He was unable to compete with the company?—Just so.

9784. (*Mr. Glyn.*) Is he now permitted to send coals again?—Yes, he paid the demurrage and goes on again.

9785. (*Chairman.*) In that case, as I understand you, it is not the law that refused him redress, but he suffered from the inconvenience which a poor man always feels when he goes to law with a very powerful company?—Exactly.

9786. (*Mr. Glyn.*) What quantity of coal is accommodated at those nine wharves in the station at Nottingham?—There is no particular limit; I believe there is good accommodation for the nine.

9787. Do you know how many waggons the space will allow to unload at a time?—No. There is another witness who will follow me who will be able to speak upon that subject.

9788. (*Chairman.*) I see that you have also stated that the smaller dealers are shut out for the convenience of the larger dealers?—Yes.

9789. Can you give us any instance of that?—Yes, the witness who will follow me is one of those who were shut out.

9790. (*Capt. Galton.*) Have there been no such instances in any other trade?—No.

9791. (*Mr. Gower.*) Is there any difference made with regard to the water communication between the large dealers and small dealers?—No, because in the water communication many of the dealers have private wharves on the canal, and they do as they like.

9792. (*Capt. Galton.*) But independently of that there are public wharves on the canal, are there not?—Yes, there are.

9793. So that the small dealers can come to the public wharves, while the large dealers have wharves of their own?—Yes; but the canals do not accommodate all the pits.

9794. And the railway sidings do not go into all the pits?—Yes, I believe they do.

9795. (*Mr. Gower.*) Do the Trent navigation make any difference in the charge in reference to the amount sent?—No, the Trent navigation charge a tonnage on the boat.

9796. (*Capt. Galton.*) The charge is made upon the boat, whatever quantity it contains?—Yes, whether full or empty.

9797. (*Chairman.*) Is it also a matter of complaint in your neighbonrhood, that the larger dealers are enabled to carry at lower rates?—Yes it is, rather. They make sometimes a large difference in the rate between one ton and two tons. For instance, I believe, grain to Derby, whether they have one ton or two tons, is charged precisely the same, and the same to a great many other places.

9798. (*Capt. Galton.*) That is to say, they will not carry anything under two tons?—Yes, they will not carry anything under two tons.

8799. They have to load a truck for it, and therefore they say the truck must go, and they must charge a remunerative price upon the truck?—Yes, that is the argument.

9800. (*Chairman.*) Practically in your trade is it found inconvenient for several people to load a truck together?—It is hardly ever practicable.

9801. I suppose you cannot reckon upon finding anyone else who wants to send to the same place at the same time?—No.

9802. Therefore in practice you must send a truck load or pay for it?—Yes.

9803. (*Mr. Glyn.*) The practice on the canal is a good deal more convenient to you, is it not?—Yes, a good deal more convenient.

9804. (*Capt. Galton.*) In what way?—They charge regularly so much per ton by the boat.

9805. The boats are not the property of the canal company, are they?—Yes, on the Grand Junction Canal they are.

9806. On that canal will they take a load at the same rate per ton whether it is one ton or ten tons?—Yes.

9807. (*Chairman*). Has it ever been made a matter of complaint that particular firms are favoured by regulations laid down or otherwise?—No, I think we have not much complaint of that kind in our neighbourhood, except the cases that I have already given of the millers at Newark, and of the coal owners at Nottingham.

9808. Is there anything else that you have to bring before the Commissioners?—I think not, that is the whole of my evidence I believe.

9809. (*Capt. Galton.*) What suggestions could you offer the Commissioners for the remedy of those grievances?—That is a question that I can hardly go into; I think with regard to rates the companies might be almost compelled to confine themselves to their legitimate places of traffic. For instance, if they can carry to Newark for 6*s.* 6*d.*, and it pays them, it seems to me that they must be able to carry to Nottingham for less than 8*s.*, which is a less distance, or else they are losing in the former case, and consequently we are paying for the loss involved by their carrying to Newark at that rate. If they were compelled to carry at something like a mileage rate,

or according to distance, they would be obliged either to give up those irregular places, such as Newark, which hardly legitimately belongs to them, or else to charge them a rate which would really pay.

9810. (*Chairman.*) They charge, as I understand, upon the commercial principle, that is to say, where you cannot send your goods by any other line, they charge as high a rate as the goods will bear, but where there is competition, and they might lose the traffic altogether, there they reduce their rates?—Exactly so.

9811. And that leads to great inequalities between one part of the line and another?—Yes.

9812. Do you propose to substitute for that a compulsory uniform rate of so much per mile?—A uniform rate would hardly answer, I think, for that would shut out some places almost entirely. Lines do not always go direct; they may go a very roundabout way, and in that case the rate would be so great as not to admit of carrying some things, if it was a regular mileage rate.

9813. You would also say, would you not, that where there is a very small amount of traffic upon the line that traffic must be charged more highly, or else the line would not pay?—Most decidedly.

9814. As you repudiate the idea of a uniform mileage rate, and as you complain of the present unequal rate, what third alternative is there that you could suggest?—I think that there is the alternative of almost a mileage rate, but some consideration being paid to the peculiar circumstances of the case.

9815. Your idea is a mileage rate as a rule, but open to exceptions in particular cases?—Yes.

9816. Who is to determine the exceptions?—There is the difficulty, and I am not prepared to suggest anything upon it.

9817. Is there anything else that you would wish to state to the Commissioners?—I think not.

The witness withdrew.

Mr. Thomas P. Brentnall, examined.

9818. (*Chairman.*) You appear here, do you not, on behalf of the Association of Trade Protection Societies at Nottingham?—I do.

9819. You are a coal merchant at Nottingham, I think?—Yes, I am.

9820. Has this association which you represent agencies and correspondents in something like 2,000 towns?—I believe it has.

9821. Both in the United Kingdom and abroad?—Yes.

9822. And you have come here as their representative to lay certain complaints before the Commissioners?—I have.

9823. I need not ask you if you are practically acquainted with the coal trade?—Of course I am.

9824. I find it stated in a letter introducing you to this Commission, that the Midland Railway Company used to deliver coals to 50 or 60 persons, and that a short time ago they selected nine coal merchants to whom they gave sidings, and then refused to carry for the public, is that correct?—That is quite correct.

9825. When was that change made?—About six months ago.

9826. Was any complaint made upon the subject?—There was a complaint made by the parties who were not supplied as usual, and the reply to that was, that they were short of room, and the expense of shunting coals for so many parties was so great that they would not do it.

9827. The effect, I presume, was that those merchants who were not included among the favoured nine lost their business?—They lost their business by the railway; I individually have a canal wharf, so that I get my coals by water, and consequently it had not that effect with me that it has had with some of my neighbours.

9828. (*Chairman.*) I see it stated in this letter that "circulars were issued to the collieries instructing "them to sell to the nine only." To what collieries were those circulars issued?—To the whole of the collieries in that district.

9829. What right had the company to issue any instructions upon the subject?—That is the question. They had no right; it is a monopoly decidedly. Only recently circulars were issued to the collieries, warning them that only those nine would receive accommodation, and the collieries were only to supply to those nine selected individuals, and that if there were any coals put on to the railway for any other party excepting those nine they would not be drawn to Nottingham.

9830. (*Capt. Galton.*) Were those nine colliery owners, or were they coal dealers in Nottingham?—Nine coal dealers in Nottingham.

9831. (*Mr. Glyn.*) Upon what principle did they make the selection of the nine?—I think that the selection was made of the nine through their being the largest consumers or the largest sellers of coal in Nottingham, and who disposed of the greatest quantity. I believe that was one cause, and a little favour perhaps was another.

9832. Generally speaking it was the larger dealers who were allowed to have the wharves, and not anybody else?—That is the case now. Previous to this there were, I think, perhaps 20 or 30 other coal merchants who were supplied at the same wharves, and also a great number of private individuals were supplied from the collieries.

9833. Was there any difficulty in the management on the part of the railway, with that number of dealers?—Yes, there was a great deal of difficulty.

9834. And a great deal of confusion, I presume?—Yes there was, certainly.

9835. Have those small dealers no accommodation whatever by the railway?—Their accommodation now is, that they can get coals by having them in the name of one of those nine selected individuals.

9836. That allows the nine to charge the smaller dealers for that privilege?—The small dealers have to pay at the rate of about 3*d.* per ton for that accommodation. In the article of slack, which is consumed very considerably indeed in Nottingham in the factories, 3*d.* is more than the average profit upon slack, and consequently the slack trade is monopolized wholly by those nine individuals.

9837. Does the railway company charge rent upon those wharves to those nine individuals?—They charge a rent for an office. If you have a siding there you are in duty bound to have an office; there is no compulsion, but still they expect you to have an office, which they charge you a rent for.

9838. They do not charge a rent upon the actual station accommodation?—No, not upon the siding. I had a siding there some time ago, and they came to me and took the siding away without giving me any notice, and charged me half a year's rent for my office, which certainly was of no use to me whatever when the siding was gone, and they sued me for the amount, 1*l.* 15*s.* I defended the case in the County Court of Nottingham, and gained a verdict.

9839. In the case of the small colliery owners, how do they get their coals at all?—The colliery proprietors can get their coals to any of those nine individuals.

9840. Are they limited entirely to doing business with them?—Yes, to those nine parties. The railway company have taken the power into their hands to select the customers, and the colliery proprietors are to supply those and those only.

9841. With regard to those Nottinghamshire collieries, does the railway compete with them directly, or does the canal generally compete?—There is a railway communication direct, and also the canal to certain portions of the colliery districts.

9842. Then they have the advantage of the canal

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so far as it goes ?—I individually have that advantage, but there are a great number that have not got canal wharves. Very scarce indeed in Nottingham are the canal wharves; but I fortunately have one, so that I have not felt the blow so much as some of my friends.

9843. Has this alteration in the arrangements had any effect upon the price of coal in Nottingham ?—I could not say that it has had much effect in that way. I do not see that coals have advanced by it very much. They may have advanced some 6*d.* per ton, or something of that kind, but not more.

9844. (*Mr. Gower.*) Do you allow others to come to your canal wharf ?—No; in fact I am short of room myself.

9845. (*Capt. Galton.*) As the colliery proprietors are only allowed to sell to those nine selected individuals, does it enable those nine to make better terms with them than otherwise could be made, and thereby to enable those nine coal-merchants to make better profits ?—I should say decidedly it does.

9846. They have the monopoly of the purchase of coals from the collieries ?—Yes.

9847. Who are those nine; are any of them connected with the railway ?—No, I think not. I do not think that any of the nine are connected with the railway in any way.

9848. (*Chairman.*) Can you tell the Commission what principle was acted upon in the selection of those nine; were they the largest dealers ?—I think that was it. They had the most coals coming by the railway, and they were the nine that were selected.

9849. It was alleged on behalf of the railway company that there was an inconvenience in carrying for so many, and that it caused crowding and confusion upon their line ?—Yes, that was so.

9850. And that the trade could be better organized if it were in fewer hands ?—No doubt that was their idea.

9851. (*Mr. Gower.*) Did the change affect the price of coal in Nottingham ?—I could not say that it affected it much. I think that coals are 6*d.* per ton dearer than they were previous to this change.

9852. Do you trace the difference to the change in the system ?—I believe that it is partly attributable to that change; and, in another measure, the colliery proprietors have advanced their coals slightly, so that that is partly the cause also. But the matter extends to this, that those nine individuals can get coals into the market at 3*d.* per ton less than we others who are driven away from the railway can do, consequently we are undersold that 3*d.*, which gives those nine a preference in the town, a sort of monopoly. Our friends would leave us for 3*d.* per ton.

9853. (*Mr. Glyn.*) Will not the rates on the canal allow you to compete ?—The rates on the canal are very similar to the railway charges. The canal unfortunately belongs to the Great Northern Railway Company, so that the two railway companies work together.

9854. (*Capt. Galton.*) You refer to the Trent Navigation, do you not ?—To the Nottingham and Cromford Canal Company, which was bought by the Great Northern Railway Company.

9855. (*Chairman.*) Are you aware whether there has been any strong public feeling in the town in consequence of this change ?—There is a very great feeling indeed.

9856. Amongst the consumers as well as among the parties interested ?—Yes, amongst the inhabitants generally.

9857. They expected the change to produce a considerable increase in the price of coal, did they not ?—They thought that it would do that, and no doubt it will do so ultimately, but it has kept quiet for a time.

9858. Up to the present time they have been more frightened than hurt by the change ?—Yes, they have; the consumers have not suffered so much as we merchants have in the matter.

9859. I find it stated in this letter of Mr. Mellors', to which you have referred before, that the company "charged demurrage upon waggons which cannot be "approached," will you explain that phrase ?—For instance, we will suppose this table to be the railway to which we can get with our carts to unload the trucks. The trucks that are charged demurrage upon are perhaps put upon a siding beyond where no cart is allowed to approach, and they will remain there a certain number of days, and then demurrage is charged upon those trucks, whereas it is impossible for a cart to get to them to unload them.

9860. (*Capt. Galton.*) Whereas the railway company put them there, and will not put them in any place where they can be unloaded ?—Exactly so; they put them in a position where no one can get to them, and they remain there, and after a certain time there is demurrage charged upon them, and if it is enforced it is a very serious matter.

9861. (*Chairman.*) Has the legality of that charge ever been tested ?—I believe not. There was an attempt to test its legality the other day by a party of the name of Revill, a fellow coal merchant of mine, and the consequence was that there was a circular issued to the collieries that no coals were to be supplied to that man at the Nottingham station, so that that man must either withdraw his case, or his whole trade will be entirely shut up. It is a cruel case, and it is not the only one.

9862. Do you know anything of the case in which it is said that a colliery sent coals to some merchant not included among the nine, and that the coals were left somewhere upon the line ?—Yes, I know of that case. The coals, I believe, were on the line somewhere for nearly a fortnight. That individual is the oldest coal merchant in Nottingham, his name is Mr. William Pyatt. The coals were sent from the largest colliery proprietors, I should say, in the midland counties, the Butterley Co., and they were drawn very near to Nottingham station, and left there, because he was not one of the selected individuals. They were there knocking about sometime, and what became of them ultimately I do not know, but he did not get them.

9863. What are we to understand you to mean when you say that the company refuse to carry for the public ?—If you were an inhabitant of Nottingham, and one of the coal merchants in Nottingham, if you are not included in those nine, you could not get coals by the railway in your own name. You may be the largest merchant in the town, but you cannot get coals by railway in your own name if you are not included in those nine selected parties.

9864. Probably you are aware that the legality of the refusal to carry for the public has been tested in a court of justice in another case ?—Yes.

9865. Are you aware that the decision was in favour of the company ?—I am not able to answer that question.

9866. You are not able to say which way the decision was ?—No, I am not. We are trying to get it tested in Nottingham.

9867. (*Capt. Galton.*) The merchants of Nottingham have not considered it as yet worth their while to test the question in a court of law ?—No, it has not been tested yet; but Mr. Hutchinson, who was examined before me, tried the other day to get some coals down to test it, through the Protection Society, but there was no one who would send him any. They told him that if he would find a waggon of his own they would load it, but they could not guarantee its delivery at all; they did not know whether the company would bring it or not.

9868. He did not think it worth while to send a waggon down there ?—No; he could not get a waggon.

9869. Could he have had a waggon taken down if he had put one on the line ?—That I question very much.

9870. The railway company are all-powerful, then, in that respect ?—They are indeed.

9871. And no private individual can contend with

them in any way ?—No, there is no chance at all for a private individual.

9872. (*Chairman.*) You say that no private individual can contend with them, but you come here representing a trade protection society upon a very large scale ?—Yes.

9873. Is it so unequal a contest between such an association and the railway company ?—I dare say it will be brought to trial before long. For instance, as I just observed, we tried last week to get a waggon filled with coals, to see if they would bring it ; but the colliery proprietors would not find the waggon. We shall, perhaps, have to build a waggon expressly for the purpose, as the railway company will not find the waggon, or any of the colliery proprietors.

9874. (*Mr. Glyn.*) Are not most of the large collieries, in fact, connected with the "nine," as you call them ?—They supply those nine. I buy from different collieries, and I can get supplies by water ; and by sending my boats up I get supplied from the same collieries, and they would be very glad to supply me by rail, but the Midland Railway Company will not draw the coals.

9875. (*Capt. Galton.*) It is not worth the while of the great colliery proprietors to try the question, is it ?—I do not know whether it would. The Midland Railway Company and they seem to have come to a perfect understanding. There was a good deal of dissatisfaction felt by the colliery proprietors at the outset of this change, but now it seems to be cooling down very nicely, and the railway people and the colliery proprietors seem more satisfied.

9876. Are any of the colliery proprietors connected with the railway in any way ?—Yes, I should say that there is no doubt of it.

9877. (*Chairman.*) Is that within your knowledge ?—I would not swear that they are, because I could not say positively ; but I have not a doubt that they are. For instance, there is Mr. Ellis of Leicester, whose father was the chairman of the Midland Railway Company, he is a partner in the Hucknall Colliery Company ; and there are Mr. Jessop and Mr. Wright the banker, and different parties in the firm of the Butterley Co., I feel quite certain that they are connected with the railway.

9878. (*Mr. Glyn.*) But none of those are connected with the firms that represent the nine ?—No ; those are nine coal-merchants, and none of those parties are colliery proprietors, they are merely coal-merchants.

9879. They are independent dealers, that is to say, independent of the company, but they choose to conform to the company's regulations ?—They are obliged to conform to the company's regulations.

9880. But they are perfectly independent in circumstances ; that is to say, they are not connected with the railway ?—I do not believe that any of them are at all connected with the railway. It is in this sort of way : we had a number of merchants at Nottingham six months ago, and they were regularly supplied with coals the same as those nine individuals ; but now they cannot be supplied unless they pay something to one of the nine to allow them to come in his name.

9881. (*Chairman.*) Then it comes to this, that the company choose to deal directly with those nine persons only ?—Yes.

9882. They say that that is done to save confusion ; but through those nine persons they deal with as many others as choose to apply ?—That is just the state of the case, by charging 3*d.* per ton.

9883. What is that per-centage ?—Coals vary so in price that I can scarcely tell the per-centage.

9884. Will you state to us the maximum and the minimum price ?—Taking 10*s.* as the average cost price of coals at Nottingham, it would be 3*d.* per ton in 10*s.*

9885. That would be about $2\frac{1}{2}$ per cent., would it not ?—Yes.

9886. (*Mr. Glyn.*) You would consider that a very heavy terminal charge, would you not ?—Yes, a very heavy charge.

9887. (*Captain Galton.*) A charge which with certain classes of coal would eat up all your profit ?—Yes ; in the case of slack for engine purposes it prevents our dealing in it at all.

9888. (*Chairman.*) What is the price of slack ?—We have slack delivered in Nottingham as low as 3*s.* per ton.

9889. In that case 3*d.* would be more than the whole profit ?—3*d.* is more than we get clear profit.

9890. Is there anything else that you wish to lay before the Commissioners ?—I do not know of anything further than this, that we should like either the Great Northern or some other company to have a branch up into the coal fields, because the Midland Company are so busy with their line into the coal districts, that I think it is impossible for them to bring the quantity of goods that ought to come by railway.

9891. (*Mr. Glyn.*) You stated, I believe, that the Great Northern Company have got the canal already ?—Yes.

9892. But that does not do you any good in the way of competition ?—There are only a few individuals who have canal wharves, consequently the canal is of use only to those who have wharves.

9893. (*Chairman.*) I suppose that a competing line coming into the district would pretty well remedy all that you complain of ?—That is what we want.

9894. (*Mr. Gower.*) Is there any line projected this year into the district ?—The London and North-western Company I see are solicited to come to Derby, and I wish they would come forward to Nottingham and into the coal-fields.

9895. (*Chairman.*) Have you any other remedy to suggest ?—No, I do not know of any other.

9896. (*Capt. Galton.*) You can suggest nothing but a competing line to remedy those abuses ?—I should suggest a competing line. The Midland Railway Company might give us accommodation by opening another line in their yard for other individuals than those nine ; they have room to extend their wharfage there.

9897. (*Mr. Glyn.*) It would be to their own advantage, would it not, if they were to extend their accommodation to other coal dealers of the town ?—Yes.

9898. (*Capt. Galton.*) Have you no other suggestion to make as to how those grievances could be remedied ?—I do not know of any other.

The witness withdrew.

Adjourned to to-morrow at half-past 11 o'clock.

Thursday, 7th December 1865.

PRESENT:

Sir Rowland Hill, K.C.B., F.R.S.
J. A. Roebuck, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
A. S. Ayrton, Esq., M.P.
Capt. Douglas Galton, R.E., F.R.S.
William Pole, Esq., F.R.S., *Secretary.*

The Right Hon. LORD STANLEY, M.P., F.R.S. in the Chair.

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Mr. Thomas Wilson examined.

9899. (*Chairman.*) I think that you have been for 23 years the principal agent of the Aire and Calder Navigation?—I have.

9900. Are you also Honorary Secretary of the Canal Association of Great Britain?—Yes, and I have been so since its formation in 1856.

9901. What is that association?—The object of that association is twofold; first, to watch any Bills in their passage through Parliament, that may affect the general interest of navigations, not particular interests; and secondly, to meet once a year for the purpose of consulting on improvements in canals and their management.

9902. Can you give the Commission any statement as to the extent of the river and canal navigation of the country?—It is a very difficult thing to arrive at the exact state of the canal navigation of the kingdom. I have taken a great deal of pains, and I believe the following to be as near an approximation to the truth as can be. There are 109 canals of the total length of 2,552 miles; 49 improved rivers, 1,339 miles, making a total of 158 navigations and 3,891 miles.

9903. Are you speaking of England and Scotland only, and not including Ireland?—Of England and Scotland only, not Ireland.

9904. Of that 4,000 miles, or nearly so, of navigation, how much has been amalgamated with railway companies?—Five have been converted into railways whose length is 68 miles; 37 have been amalgamated whose length is 1,026 miles; and there are two others that are wholly or partially leased to railways, and that are virtually for a time amalgamated with them, of the length of 177 miles, making together a total of 1,272 miles, out of the 3,891, or very nearly one-third of the whole inland navigation.

9905. Ought you not, in that calculation, to deduct the 68 miles of canals converted into railways, and ceasing to be canals altogether?—I include them for the purpose of seeing the effect of the breaking up of the canal system. Perhaps the Commission will allow me just to name that of those canals that are amalgamated, the London and North-western Railway has eight, the length of which is 304½ miles; the Manchester, Sheffield, and Lincolnshire, eight, 177 miles; the Great Northern, six, 120 miles; the North-eastern, four, 76¾ miles; the Great Western, three, 125¾ miles; the North Staffordshire, two, 96 miles; the Midland, three, 62½ miles; the Lancashire and Yorkshire, one, 16 miles; the Great Eastern, one, 16 miles; the Edinburgh and Glasgow, one, 32 miles; making, as I before stated, 37 canals amalgamated, of the length of 1,026½ miles.

9906. (*Mr. Glyn.*) Can you supply the Commission with the names of the canals that have been amalgamated with the different companies?—I will prepare a list, and send it in to the Commissioners.

The witness afterwards handed in the following paper:

List of Canals Amalgamated with Railways.

	Miles.	
With the London and North-western Railway:—		
Ellesmere and Chester Canal		
Huddersfield Canal, 19¾ miles		
Montgomeryshire Canal		
Sir John Ramsden's Canal, 3¾ miles		
Shrewsbury Canal		207
Shropshire Canal		97
Birmingham and Liverpool Junction Canal		
Lancaster Canal, 73½ miles		
With the Manchester, Sheffield, and Lincolnshire Railway:—		
Ashton-under-Lyne Canal	17½	
Chesterfield Canal	46½	
Dearne and Dore Canal	13¾	
River Don	39	
Macclesfield Canal	26¼	
Peak Forest Canal	15	
Sheffield Canal	4	
Stainforth and Keadby Canal	15	
		177
With the Great Northern Railway:—		
Fossdyke Canal	11	
Grantham Canal	31	
Horncastle Navigation	11	
Louth Canal	14	
Nottingham Canal	15	
River Witham	38	
		120
With the North-eastern Railway:—		
River Derwent	49½	
Market Weighton Canal	9	
Pocklington Canal	9¼	
River Ure	9	
		76¾
With the Great Western Railway:—		
Kennet and Avon Canal	87	
Stourbridge Canal	6	
Stratford-on-Avon Canal	32¾	
		125¾
With the North Staffordshire Railway:—		
Newcastle-under-Lyne Canal	3	
Trent and Mersey Canal	93	
		96
With the Midland Railway:—		
Ashby de la Zouch Canal	30	
Cromford Canal	17½	
Oakham Canal	15	
		62½
With the Lancashire and Yorkshire Railway:—		
Manchester, Bolton, and Bury Canal		16
With the Great Eastern Railway:—		
River Gipping		16
With the Edinburgh and Glasgow Union Railway:		
Edinburgh and Glasgow Canal		32
Total miles		1,026

9907. (*Chairman.*) Can you tell us what, in your judgment, has been the object of the railway companies in bringing about those large amalgamations?—To secure a monopoly of the carrying traffic of the country.

9908. To prevent the canals, as independent companies, coming into competition with them?—Yes; to prevent their coming into effective competition with them, the canals being the only effective competing power with railways. It is manifest, I think, that there is no permanent competition between railways?—If a competition arises, it soon ends in either combination or arrangement.

9909. Is that everywhere the case in your opinion?—It is always the case, I think.

9910. Have you not heard anything of complaints that fares are very much higher in districts where there is no competition than in districts where competition exists between separate companies?—I think not; but it is very difficult indeed to follow the particular rates, because they depend so much upon the different routes that may be taken.

9911. In your opinion competition between railway companies always ends in combination?—Yes.

9912. Can you explain why, if that is the rule with regard to railway companies, it is not also the rule as between railway companies and canals ?—Because canals have this specialty, they are not carriers as railways are for the greater part of their traffic. They are open, upon payment of toll, to the public, and not only to large carriers ; any man who has capital enough to buy a boat and to pay the toll, which is a very small fraction of the total cost of conveyance, can carry upon the canal.

9913. Is that practically possible in all cases ?—It is practicable unless the toll be made so high as to prevent it, and that is one of the means that the railways use to drive off the traffic when they get possession of a canal.

9914. Do I understand you to put it in this way, that if a canal company desires to be itself a carrier it drives off the competition of independent carriers along the canal by making the tolls very high and doing the carrying part of the business, at a very low rate ?—Yes ; I may mention the proportions in our own navigation. The navigation itself carries not more than one-twentieth of the whole traffic that passes over it.

9915. Is it your experience in general that where a railway company obtains possession of a canal the tolls are raised to the highest point ?—Not always to the highest point, but to a sufficiently high point to prevent traffic passing. They cautiously avoid going to an unnecessarily high rate, because it might be brought out in evidence in the numerous instances when they come before Parliament, but they always raise it to a sufficiently high point to exclude traffic.

9916. Do I understand you that they go to the enormous expense of buying up a large system of canals with the intention of obtaining no return, or as little a return as possible, from the capital invested in those canals ?—No, they get some return ; they get a return by the local traffic and they get a return by some of the heavier traffic, but they do not give that facility to the public that would be given if the canal was independent.

9917. Do you mean that they advisedly and purposely work the canals at a loss or work them rather so as to make a less profit from them than they could make ?—The accounts of the London and North-western Railway Company show that they have an annual loss upon their canals. The other railways do not in their accounts state what the actual results are, but I have no doubt that they lose on the canals, and that they are content to do it, recouping themselves by the higher railway rates that they get. If they were to lose 10,000*l.* on the canal and gain 50,000*l.* on the railway, it is quite worth their while to do so.

9918. Are they in the habit of running boats in competition with anyone else who may attempt to carry on the canal ?—That was done by the four railway companies that took a lease of the merchandise traffic of the Leeds and Liverpool Canal for 21 years, which was the longest time that they could take. As soon as they had made the arrangement they raised the tolls on merchandise to the maximum rate. Between Liverpool and Bradford they charged for toll on the canal on certain goods 16*s.* per ton, and they themselves carried the same articles by railway, including every charge, for 15*s.* They also charged 16*s.* as before on the canal for toll, while they themselves carried in boats, which they had purchased from the canal company at 15*s.*, the total rate, of course, rendering it utterly impossible for the merchandise traffic to be carried on on that canal. But with respect to the mineral traffic, which is not included in the lease to the railways, we have no difficulty in making arrangements with the Leeds and Liverpool company for reductions whenever it is necessary in order to retain that traffic.

9919. (*Sir R. Hill.*) For what distance are those rates and tolls charged of which you have been speaking ?—From Liverpool to Bradford the distance being, I suppose, by water about 100 miles. I do not know the exact distance.

9920. (*Mr. Ayrton.*) Was it before Mr. Cardwell's Act was passed, or after that that was done ?—It was before ; it could not be done now. They could not take a lease of the canal now except by an Act of Parliament.

9921. Or if they had a lease they could not do now as they did then, seeing that the provisions of Mr. Cardwell's Act prevents such transactions ?—Does the honourable member mean by appealing to the Court of Common Pleas ?

9922. Yes.—I am not aware of any case in which such a course has been successfully taken. It would be a very difficult thing to do.

9923. You are aware that the Act would prevent their doing it, and that they would be bound to give equal rates under equal circumstances to the canal company ?—Under like circumstances, not equal circumstances, which makes a very great difference.

9924. (*Chairman.*) I understand you to object generally to the purchase of canals by railways ?—I object to it because it injures the traffic of the remaining canals as well as destroys the competition in the particular district.

9925. Take the case of a large railway company and a large canal which desire for the purposes which you have mentioned, to become amalgamated, suppose that you prohibit them from amalgamating, what is there to prevent their combining in such a way and arranging their fares, and making such other arrangements as they may think expedient, in the same manner as if they were working as one body ?—The insecurity ; that is the point which induced the committee of 1846 not to suggest the total prohibition of amalgamations, because they thought that secret arrangements might be made which would produce the same evils, and would not give Parliament the advantage of regulating the tariffs. But the reason why that would not prevail to any great extent is this. If such a proposal were suggested to me I should say the effect will be this ; the railway will secure the traffic, will drive the traffic off the canal, will induce all new manufactories and places of business to be made on the line of the railway, and then when they have completely broken up the traffic they will turn round and say, this agreement is not legal, and we cannot go on with it. The knowledge of that would prevent the arrangement between railways and canals, I think. But it might be prevented another way, by extending rather the principle upon which Parliament has acted in the Amalgamation Act of the Lancashire and Yorkshire and the East Lancashire Railways. The Lancashire and Yorkshire Railway Company by that Act are forbidden to enter into any agreement with a canal or railway company relating to traffic without lodging a copy of such agreement with the Board of Trade and with the clerk of the peace of the county, and publishing in the papers a notice that they had made such agreement. It would be easy to give a power of the Board of Trade to veto such arrangements unless a provision were made, after hearing the parties interested in the canal, as to the rates that should be charged.

9926. (*Capt. Galton.*) In fact you consider that it would answer the purpose if an Act of Parliament were to declare that any such secret agreements were illegal ?—Yes, they are non-legal, if I may use the distinction at present, they have no validity, if they were made they could not be enforced in any court of law.

9927. (*Mr. Glyn.*) That is because they are *ultra vires* ?—Yes, because they are *ultra vires*.

9928. (*Mr. Ayrton.*) Will you explain why such an agreement as you have described should have the effect which you have mentioned if the canal company exercise reasonable care in providing for itself in the agreement, as it may be presumed it would do? —Then it would not answer the purpose of the railway in taking the canal and in making the agreement. It is in order that they may get a higher rate than they could do in certain districts that they make those arrangements, and that they submit to a loss in

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one district or on one kind of traffic which is more than made up to them in another.

9929. Then you mean that the agreement would be of that character that the railway company would take the canal into their own hands, and pay the shareholders of the canal company a certain sum for a dividend?—Yes, that is the way in which they do with the two cases of leases that I know.

9930. In cases where an agreement should be made privately without any Act of Parliament, why should an agreement which is made privately with the canal company necessarily have the effect of destroying the canal, as you suggest?—Because it would not be entered into by the railway company unless they had the power to fix the rates, the effect of which would be to drive off the traffic, and traffic when once driven off is not very easily brought back again. And in the case of new manufactories, new collieries, new mills, they would be located on the railway where they could get the facilities and of course not on the canal where they could not under the agreement get the facilities, and they would not be able to get to the canal without such a cost of cartage as to destroy competition.

9931. (*Mr. Glyn.*) Take the Grand Junction canal for example, that has always held itself in competition against the railways from London to the Midland districts, has it not?—I do not say that it is not so, on the contrary I contend that canals can compete with railways if they are not embarrassed by their feeders being closed to them.

9932. (*Chairman.*) Put it in this way, suppose that a canal company with a capital of a million and a railway company with a capital of two or three millions agree to amalgamate, you would, as I understand you, prohibit their amalgamation?—Yes; that is prohibited at present except by Act of Parliament.

9933. But I understand you to be objecting to such Acts being passed?—Yes.

9934. I presume, however, that the shareholders of the railway company and the shareholders of the canal company both think that by amalgamation they can make a larger profit out of their capital?—Not without getting into the position that I have mentioned of running the risk of driving the traffic from the canal permanently, and then pleading that the agreement, not being legal, was not binding upon them.

9935. (*Capt. Galton.*) Supposing there were two competing lines of canal, would not an amalgamation enable them to raise their fares, and would not it give them the monopoly of the district?—Yes; if they were the sole carriers it might do so.

9936. Is not that the object with which those amalgamations have generally been adopted?—The object is to get the control of all the traffic, not merely the local traffic.

9937. To get a monopoly of the carrying trade of the district?—Yes.

9938. In order to be able to obtain larger receipts in consequence of there being no competition?—Yes.

9939. (*Sir R. Hill.*) You do not consider that the canal proprietors are injured by such amalgamation, do you?—Yes, I do.

9940. Why do they assent to it then?—They assent to it partly out of fear and partly for the present advantage.

9441. Out of fear of what?—Fear of the temporary result of competition, the immediate diminution of their income.

9942. Taking both these circumstances into account do they not amalgamate because they think that they may be benefited by such amalgamation?—In all cases of actual amalgamation they get a known dividend secured to them.

9943. Therefore they are benefited?—Yes, by amalgamation they are.

9944. Then who are the parties injured?—The public and other canals; other canals that have been made on the faith of having traffic from the amalgamated canal in connection with their own local traffic; and the public, who have the cheaper mode of canal communication closed to them.

9945. Do you think that the public living near the railway and the canal, which are united, is, upon the whole, injured?—I think that the public is very considerably injured by it. I understand that the Commissioners have had evidence on that subject from a gentleman in the neighbourhood of Bradford.

9946. (*Mr. Roebuck.*) Does not all this prove that canals are really inferior as an assistance to the public, and that, in fact, the useful power of the railways gives them a superiority with which Parliament ought not to interfere?—No, I think not.

9947. Will you explain why you think not?—We find no difficulty in competing with the railways. Certain canals that are isolated and that are very small may have a difficulty, but where a canal like the Aire and Calder Navigation or the Duke of Bridgewater's Canal is connected with the tideway it has a power of serving the public, not only for local traffic, but for coastwise and foreign traffic, at rates much below the railway.

9948. That being the case, how comes it that the canal is the inferior party when they come to combine, because if they were not the inferior party they would not get the worst conditions?—They get an artificial price because the railway expects to get an artificially higher benefit from the advance of rates.

9949. That is to say, they enter into the amalgamation expecting a benefit which you say they do not eventually get?—Yes, which the canal owners get where it is an actual amalgamation; but the public are injured by it.

9950. How are the public injured?—Because they have not the free use of the canals at such rates as they would otherwise have.

9951. But would you then advise Parliament to interfere with public companies like canal companies doing what their interests suggest to them to do in the disposition of the canal?—If it is against public policy, I certainly should, and I contend of course that it is against public policy.

9952. If it be against public policy, and if the public are injured, how is it that the railway has the power of inducing the canal to enter into that inferior position?—The railway has very great power in this way:—it has an immensely larger income and capital than the canal has, and it can beat the canal down for a time, so that the proprietors are willing to take less than they would, under ordinary circumstances, do.

9953. Is not that the case between all competing companies. For example, supposing a large gas company has to compete with a small gas company, they can run against the smaller gas company and compel them eventually to come in, can they not?—Yes; but if canals were kept free the railway could not do that, because anybody who paid the toll could still compete against them.

9954. Then what is the legislative interference that you would recommend?—I would recommend that the Legislature should keep both railways and canals as highways and highways only, open to anybody that is disposed to pay the toll upon them. They are not so at present.

9955. You would prevent the power of amalgamation?—Yes, I would prevent the power of amalgamation.

9956. And you would prevent the power of making any agreements?—Yes.

9957. And you would do that distinctly by Act of Parliament?—Yes.

9958. That is what you propose doing?—Yes.

9959. (*Sir R. Hill.*) Is there not a maximum toll imposed by the Railway Acts?—The maximum toll is of very little use.

9960. But there is one?—Yes, there is one of course.

9961. Has Parliament reserved any power to lower that maximum?—I think not, except when railways

come for new powers, and then it is supposed that a new bargain is made.

9962. Then when a canal applies to Parliament for leave to be amalgamated with a railway, Parliament would have at that time, would it not, the power of lowering the maximum toll?—Not practically so, because it cannot realize all the circumstances that may arise, and it must allow such a rate as would appear to give a reasonable return for the outlay. The return for the outlay consists of two factors, the quantity and the rate; the quantity is unknown, and therefore Parliament must give a high rate to cover the uncertainty. What would be a very moderate rate for one amount of traffic, would be an unnecessarily high one for a much larger amount.

9963. We understand you to say that the injury to the public arises from the canal after amalgamation has taken place advancing its tolls; supposing Parliament were to make it a condition of the amalgamation that the tolls should not be advanced, would not the public then be sufficiently protected?—I think not; but the advance in the tolls though a very great point is not the sole point. The company may neglect the repairs of the canal; they may neglect the supply of water; they may throw obstacles in the way of the traffic by their regulations; and we have had instances of their doing all this. There is a very great difference between its being the interest of a party just to keep the navigation in a moderate state of repair, and to keep it in the most effective state, and to introduce improvements.

9964. (*Mr. Ayrton.*) In this competition between the canal system and the railway system is it not equally open to the proprietors of canals that are fed by the one that is to be dealt with, to come forward with their offer to take that canal over in the same way that the railway system comes forward with an offer to take over the canal, and can they not in that way secure to themselves all the rights that they desire?—They would not get the advantage that the railway gets in the arrangement, the railway has to recoup itself by an excessive rate in other districts, or upon other articles. Canal companies might of course do as you suggest, and in some instances they have done so, but you cannot always persuade the proprietary to increase its risk to the extent that would be necessary for that purpose.

9965. Is it not the case that the canal proprietors themselves act upon the principle, that they are unable to compete with the railways, and have they not in numerous cases forced as far as they could the railway companies to purchase them?—In some instances, I think they have done so.

9966. Has it not been the result of compromise in some cases of the opposition of canal companies, before Parliament, to the construction of new railways that the railway company should take over the canal?—Yes, it has, but there the public interest was not looked after as I think it ought to have been.

9967. Take the case of the Great Western Railway, in that case they had to take over the canal navigation between Bristol and London, had they not?—Yes, the Kennet and Avon navigation.

9968. You stated, did you not, that the canal rates form a very small portion of the carrying expense?—Yes.

9969. Are you aware whether the tolls between Bristol and London, are not greater than the whole charge of the railway company for conveying goods of an inferior class from Bristol to London?—We have no connection with the traffic of that district, and therefore I cannot speak upon that point, but I had a communication from some parties at Bath, I think it was, in which they complained that the rates were kept up injuriously to the traffic on the canals.

9970. Are you aware whether, according to the scale of charges on the canal before the purchase, the tolls on the navigation for coarse goods from Bristol to London, were not higher than the entire charge for conveyance by railway from Bristol to London?—I dare say they were; and that is the advantage that the railway has.

9971. Therefore the public has not lost anything by that transaction?—Yes, inasmuch as the canal competition has ceased. I contend that if the canal had been free it would have taken probably one-fourth of the toll, and have been driven to take it, and have succeeded by taking it.

9972. (*Mr. Roebuck.*) Do not you say that cases have occurred in which the canal has given itself up and withdrawn its opposition upon being absorbed by the railway?—Yes.

9973. That being the case you say that the public have suffered?—Yes.

9974. But supposing that the canal still continued and the railway was built, would the canal work at a loss?—No, the canal is different from the railway; that is the great advantage which canals have in competing with railways.

9975. But if they have that advantage in competing why do they amalgamate?—Because they may be for a time so seriously damaged, and they may be so afraid of what might be the results, that they are willing to take a much lower rate than they really ought to take.

9976. For the benefit of the public you would compel the canal to run the risk?—Yes.

9977. If a canal company were to come to Parliament and say, "If you do not allow us to be absorbed "by the railway, we shall work at a dreadful loss for "some years to come, and we cannot afford it," do you think that Parliament would be prepared to say, "No, we cannot help you, you must do it?"—Parliament has said so with respect to various other interests, the turnpike roads, and the inns on the public roads, and so on, which were entirely destroyed; they were not compensated.

9978. Could you suggest a mode by which that loss could be averted from the public houses and the turnpikes, because such a mode has never been brought before Parliament; but here is a case in which a means of escaping the difficulty is suggested; and can you point out any case in which Parliament has said, We do not care for that; we will compel you to go through the misfortune that you anticipate?—I think that the honourable member does not realize the working of canals effectually. They might by competition receive a less income, but they would not necessarily lose the traffic altogether; they are only toll takers.

9979. You do not meet my question. You suggest that Parliament acted in a particular way with regard to public houses and highways, and I ask you, has there ever been suggested to Parliament a means of escaping the mischief that has arisen to turnpike roads and to hotels?—I do not know that there has.

9980. Does not that take the canals out of the category into which you wish to bring them, seeing that the canals have proposed and shown to Parliament a means by which the proprietors of the canals could escape that loss?—But I think that in the interests of the public Parliament should not listen to that.

9981. That is coming back to the point from which you started, that you would make the canal proprietors suffer for the benefit of the public?—Yes.

9982. Do you think that Parliament could be prevailed upon to do that when there was shown them a means by which the canal proprietors could escape the mischief?—I think they would if they realized the evils of the amalgamating of railways and canals.

9983. (*Mr. Ayrton.*) You would have one canal company sacrificed for the benefit of the other canal companies?—And of the public.

9984. But is not the remedy for that case that the other canal companies should do as the railway companies do, namely, take over the canal if they want it for their purposes, and come before Parliament with a competitive demand; or do you think that they have a right to ask that the canal should be kept up at the expense of the company, injuriously to the share-

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holders, and to prevent anybody else taking it when they will not take it themselves ?—I think they have.

9985. (*Chairman.*) As I understand it, you object not only to the amalgamation of railways with canals, but also to the amalgamation of railway companies with one another ?—Yes.

9986. And you found yourself, I presume, upon the Report of the Committee of 1854 ?—Yes.

9987. In practice, during the last 20 years, amalgamations have been rather the rule than the exception, have they not ?—That has been so. I only know of one instance in which opposition has been successful, and that was when we opposed the amalgamation of the Rochdale Canal with the Lancashire and Yorkshire Railway.

9988. But the fact is, is it not, that during 20 years, Parliamentary Committees, very seldom consisting of the same members, and fairly representing the general sense of the House of Commons, have been almost unanimous in thinking that where two companies desire to amalgamate they ought to be allowed to do so ?—Looking only at the local case as it is brought before them, and not looking at general principles. One great object, I apprehend, of a Commission like this is that general principles should be considered.

9989. Have you any knowledge of the railway or canal system in Ireland ?—I have not any knowledge of it.

9990. You are probably not aware that one very general subject of complaint there, is the absence of amalgamations, and the multitude of small companies working independently ?—No, I am not aware of that.

9991. (*Mr. Ayrton.*) Can you give any illustrations of the statement you have made that the tolls on a canal bear a very small proportion to the charge for conveyance on the canal ?—It depends so much upon the article that is carried that I can scarcely answer that.

9992. Can you give us any idea of the relative amount of the toll and the cost of haulage on the canal ?—No ; the cost of haulage in the cheapest form is most difficult to estimate. A boatman is the owner of a boat, and he buys a horse and is his own hauler, and he is satisfied with a bare living, and it is very difficult indeed to estimate the low point to which he will go.

9993. What is the toll on a barge of coals by canal generally ?—It varies very much, but the greater part of our coal rate is one third of a penny per ton per mile.

9994. A barge would contain 30 tons, would it not ?—100 tons can pass the whole length of the Aire and Calder navigation to Leeds and Wakefield ; and the other day a vessel carrying 150 tons went down.

9995. Then 100 tons can be put into a barge on that navigation ?— Yes, 150 tons on a very great portion of the navigation ; and even sea-going steamers carrying 150 tons can pass 28 miles up our navigation now to the collieries.

9996. And in that case would not the toll be considerably more than the cost of the haulage on the canal ?—I think not, but I am not sure whether the honourable member means by the cost of haulage the cost of the boat and every other expense.

9997. The cost of the boat and the driver per mile, do you think that that would not be more ?—I think not, it would be about equal.

9998. Then if the rate of toll were higher for more expensive goods, of course the toll would be greater than the cost of haulage ?—Yes.

9999. Therefore, it is only in the case of the roughest goods that the cost of haulage and the toll are equal ; but in the case of all other goods the toll is necessarily greater than the cost of haulage ?—The toll is regulated by the necessity of maintaining the traffic. We go down to any rate that is absolutely necessary.

10,000. I want to get from you whether on your own canal, in point of fact, excepting on the roughest goods the toll is not greater than the cost of haulage ?—Yes it is.

10,001. And do you think, from your knowledge of canals in general, that throughout the canal system it is only on rough goods that the toll and the cost of haulage are about equal, and that on the more expensive goods the toll is greater than the cost of haulage ?—I think it is so generally.

10,002. (*Capt. Galton.*) But the toll of course includes the water which enables the boats to pass from one level to the other ?—It includes every expense to the canal company.

10,003. It is not a fair comparison with the cost of haulage on a railway, is it ?—No.

10,004. I mean that the comparison between the cost of haulage on a canal and the toll on the canal is not an exact comparison between the cost of haulage on the railway and what might be taken as a toll for passing over the railway ?—No.

10,005. (*Mr. Roebuck.*) Supposing a railway and a canal ran from point to point identical, and that they competed one with another, and that there was no amalgamation between them, could the canal compete with the railway ?—Certainly ; I have not a doubt of it.

10,006. Do you think that in the carriage of goods generally they could compete with the railway ?—Yes.

10,007. And that the public would not go to the railway in preference to going to the canal ?—Unless there were some advantage of speed, which applies only to a very limited extent.

10,008. Is there not greater speed in carrying coal by railway than by canal ?—The effect of speed as regards goods is not so great as it is as regards passengers. Take the case of Leeds and Hull, a distance of 50 miles, probably goods travel that distance in three or four hours by railway. The goods are not delivered to the carrier till late in the evening, and they cannot be because the merchant has not the orders till late in the day, and then he has to make up his goods and send them off. We can get down to the ship at Hull by the afternoon of the next day long before the ship is ready to take in the goods ; and the railway can do no more. Speed, therefore, in that case is no advantage.

10,009. If you can compete with the railway in that way, why do not you do so ?—We do.

10,010. Then why do you amalgamate ?—We do not amalgamate.

10,011. You do not, but other canals do ?—They are small isolated bodies many of them, and not large bodies like railways ; and it is a case of 2,000,000*l.* or 3,000,000*l.* against 40,000,000*l.* or 50,000,000*l.*

10,012. Supposing there was one large corn factor in a town and a great number of smaller corn factors, there would be competition between them ; and supposing, for example, that the smaller corn factors found it to their interest to amalgamate with the one large corn factor, would you prevent that ?—No.

10,013. Why should you apply a different rule to a canal and a railway ?—Because there is this specialty with regard to traffic that all the means of conveyance that we know of ought to be open to the public.

10,014. I presume that there ought to be perfectly free trade in corn and in carriage ?—Yes.

10,015. But you would not introduce free-trade as regards carriage ?—It would not be free-trade if the parties were to combine, in order artificially to raise the rate on one mode of conveyance against another.

10,016. Supposing the case that I put of the corn factors, would you have Parliament interfere to prevent amalgamation ?—No.

10,017. That is a precisely identical case, is it not, with that of the small canals uniting with railways ?—There is plenty of other capital that would control any abuse arising from the combination of any particular trade.

10,018. (*Mr. Ayrton.*) Formerly, you are aware, Parliament legislated to prevent what was called the forestalling and ingrossing of commodities, but it

has now entirely abandoned that policy; does it not seem that you wish to revive that policy with regard to canals?—I do not think they are parallel cases.

10,019. Cannot canals fairly compete with railways when they are made under similar circumstances?—I think they can.

10,020. They are much more profitable still under favourable circumstances than railways are, are they not?—So far as the carriage of goods is concerned, I believe they are, but I apprehend that the action of railways is this, to lose very considerably on many descriptions of goods that they carry, and to reimburse themselves by an undue rate upon passengers; and if they were exposed to free competition from the canal system, I believe the effect would be that the public would be much better served as regards passenger rates.

10,021. Are we to attribute the great profit of canals to their shareholders, as compared with railways, to the fact that the tolls which they charge are so much higher in proportion to the cost of conveyance than can be obtained on railways?—The canals have only to maintain the highway, they are not carriers as the railways are.

10,022. For which the canals charge so high a rate that they can make dividends of 10 and 15 per cent., when a railway company side by side with the canal, perhaps can only make 5 per cent.?—I am not aware of any canals that are in that happy position.

10,023. Do you know the Vale of Neath Canal, which runs parallel side by side with the Vale of Neath Railway?—I do not know that canal.

10,024. Do you know that that canal generally divides between 12 and 15 per cent., whilst the railway company divides between 3 and 5 per cent.?—I do not know the whole of the circumstances, or else I think it probably could be shown that it is due to something more than the mere profit upon the carriage.

10,025. (*Sir R. Hill.*) Why are we to infer that railway companies carry goods and minerals at a loss, as you suppose they do?—They do it in the hope of securing an ultimate monopoly.

10,026. What can be the use of a monopoly which has to be worked at a loss?—They expect that when they get the monopoly they will be reimbursed.

10,027. After having got it you say that they carry goods and minerals at a loss, recouping themselves by the additional charge upon the passengers?—Yes.

10,028. Do you think it is so?—I think it is so; and I think it is so merely because they are not aware of the actual cost of goods, and that they are governed merely by the profit on the whole system, and not on individual traffic.

10,029. Do you think that a railway company is enabled to charge a higher fare for passengers because it loses upon goods?—I believe that it charges a much higher rate upon passengers than it need do, and that if it were to carry no goods but what are profitable it would cultivate the passenger traffic more by lowering its rates.

10,030. But what is to prevent the railway company continuing its rates of charge upon passengers and discontinuing the conveyance of goods, which you think is managed at a loss?—There is nothing to prevent it

10,031. Do you think that railway companies are so ignorant of their own interests as to continue carrying a large amount of traffic at a loss?—Yes, with a view of obtaining an ultimate result, which they think would be advantageous to them.

10,032. How is it to come?—They hope to secure a monopoly.

10,033. And then to raise the charges upon goods?—Yes, and then to raise the rates.

10,034. Do we find that there is a tendency in that direction, do we find that railway companies that have been in operation for many years are increasing their charges upon minerals and goods?—I am not aware of their advancing their charges.

10,035. (*Mr. Ayrton.*) Can you give the Commission any list of the cases in which, after railway companies have purchased canals, they have raised the tolls, showing the extent to which the tolls have been raised upon those canals?—I cannot give the rates; I am afraid that I cannot answer that question because I do not know in most of the cases what were the rates previous to the existence of the railways in competition with them, the time is so distant.

10,036. Could you give the Commission a list of the cases in which it has occurred?—I think I could do so.

10,037. Perhaps you will send it with a general statement of the extent to which the tolls have been raised?—Yes.

10,038. (*Mr. Roebuck.*) You believe that such raising of tolls has taken place?—Yes, or what is the same thing, that the rates are continued at a much higher rate than they would be if the canal were independent.

10,039. The question is this, that there are certain rates charged before amalgamation, and you say that when the amalgamation has taken place the rates have been raised?—Yes.

10,040. That is your belief at the present moment?—Yes.

10,041. Have you any evidence before you now to justify that opinion?—I have a case, but it is not a case of amalgamation; it is the case of a lease, but the effect of course is the same. At the time that the four railways combined to take the Rochdale Canal the tariff of the Rochdale Canal of course was not submitted to Parliament, and they can charge 4*d.* per ton per mile toll. The railways, when we were competing with them for carriage between Hull and Manchester, charged us the 4*d.* per ton per mile, when previously, whilst the canal was independent, we were paying only 1*d.* a ton per mile, that is to say, they made the rate upon the 32 miles of the Rochdale Canal 10*s.* 8*d.* instead of 2*s.* 8*d.*, 12*s.* being something like the total cost of carriage from Hull to Manchester.

10,042. I understand that from the peculiar position of the Aire and Calder Navigation you necessarily pass in your passage to Hull through some other canal, do you not?—Yes, from Hull to Manchester. I should like to lay before the Commission a map which I have prepared, which will just show that (*producing a map and explaining it to the Commission*).

10,043. (*Mr. Ayrton.*) In the case which you have just stated, did you appear before Parliament to oppose that lease; was it sanctioned by Parliament?—We prevented the amalgamation by Act of Parliament, but under the Canal Carriers Act, those four railway companies being owners of other canals took advantage of a clause in that Act to take a lease of the canal for 21 years, and under those circumstances, of course the tariff was not submitted to Parliament, or else it would have been reduced, I have no doubt.

10,044. On that occasion you had no opportunity of appearing before Parliament to secure the maintenance of the existing rates?—No, but the lowering of the rate would not have been sufficient unless we could secure the canal being kept in an efficient state.

10,045. In the case in question, if you could have appeared before Parliament and obtained a provision that the rates should not be raised consequent upon the lease, that grievance would not have occurred?—It would have been a great gain so far, certainly.

10,046. (*Capt. Galton.*) Does not the Canal Carriers Act contain a clause which would enable that lease to be put an end to if inconvenience to the public was shown to arise from it?—I think that you are alluding, not to the Canal Carriers Act, but to the Act which amalgamated the Huddersfield Canal with the London and North-western Railway, and we got clauses inserted in that Act which give the Board of Trade power, if any evils are found to arise from the amalgamation, to call upon the railway companies to remedy it, and if they refuse to do so to bring in a Bill for the purpose of remedying it; that Act was the 10th and 11th of Victoria, chapter 159.

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10,047. (*Mr. Ayrton.*) Under what Act was the lease of the Rochdale Canal granted ?—The Canal Carriers' Act of 1845.

10,048. (*Mr. Glyn.*) That clause in the Canal Carriers' Act is repealed altogether ?—Yes, that is now forbidden.

10,049. (*Sir R. Hill.*) In the case which you have cited of the Huddersfield Canal, did any inconvenience result from the amalgamation ?—Yes, the rates are kept high, and when we were carrying in competition between Hull and Manchester the canal was stopped for repairs, first of the tunnel and then of the locks, in a way that it would certainly not have been done if the canal had been independent, for they selected not the slackest time but the most busy time for the purpose.

10,050. Did you appeal to the Board of Trade ?—No, we did not.

10,051. Had you any reason for not calling in the aid of the Board of Trade under such circumstances ?—it is a very difficult thing to prove such a case as that.

10,052. Then the difficulty of proof was the reason ?—Yes, the difficulty of proof was the great reason. We took a great deal of pains to collect evidence, but we did not get sufficient, perhaps, to enable them to act judicially in the particular case.

10,053. (*Mr. Ayrton.*) Was the Act of 1845 promoted by the canal companies for their own benefit ?—It was.

10,054. And injury to the promoters was the result of their own legislation ?—The result of a clause in that Act.

10,055. Which they themselves proposed to Parliament for their own benefit ?—They proposed to allow of arrangements between canals ; and courts of law have held that when railway companies have amalgamated with a canal they become, for the purposes of that Act, a canal company, and it is through that that they have exercised the powers, until the railway traffic Act, I think it was, was passed at the instance of the canal companies a few years ago, which has prevented it.

10,056. But they were canal companies as well as railway companies, and in their capacity of canal companies they acted under the Act which the canal companies had themselves proposed to Parliament as beneficial ?—Yes ; one of the leasing railways was a railway that had no canals within 50 miles of the canal that was leased, and four of them combined for the purpose of leasing the Rochdale canal.

10,057. (*Capt. Galton.*) Had the canal company foreseen when the Act was passed that the railway companies owning the canal would have exercised the powers of that Act, they probably would have inserted clauses to prevent the railway companies being able to obtain any powers under that Act ?—I can safely say they certainly would have done so, because I was the secretary of the canal company's meetings that solicited that Act.

10,058. (*Mr. Glyn.*) Is there a clause similar to that in the Act before you, namely the Huddersfield Canal Amalgamation Act, inserted now in all railway and canal amalgamation Acts ?—No, I think not.

10,059. How is it that you have not moved to have that done ?—I think I recollect once asking Captain Galton why those clauses were not acted upon, and the answer I received was (and Captain Galton will correct me if I am wrong) that the Board of Trade certainly would not bring in such a Bill, for if they did Parliament would most probably throw it out, and the Board of Trade would have to bear the expense.

10,060. I want to know why, in the case of Private Acts brought in for amalgamation of canals with railway companies you have not tried to get that clause inserted since that date ?—Where the canals have been immediately connected with us we have, but we are generally met by the cry that we oppose every Bill that comes into Parliament and we have certainly not been very successful in applying for such powers. The fact is, I think, that Committees generally give the fullest attention to the general question, but as soon as the preamble, as it is called, is passed, they hurry over the clauses and it is difficult to get them to give their attention again to the arguments that are necessary to carry those individual clauses.

10,061. (*Chairman.*) I understand you to think that railway companies ought not to be carriers of traffic at all ?—I think that would be the best condition for the country, as it would make both railways and canals highways, and that the public ought to have, and every individual ought to have, the free power of moving upon them, on paying such a toll as is necessary for the maintenance of the highway.

10,062. Would it not be necessary to have other companies established for the purpose of running trains at fixed hours and at fixed rates ; you could not leave it to every one who thought fit to run a train at his own time and in his own way ?—Either the railway company or some other persons must fix the times that the trains should run ; but what I advise in the case of railways, is only what they did in their early state. Up to the year 1847 or 1848, independent carriers were carrying as freely on the railways as on the canals and there was no difficulty found. Of course the railways regulated the running of the trains.

10,063. (*Sir R. Hill.*) Is it not the case now with respect to most of the railways, that the companies by law are simply the owners of the road ?—They are also empowered to carry.

10,064. But any one else may put a train, if it be practicable, upon the railway and run it, may he not ?—I have in my office notices to the carriers by railway companies that they would not receive goods from the carriers.

10,065. I am not speaking of goods ; but is there anything in the law which prevents you, or myself, or any one else, putting a train and an engine upon the railway, and carrying goods or what we please, paying to the railway company certain tolls for the use of their road ?—That toll they would take care should be such a one as would prevent you.

10,066. That is the theory of railways, is it not ?—It may be the theory, but it certainly is not the practice.

10,067. (*Capt. Galton.*) Is it not perfectly impossible to carry it out in practice, because the railway company is not bound to supply water, or sidings, or platforms, or conveniences to the people that use the line ?—Yes, that is so.

10,068. (*Mr. Glyn.*) You do not recollect that the attempt to run independently of the company was once tried between Manchester and Birmingham, and failed ?—No ; I do not know that case.

10,069. (*Mr. Ayrton.*) Previous to 1847, it was the practice to use railways in the manner that you suggest ; but are we to understand you that such use of the railways was general, or, that it was confined merely to particular cases of colliery proprietors running their trains over a few lines that were made for the use of the several collieries ?—No ; I am referring to the general carriage of goods. Up to that time the railways were only the carriers of passengers and parcels ; all the goods traffic was carried on by independent carriers, Pickford and Co., Carver and Co., and so on.

10,070. Do you mean that Pickford and Co. had trucks, engines, and everything independent of the railways ?—Yes, they had the whole management of everything ; they collected the goods and distributed the goods and loaded them, and they merely handed their waggons over to the railway.

10,071. (*Capt. Galton.*) The engine power being found by the railway company ?—Yes.

10,072. (*Mr. Glyn.*) That is to say they collected and distributed ?—Yes.

10,073. They did not carry it further than that ?—No.

10,074. The railway company carried for them, and they collected and distributed the goods ?—Yes.

10,075. (*Mr. Ayrton.*) That is done over all railways now, is it not ?—No, they do very often employ those parties to collect and distribute merely to and from the station, but the railway company pack everything.

10,076. Is it not the constant practice for persons who have manufactories or mines by the side of railways to collect and distribute the goods that are sent over the line, transmitting those goods in their own waggons, and the railway company only finding the carrying power ?—I think not.

10,077. Is not that done over all the lines of England to a large extent ?—I think not, except that parties provide their own coal waggons.

10,078. Are there not numerous cases where there are sidings off the railway at one place and sidings off the railway at another place, and the colliery proprietors or other persons put their own trucks laden on to the line, and the railway company take them off fully laden on to the siding ?—In the case of coals they do, but only in the case of coals.

10,079. Is it not also the case with regard to much other mineral traffic which is conveyed along all the railways in England, such as lime, iron ore, iron, and lead ?—That is not a case of collecting.

10,080. But are not the goods collected into the waggon in the siding of the mineral or other proprietor or other manufacturer, and are they not delivered from the railway into the siding of the parties to whom they are consigned, so that the railway company has nothing whatever to do with the collection or the delivery or the waggons, but merely finds the carrying power, is not that done over all the railways in England?—I think not, except in the case of minerals.

10,081. Take, for example, the case of a carriage builder, does not he deliver his trucks made on the line, and are they not conveyed to their destination and taken off the line ?—The railway, I apprehend, gives him a truck, and of course he puts his wares upon the truck.

10,082. Is it not the case with all goods that are delivered in a quantity sufficiently large to admit of their being made up in several trucks full and delivered in several trucks full ?—I think not, I think that the railways are the carriers.

10,083. (*Sir R. Hill.*) Is not this the real state of the case, that at the period which you speak of, 1847, and up to that period, the great carriers, such, for instance, as Pickford and Co., not only collected the goods and delivered them, but charged for the carriage over the lines ?—Yes ; they paid the toll and charged their own rates for carriage over the lines.

10,084. Now, though those same carriers collect and deliver, they do that and that merely, the charge for conveyance being made by the railway company, and paid to the railway company ?—Yes, and they do it as the servants of the railway company ; in the collecting and the delivering they are merely servants of the railway.

10,085. (*Mr. Glyn.*) Has not the result of the change of system been a considerable reduction in the rates charged ?—I daresay it has ; but I contend that the same reduction would have taken place in time, when the railway system developed itself as it has done, if they had been independent.

10,086. (*Sir R. Hill.*) But, upon the whole, the public has benefited by that arrangement, has it not ?—The public has got, in many instances, much lower rates for goods, I admit, than it would have done, but they are artificially reduced, I think.

10,087. What do you mean by "artificially reduced ?"—Because they seek their remuneration not upon the particular article, but upon either their general goods traffic or the higher rates for passengers.

10,088. (*Mr. Ayrton.*) What does it matter to the public whether Messrs. Pickford and Co. make the gross charge to the public, and reimburse themselves and pay the toll to the railway company, or whether the railway company makes the gross charge to the public, and reimburses Messrs. Pickford and Co., and keeps the difference for itself ?—None at all. The only question is whether the public would get the same advantage from the restricted system as they would from the free and open system. I believe that they would not.

10,089. Must it not come to the same thing if the railway company is going to receive the same amount, whether they make the charge and deduct it, or whether the persons who use the railway make the charge to the public and hand it over to the company ?—I do not think that they can conduct their business to the same advantage as a number of private individuals would do, whose subsistence depended upon the success of their efforts.

10,090. Could they not conduct their business with much more economy and advantage if they had the methodizing of all the traffic, than if it were carried on by several persons, without the same method of combination ?—I think that the advantage, which of course they have in that respect, would be more than counterbalanced by the increased activity of individuals.

10,091. Does not the economy that results from that advantage which they possess enable them to charge less than they would have to charge if they were the servants of a great many masters requiring independent action from them ?—No, I do not know that it does.

10,092. If these are your views, why was it thought desirable, for the benefit of the public, that the canal companies should become carriers in addition to their receiving their tolls ? Why did they not stand upon the old system of receiving tolls, and not being carriers ?—The canals received the power to carry because the railways, competing with them, were carriers ; but of course if the power were taken away from the one system it should be taken away from the other.

10,093. Your view being, as I understand you, that it would be a public benefit, and everything would be done better if the railway companies only took the toll, why did not that same view occur to the canal proprietary ; and why, therefore, did they get an Act to alter that system ?—To prevent the railway companies overpowering, as they would easily have done, the small and independent carriers, by running at a loss, and by charging them higher rates than they charged to themselves, which they often do against the canal system.

10,094. But the small and independent carriers could have combined for the purpose of carrying on their business economically, if that were an economical mode of doing it ?—It is very difficult to get such combinations to act against a great body. The railways bought off, so to speak, the great carriers by giving them the deliveries and cartages.

10,095. Still, what was to prevent a large combination of the great carriers to use the canals ; and why was it desirable to alter the law to enable the canal companies themselves to become carriers, as is the system at present, according to your view of the law ?—In order to put them on a par with the railways, so long as the railways acted upon that system.

10,096. We understand from you that the most beneficial system is one of separation ; therefore, if that be the most beneficial system, it would have been better to have preserved it?—I think for the public it would have been so.

10,097. (*Mr. Glyn.*) Don't you think that Pickford and Co., with all their experience, when they made up their minds to give up their canal establishments, were convinced that in the long run the railways must compete and beat the canals out of the field ; was not that the result of their experience in the carrying trade ?—Perhaps it was by reason of the artificial powers that the railways have.

10,098. As they were existing it was the result of their experience ?—Yes, I think very likely it was so.

10,099. (*Sir R. Hill.*) You spoke of the injury caused to the canals remaining independent by the amalgamation of other canals with railway companies,

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and I think you explained that that arose from the circumstance of the canals so amalgamated ceasing to be feeders of the canals that remained independent. Are not the railways feeders to the canals to some extent?—Very seldom.

10,100. Are not the goods that are conveyed certain distances by canals frequently carried on by railways?—Necessarily so to the higher parts of the country, where canals are not so easily carried.

10,101. Then to some extent the railways have acted as feeders to the canals?—They very seldom do, because they are under arrangements with other railways to forward their goods by railway rather than by canal.

10,102. Many canals as you have already stated still remain independent of railway companies, could you inform the Commissioners what has been the general result as regards profits in respect of those canals; are they as profitable now as they were many years back, before they had to compete with railways?—No, I think not.

10,103. Have the canals lowered their tolls and charges generally, or not?—Very largely.

10,104. And they have suffered generally in their profits?—Yes.

10,105. Is it the case with the Aire and Calder navigation that the profits have been lowered?—Our traffic has been larger but our profit has been less.

10,106. Can you tell us how it has been with the Duke of Bridgewater's canal?—I do not think that the Duke of Bridgewater's canal, which is very peculiarly circumstanced, has suffered as much as many others.

10,107. Can you say whether it has suffered at all?—No, I cannot; it is the property of a private individual, and of course there are no means of knowing what the profits are.

10,108. (*Mr. Ayrton.*) You have stated that the canal rates have generally been reduced in consequence of the construction of railways; would not that tend to show that the conveyance by railway has proved to be generally cheaper than the conveyance by canal?—I think it has very often been so, because the railways, knowing what the cost was by canal, have fixed their rates as part of their system below the canal rates, irrespective of the immediate profit or loss.

10,109. Still if the canal companies generally have been compelled to reduce their rates in order to compete with the railway companies generally throughout the country, would not that show that the cost of conveyance by railway generally throughout the country is cheaper than that by canal?—I do not think it would show that it is cheaper, it would show that competition has been advantageous. I should readily admit that the rates by canal when canals were alone, without the competition by railway, were too high.

10,110. If the conveyance by railway had not been cheaper what necessity would there have been for the canals to have lowered their rates in consequence of the competition?—You are using the term cheaper in a different sense to that in which I was understanding it. I thought you meant that they were economically able to run at a lower rate; I contend that they are not.

10,111. I mean that the cost of conveyance to the public is less by railway than by canal generally, is not that so?—The cost to the public at present is less in a great many instances.

10,112. That being so, it would seem that the amalgamation of canals with railway companies did not increase the cost of conveyance between canal and railway companies, for in point of fact it is much less than it was before the railways were established?—No, they have raised the canal rates; the railway rates are controlled by competition between the railways themselves.

10,113. (*Chairman.*) I understand you to be of opinion that in consequence of the desire which the railway companies have shown to obtain exclusive possession of a district, there is a temptation to engineers and contractors and others to make lines, knowing that they will not pay, upon the speculation that those lines will be bought up by the railway companies rather than allow rivalry to exist within the district?—Yes; I think that if railway companies were only the owners of the highways there would be no tendency to that state of things, there would be no profit attending it, and that which is undoubtedly a great evil would be put a stop to. I do not say that that alone is a sufficient reason for Parliament to legislate upon the matter, but I think it is an indirect advantage that would result from it.

10,114. Is there anything else which you wish to lay before the Commission?—I think not.

The witness withdrew.

Adjourned to Tuesday next at half-past 11 o'clock.

Wednesday, 13th December 1865.

PRESENT:

Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.	Capt. Douglas Galton, R.E., C.B., F.R.S.
A. S. Ayrton, Esq., M.P.	J. R. M'Clean, Esq., Pres. Inst. C.E.

William Pole, Esq., F.R.S., *Secretary.*

The Hon. E. F. LEVESON GOWER, M.P., in the Chair.

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Mr. Walter Williams, jun., examined.

10,115. (*Chairman.*) Are you the Secretary of the South Staffordshire Ironmasters' Association?—I am the Honorary Secretary of the Association.

10,116. Did that Association, in consequence of a communication received from the RoyalCommissioners, take steps to collect evidence upon the subject of railways?—They did.

10,117. Did their inquiries bring to light a great number of inequalities in railway rates?—They did.

10,118. And anomalies in the tariff from the South Staffordshire district?—They did.

10,119. And especially with respect to the London market?—More especially with respect to the London market.

10,120. Has the Committee of the Association submitted that evidence to the railway carrying companies conducting the traffic of the locality?—They have given them copies of the report which I hold in my hand, which was originally produced for the trade, and they have met the heads of the carrying companies from that district, requesting them to make alterations in their rates for iron to London and Liverpool especially, and to correct anomalies such as are found generally existing.

10,121. Is that report still under the consideration of the railway companies?—It is at present under their consideration. I beg leave to hand in their report to the Commission.

The same was delivered in, and is as follows:

SOUTH STAFFORDSHIRE IRONMASTERS' ASSOCIATION.

The following Report relative to Railway Rates from South Staffordshire was submitted to the last General Meeting of the Ironmasters' Association, and adopted by them. Instructions were given to the Committee to take such action thereon as they might consider necessary.

With respect to the charges now made by the railway companies passing through this district for the conveyance of pig and bar iron, the following table exhibits the rates from Wolverhampton and Stourbridge to all the principal towns in the Kingdom, to which there is an extensive traffic from South Staffordshire.

The distances are reckoned from Wolverhampton, but the rates are those which prevail for the district generally.

		G.W.R.[1] Wolverhampton.		G.W.R.[2] Stourbridge.		L. & N.W.[3] Wolverhampton.	
	Miles.	Pigs. s. d.	Bars. s. d.	Pigs. s. d.	Bars. s. d.	Pigs. s. d.	Bars. s. d.
Glasgow	288	20 0	20 0	—	20 0	20 0	20 0
Newcastle-on-Tyne	220	—	17 6	—	17 6	12 6	15 0
West Hartlepool	200	12 1	17 6	—	15 0	15 0	15 0
Middlesborough	180	11 8	17 6	11 8	17 6	11 8	15 0
Swansea	179	9 2	10 0	9 2	10 0	9 2	10 0
Southampton	152	—	19 2	15 0	18 4	19 2	19 2
Hull	157	11 6*	15 2*	—	15 2	11 6†	14 2†
London	126	15 0*	17 6*	15 0	17 6	15 0†	17 6†
Cardiff	126	8 4	9 2	7 6	8 4	8 4	9 2
Leeds	125	9 2	12 6	9 4	13 4	9 2	12 6
Bristol	107	—	10 0*	—	7 6	9 5	10 0
Sheffield	107	7 8	10 0	—	11 0	8 3	13 9
Liverpool	84	9 0*	10 0*	—	11 0	9 0†	10 0†
Manchester	71	9 0	10 0	10 0	11 0	9 0	10 0‡
Gloucester	70	—	5 6	—	5 0	5 6	5 6
Chester	61½	9 0	10 0	—	11 0	9 0†	10 0†
Derby	50	—	7 6*	—	8 6	4 6	7 6
Stoke-upon-Trent	32	—	6 8	—	7 6	5 0	6 8
Wellington	18	3 0	5 0	—	6 8	3 0	5 0
Birmingham	13	2 10	4 2	—	3 8	2 10	4 2

[1] Railway Company's quotations, 14 June 1865.
[2] Do. do. 25 May 1865.
[3] Do. do. 15 June 1865.
* Collected and delivered. † Collected. ‡ On Canal.

The rates to the several places above mentioned are nearly equal, whether the merchandise is conveyed by the Great Western or North-western companies; but there is great inequality in the rates according to the distances of certain of the above-named places from South Staffordshire. Taking the rate to Swansea, distant from Wolverhampton about 170 miles, it may be assumed that this is a remunerative charge, as there are no special circumstances to make the rate exceptionally low. The rate to Liverpool (84 miles), half the distance to Swansea, is the same as to Swansea. This inequality is even more apparent in the case of Chester (61½ miles) and Manchester (71 miles), where the rate is equal to that to Swansea. The rate to Cardiff (126 miles) is 9*s.* 2*d.*, while to London, which is only equally distant from this district, the rate is nearly double (17*s.* 6*d.*) The London rate is indeed remarkably high compared with the charges to the other important seaports. This will be apparent from the following table.

	Miles.	Rate. s. d.		Rate per Ton in Decimals.
Glasgow	288	20 0	=	·8*d.*
Hartlepool	200	17 6	=	1·05*d.*
London	126	17 6	=	1·68*d.*
Cardiff	126	9 2	=	·88*d.*
Bristol	107	10 0	=	1·12*d.*
Liverpool	84	10 0	=	1·43*d.*

From the above table it appears that the rate to London is 89 per cent. above Glasgow, 60 per cent. above Hartlepool, 91 per cent. above Cardiff, 18 per cent. above Liverpool, and 40 per cent. above Bristol.

At the Hartlepool rate the carriage to London would be } 11*s.* 0*d.*
" Glasgow " " 8*s.* 4*d.*
" Hull " " 9*s.* 9*d.*
" Gloucester " " 9*s.* 10*d.*
" Cardiff " " 9*s.* 2*d.*

The rates charged from Warrington to London are the same as those from this district, though the distance is 56½ miles greater; and also from North Staffordshire to London, 32 miles farther.

The rate for manufactured iron from the Middlesboro' district to London is only 18*s.* 4*d.* (North-eastern quotations June 14th, 1865; rails are carried for 16*s.* 8*d.* per ton) as compared with 17*s.* 6*d.* from South Staffordshire, though the distance is nearly twice as great.

The charges to and from the same places vary considerably. The Wednesbury goods manager (L. & N. W. Ry.) quotes following rates for pig iron on May 1st, 1865:—

	s.	d.		s.	d.
Liverpool	9	6	Stoke	6	8
Manchester	9	6	Masboro'	6	9
Warrington	9	6	Leeds	9	2
Crewe	9	6	Sheffield	10	0
Hull	11	6	Middlesboro'	11	8

The goods manager at Stoke, writing on 10th July, quotes following rates into South Staffordshire:—

Wolverhampton, 5*s.* 0*d.*
Dudley — 5*s* 0*d.* } Both places are considerably
Stourbridge — 5*s.* 6*d.* } farther than Wednesbury.

The rates for short distances are excessive:—

To Stoke, 27 miles, 6*s.* 8*d.*=2½*d.* per ton.
" Wellington, 18 " 5*s.* 0*d.*=3⅓*d.* "
" Birmingham, 13 " 4*s.* 2*d.*=3 & 3-13ths "

The railway companies state that the rates "are liable to alteration at any time, without notice or advice from the company."

Supposing the figures so constantly declared remunerative as carrying rates for coal and coke by rail, viz., ¼*d.* per ton per mile, it seems fair to consider the following scale for carrying iron a reasonable one, viz., ½*d.* per ton per mile for haulage, &c., ¼*d.* per ton per mile for waggon hire, and terminal rate not exceeding 9*d.* per ton at either end. These figures are necessarily based on the station to station rate, inasmuch as the cost of collection and delivery will vary in almost every single instance; but from all those works having sidings, such a basis may safely be adopted, whilst the collection and delivery would become a matter of special arrangement, which could doubtless be arrived at by the experience of the trades and the carrying community.

The empirical nature of the above-named rates acts most injuriously upon the staple trade of South Staffordshire. The district is more unfavourably situated that any other iron-producing centre for export trade, and the irregularities in the railway tariff increase the difficulty of competing with other districts. The natural ports for South Staffordshire are London, Bristol, Gloucester, Liverpool, and Hull, but Liverpool and London in particular, and to both of these places the rates are excessively high, while the comparatively higher rate for South Staffordshire gives an unfair advantage to competing districts. But the extensive nature of the manufactures carried on in this locality entitles it to primary consideration among the iron-producing centres. According to the mineral records and statistics for 1864, South Staffordshire produces one-sixth of the pig iron made in the United Kingdom, while of the 6,300 puddling furnaces for the manufacture of finished iron, 2,100 are in South Staffordshire. There is an immense amount of capital now invested in the blast furnaces, forges, and rolling mills of the district, and the existing rates are calculated to drive the iron trade gradually out of the district, and thus to depreciate the value of the numerous iron works.

As the native iron mines of South Staffordshire become exhausted, the importation of pig-iron from Cleveland, North Staffordshire, Northampton, and the hæmatite districts of Cumberland will increase, if the rates should be such as will allow capitalists to carry on the manufacture of finished iron on remunerative terms. The special circumstances of an important district of this kind ought to be taken into account, and the rates for export or import should certainly be as low as they are for any other district engaged in a similar manufacture. Taking the lowest charges at present made, and which, as before mentioned, may be assumed to be remunerative to the railway companies, it appears to the members of the South Staffordshire iron trade desirable to have a uniform mileage rate for the district to the various ports, &c., such rate to be charged on the shortest route where there are several to the same place. This consideration raises the question of terminal charges, which at present are vague and unsatisfactory. It is absolutely necessary in the interest of the trade that the word "terminal" as used in the various Railway Acts, should be defined. It should be defined under the following heads:—

1. A sum of — per ton for use of siding belonging to railway company.
2. A sum of — per ton for use of siding belonging to individuals, as shunting, collecting, or delivery rate.
3. A sum of — per ton for loading or unloading at any siding belonging to the railway company, if executed by the company's servants.
4. A sum of — for delivery by distance, whether from public or private siding.

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As at present defined, simply by the word "reasonable," constant disputes arise as to the interpretation of this term, and the public have no remedy for what may be considered excessive terminal charges except an action at law, which is a troublesome and expensive proceeding.

The general conclusions to which the committee have arrived are:—That it is desirable there should be a thorough revision of railway rates, and that the same charges should be made binding on all companies.

That a rates office should be established in London, and that all rates be submitted to, and authorized by, a duly appointed board: after which they should be gazetted, and should not be subject to modification, unless after giving reasonable notice, and stating the grounds on which alterations should be made.

That the terminal rates should be defined as indicated above, and that no terminal charges be made at intermediate stations where traffic passes over more than one company's line.

10,122. Have you any statement to make with regard to the subject to this Commission?—I think, perhaps, if I read portions of the report which I have handed in, it will state the case more clearly than I can do it in any other way. We say, "With "respect to the charges now made by the railway "companies passing through this district for the "conveyance of pig and bar iron, the following table "exhibits the rates from Wolverhampton and Stourbridge to all the principal towns in the kingdom to "which there is an extensive traffic from South "Staffordshire." We mention Wolverhampton and Stourbridge especially, because they seem to be the two outside points of the district, Wolverhampton on the one side, and Stourbridge on the other. The railway companies have treated the district as a whole, and the longer and the shorter distances have been considered alike, the rates being the same from any intermediate place as from the outermost points.

10,123. (*Capt. Galton.*) Do you mean that the charge from Wolverhampton to Liverpool or from Stourbridge to Liverpool would be the same?—Very nearly; and the rates which follow on the second page of the report are quotations given by the railways themselves, and all our calculations are based as from Wolverhampton. I should say that in the report which is before the Commissioners there is a printer's mistake in saying that the distance to London is 156 miles; it is really 126.

10,124. (*Mr. Ayrton.*) Are the rates calculated on 156 or 126 miles?—126.

10,125. (*Mr. Hamilton.*) That is from Wolverhampton?—Yes, that is from Wolverhampton.

10,126. (*Capt. Galton.*) Do those rates show the distance from Wolverhampton and from Stourbridge to London, and to the different places?—Those distances are all calculated from Wolverhampton.

10,127. (*Mr. Hamilton.*) You say the rates are principally the same, whether from Wolverhampton or from Stourbridge to those places?—Yes, and from all the interlying and intermediate district they are nearly the same.

10,128. From Stourbridge itself what is the rate?—From Stourbridge it states the rate on bars to be 20*s.* to Glasgow, 17*s.* 6*d.* to Newcastle-upon-Tyne, 15*s.* to West Hartlepool, whereas to West Hartlepool the Great Western Company quote 17*s.* 6*d.* and the London and North-western Company 15*s.* It gives the quotations of each railway from the different places.

10,129. (*Mr. Ayrton.*) You notice that it is indicated that some of those rates include collection and delivery, and in some only collection?—Yes, that is the way in which they have given them to us.

10,130. Would the expenses of collection and delivery be the same in all those places, or is there any limit of radius in each of those places for collection and delivery?—I should suppose that they vary in every single instance; I do not think that you could establish any rule for the collection and delivery.

10,131. With regard to collection and delivery in London, from its size I presume that the general expense of haulage in London would be greater than it is in most places?—Yes; calculating it as delivery to what is termed "within the limits," by cart; but we consider that the question should be placed upon the basis of a certain rate to given points, and that any extra for delivery should be a matter of subsequent arrangement; for instance, I consider that a man shipping 100 tons of iron should be placed on different terms to a man sending two tons of iron to a blacksmith.

10,132. Apart from the question of wholesale or larger or smaller quantities, is there not an important question with regard to the mere expense of collection and delivery arising from the additional cost of carts and otherwise, and the difference of the distances for which they undertake the collection and delivery?—Undoubtedly.

10,133. How are we to arrive at a consideration of that difference in estimating those rates?—In London there is the contractors' rate, said to be 3*s.* 4*d.* a ton for delivery anywhere within the limits; by the contractors I mean Pickford & Co., &c.

10,134. From whence does the contractor take the charge; is there any additional local railway charge put on in London?—No; the 17*s.* 6*d.* rate includes collection and delivery, whether collected on a siding belonging to the railway company or an individual, or collected by boat or by team, and taken to the nearest station. In many instances they collect it at a very considerable cost to get the goods on their railway; and in the same way again there is a very considerable cost incurred in the delivery in London.

10,135. How are we to eliminate in this table those special charges from the general charge of the railways so as to institute any comparison?—The only way in which I can take it is this: we say that it should be calculated on a station to station rate, and that the collection and delivery should be a separate and distinct rate.

10,136. How can we arrive at any conclusion from the varying rates stated in this table when there are such large elements of diversity not taken into account or not eliminated from the account?—It appears impossible to get to that so as to give the exact figures, because, as I say, they vary in every instance. I will take Glasgow in the first instance; the railways there run into each of the works, and the iron will be loaded in those works and put upon the railway immediately, and they will bring that iron from Glasgow into Staffordshire to any station, or to any works denoted, at the rate quoted in the table. To Newcastle-on-Tyne from our district there are many works on the railways, and others only on the canal, and the collection is made by boats and taken to the nearest railway station at unquestionably a cost to the railway company. The delivery again is made along the docks at Newcastle if it goes away by vessel, or it is delivered by cart to the various warehouses.

10,137. (*Sir R. Hill.*) Is the cost of collection and delivery included in those charges?—Yes.

10,138. In Glasgow and Newcastle-upon-Tyne it would appear that the charges for collection and delivery are not included?—They give all the quotations, and in the case of those marked with a section collection and delivery are included; there are other marks denoting collection, but in all the other quotations they do not quote "collected and delivered," they simply quote a rate, and they still do the work of collection and delivery.

10,139. (*Capt. Galton.*) How do they charge for that?—They make this simple quotation, and they make no extra charge.

10,140. You have marked in your table certain items with sections, the explanation of those sections is, that the rates so marked are collected and delivered, that would imply that the other rates mentioned are not "collected and delivered"?—It bears that implication certainly, but the railway companies for their own purposes make those marks to denote this difference. I do not know whether the reason for that may be that at any future time they may say, we have given you no quotation for collection and delivery, and we will charge you for it, and are at

liberty to do so; but where they have denoted them they do not make the charge.

10,141. Those rates are not rates actually charged, but merely rates which have been quoted by the railway companies?—Those rates were quoted specially for this report.

10,142. Are they the rates which are actually charged in the district?—Yes, those are the rates usually charged in the district.

10,143. But they vary those rates occasionally, do they not?—I am not aware of that.

10,144. (*Mr. Ayrton.*) Are we to take it as a fact that the rates actually paid all through this list include collection and delivery within certain definite limits?—In some instances they are marked as station to station. For instance, in a document which I have here they quote Bristol 9*s.* 5*d.* station to station, but we do not find that they make those charges although they quote them.

10,145. Can you state the charge paid, not merely the charge quoted or advertised, but the charge paid?—These are the charges usually paid, including collection and delivery.

10,146. (*Capt. Galton.*) But each time that you send goods do you ask for a rate?—No, we take it that the same rate exists until it is corrected by themselves.

10,147. They charge you the same rate until they send you word that they have altered it, or do they take your goods and give you no notice that they have altered the rate, and charge you accordingly?—They never do that, they have no power to do it.

10,148. (*Mr. Ayrton.*) You go on as before until you receive notice of correction?—Yes, until we receive notice of correction.

10,149. How are we to make a mileage calculation of those rates when we have such great differences in the terminal charges?—That is the very thing which we wish the Commission to do, for we find that we are unable to do it.

10,150. Should we take this as a statement of mileage rates, or would not it be more correct to take it as a statement of the mileage rates with certain uncertain charges for collection and delivery added?—Certainly.

10,151. (*Chairman.*) Does the expense of collection and delivery vary very much in different localities?—Undoubtedly; for instance, I may speak of my own works which are on the railway. The railway company receive all their goods from me, allowing me a certain sum for the labour of putting them on to their siding for them.

10,152. (*Sir R. Hill.*) Making a deduction from their ordinary charge?—I make a deduction from their charge for the work which I do for them, so that they charge to the public, who ask for a station to station rate, 1*s.* 6*d.* a ton for that same work.

10,153. But that is not in addition to the charges in the table, is it?—No; I say if they take a station to station rate they charge 1*s.* 6*d.* per ton for collection.

10,154. But is that in addition to the charges stated in this table?—No; this is stated as near as I can judge "collected and delivered."

10,155. (*Mr. Ayrton.*) I understand that they rebate you 1*s.* 6*d.* if you load up and put the trucks on the siding ready for the locomotive, and if you take off the siding trucks fully laden, giving them no trouble?—Not for taking up, merely for putting on.

10,156. (*Mr. Hamilton.*) Take the column of Wolverhampton; in the first six quotations of rates there is no "star" and no "cross," from that we should infer that it did not include either "collected" or "collected and delivered;" should we be right in drawing that inference?—You would from their quotations, but I cannot say that I believe it in fact. For instance, this quotation, if you look at the Great Western column, is quoted as station to station in four ton loads.

10,157. (*Captain Galton.*) As an instance, have you ever sent iron in bars to London for 17*s.* a ton?—At 17*s.* 6*d.*

10,158. I mean by the London and North-western?—It should be 17*s.* 6*d.*

10,159. You actually send it, and it has been delivered at that price?—Yes.

10,160. Have any of those other rates been verified by the actual charges made to the ironmasters?—Yes; I have got a large number of old accounts with me where these charges have been made.

10,161. The actual charges put down here?—Yes; the actual charges put down here.

10,162. (*Mr. Hamilton.*) Including collection and delivery?—Yes; including collection and delivery.

10,163. (*Sir R. Hill.*) But in your particular case I think you say that a deduction of 1*s.* 6*d.* a ton was made?—No, 1*s.*

10,164. That is to say, instead of paying the 17*s.* 6*d.* you have paid the 16*s.*?—16*s.* 6*d.*; the 1*s.* a ton is allowed in my individual case.

10,165. (*Mr. Ayrton.*) Do you know the smallest rate which has been paid for collection or delivery where the trains run on to the wharves and hydraulic power is used, as is the case at Hull?—I believe the lowest charge is at Hull and Hartlepool.

10,166. What is the charge there?—I cannot tell you the figures.

10,167. Do you know what would be the charge at Cardiff, where the same thing is carried on?—1*s.* 6*d.* a ton I paid in one instance for delivery.

10,168. Does that delivery include putting into the ship?—Putting on to the ship.

10,169. Does it include the loading of the ship?—No; not the labour in the ship, but merely the putting it on to the side of the ship.

10,170. That would include all the dock dues; I do not mean the ship's dock dues, but the freighter's dock dues?—Yes, the freighter's dues.

10,171. Therefore we have very different elements to consider in all those cases of terminal charges?—Unquestionably.

10,172. (*Mr. Hamilton.*) But is that 1*s.* 6*d.* which you say you paid at Cardiff in addition to this quoted price of 9*s.* 2*d.* or 8*s.* 4*d.*?—Yes, it is in addition.

10,173. (*Mr. M'Clean.*) Do you say that 17*s.* 6*d.* includes delivery in London?—Yes.

10,174. Are you aware that the terminal allowances in London are 8*s.* 6*d.* a ton, and in the country 4*s.* a ton, making 12*s.* 6*d.* for terminal charges out of the 17*s.* 6*d.*, and leaving the rate between Wolverhampton and London only 5*s.*?—I have never been able to get at that fact before.

10,175. This is the clearing-house book (*handing the same to the witness*), in which you will see that it is so; you will also see that when goods are delivered at the station, and you cart them away yourself or cart them to the station, the charge is only 1*s.* 6*d.*?—I was not aware of that before.

10,176. (*Mr. Ayrton.*) Do you know whether the rate which you have paid to London includes the putting on board the ship, or is it merely delivered into the docks?—It is delivered on board.

10,177. Then, again, we should have not merely the railway terminal, but we should have the dock dues, as far as the freighter is concerned, to take into account?—Where the railway companies run alongside the docks there are no dock dues; that is part of their arrangement. For instance, they deliver at Camden Town to my order, or at the Poplar station, Poplar being on the docks, and from thence it would be put into barges, and taken alongside the ship.

10,178. But all those charges would be supplemental charges, even to the delivery in London, that is to say, there would be additional charges to those which would be made if the goods were carted merely to one of the warehouses in Thames Street?—No; it would be a less charge to put alongside the ship than it would be to cart it to the warehouse in Thames Street.

10,179. But there would be the charge for getting to the docks to be added to the terminal charge at

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Camden Town?—Yes, but the railways run into the docks.

10,180. But do they not run over the London local railways, for which they have to pay heavy charges to the North London Railway Company?—I cannot tell what those charges are.

10,181. (*Capt. Galton.*) Can you state to the Commissioners what are the different charges actually made for the delivery of iron to warehouses in London, or the delivery of iron alongside to be put on board ship?—The same charge is made in each instance.

10,182. Therefore the company makes to you the same charge whether it has the expense of cartage or has not the expense of cartage?—Just so; that is the great hardship of which we complain.

10,183. (*Chairman.*) Could you furnish the Commission with a statement of the charges from station to station?—We have no such charges; we cannot arrive at those charges.

10,184. (*Mr. Ayrton.*) If I understand you rightly, they give you the gross rate, and when you diminish their duties and responsibilities, by undertaking anything yourselves, you get a rebate made for that?—Not in London.

10,185. But in Staffordshire, or in any other part of the line, you do?—Yes, there is a special arrangement made in each individual instance.

10,186. Which depends, I suppose, upon the number of trucks which you load up and put upon the line, and a number of these circumstances?—It is so much per ton, in fact, regardless of the quantity.

10,187. Would they take a single truck from you in the same way as they would any large quantity?—Yes, certainly.

10,188. (*Mr. Hamilton.*) Have you ever undertaken to do your own cartage in London?—Never.

10,189. You do not know what rebate the railway company would allow a freighter who delivered his own goods from the station to the warehouse?—No; the company I consider are indisposed to do that, and they treat it as objectionable in any way or shape to give up the delivery themselves, saying that if every individual freighter is to send for his own goods there would be such an interminable confusion at their stations that it would be impossible to carry on their traffic.

10,190. Is not that reasonable enough?—It is quite reasonable enough.

10,191. (*Capt. Galton.*) They do not allow freighters to send for their own goods?—Nominally they do not allow it.

10,192. (*Mr. Ayrton.*) Practically they do not allow it, nominally they do?—I may say that nominally they do not. I believe that practically in a few instances they do do it under special arrangements.

10,193. (*Capt. Galton.*) Then they quote a lower rate, do they not?—Yes.

10,194. Could you state to the Commissioners some of the rates actually paid?—I am going to give you a quotation from the Shelton Bar Ironworks in North Staffordshire to London, where they quote to the Camden station 14*s.* 2*d.* instead of 17*s.* 6*d.*, that is to say, the 3*s.* 4*d.* cartage rate which I mentioned before is deducted.

10,195. (*Mr. Ayrton.*) Are you not entitled to demand rates from station to station, if you asked for them; have they any power to insist upon doing any more work than from station to station?—Not that I am aware of, only that they do take it into their own hands and carry it with a high hand.

10,196. I presume that they obtain this power by making a rebate, so that the charge is less than it would cost anybody to try to do it himself?—From this it would seem that they make the same rebate as they are charged themselves by the contractors. The contractors offered to take the entire traffic from South Staffordshire and to deliver it in London from the Camden station at 3*s.* 4*d.* per ton.

10,197. (*Mr. Hamilton.*) You mean to take the delivery at Camden Town and to distribute it?—Yes, for 3*s.* 4*d.* a ton.

10,198. (*Sir R. Hill.*) To any part of London?—Within the limits.

10,199. What limits do you mean?—I believe it is four miles for those things.

10,200. (*Mr. M'Clean.*) Was that general merchandise or iron alone?—Iron.

10,201. (*Mr. Ayrton.*) Upon that the railway company allow a rebate of 3*s.* 4*d.* or 3*s.* 2*d.*?—I suppose they allow it; I have no evidence of it; I know nothing of that for certain.

10,202. (*Chairman.*) Does the Shelton Bar Iron Company undertake the forwarding of their iron from Camden Town themselves?—I imagine that they make an arrangement by this quotation which is a printed document. I have no means of knowing what their special arrangements are.

10,203. (*Mr. Hamilton.*) Is it within your knowledge that any application has ever been made to the railway company to make a rate from station to station knowing that the permission for the freighter to do his own haulage has been refused?—That very question is under discussion now with the various heads of the railways to allow us the option of delivering at the station.

10,204. My question is, whether within your knowledge that application has ever been made and refused?—I say yes; that is the very question which is now under discussion with the railways, whether they will give us that option or not.

10,205. (*Mr. Ayrton.*) You believe, do you not, that they are bound to give it by law if you insist upon it?—We know that they are bound to give it by law.

10,206. Will you go on with the statement which you were about to make with regard to the difference of rates for different quantities?—I said that I considered that the deliveries of large quantities should be at better or lower rates than the deliveries of small quantities, and that the immense cost of cartage in London is divided over those that have no charge, that is to say, I who may be shipping 100 tons of iron have to pay the same, 3*s.* 4*d.*, where the work is not done.

10,207. What in your opinion would be the line of distinction between large and small quantities?—I would make the cartage pay in every instance, whether the quantity is large or small, if it is carted, according to the duties done.

10,208. What do you mean by large and small quantities; what is the line of distinction that you draw?—The railway companies quote 17*s.* 6*d.* for two ton lots, and the same rate has application to 2,000 tons.

10,209. What would be your distinction between large and small quantities as applicable to your purpose?—Only as to the work done. I would not make a distinction as to large and small quantities; the labour is the same on a large or a small quantity if it is carted, and therefore entitled to the pay. The distinction that I make is that if I ship 100 tons of iron, the charges on that 100 tons of iron shipped are much less than on 100 tons of iron distributed all over London, and therefore the shipping order is entitled to a consideration which the iron that is distributed is not.

10,210. You say that the charge would be different or ought to be different for a large quantity and a small quantity; what do you mean by a large or small quantity; what line of distinction would you draw; would you say 5 tons, 10 tons, 20 tons, or 50 tons delivered in one place?—I did not define the quantity.

10,211. What do you mean by large or small quantities?—Large quantities shipped, say, 20 tons.

10,212. Do you mean 20 tons, or 50 tons, or 100 tons; where would you draw the line of distinction?—I say that I do not wish to draw a line of distinction where the work is done; it is with regard to the nature of the work that I wish to make the distinction. If 20 tons is shipped, I consider that that 20 tons is

entitled to an advantage greater than the 20 tons which would be distributed over London.

10,213. You stated that there should be a different rate of charge for large and small quantities delivered, but I want to know what is meant by a large quantity and what by a small quantity; where do you define a large quantity or a small quantity?—20 tons I consider a large quantity, or say 40 tons which will occupy a flat.

10,214. Then you would have a different rate when 40 tons and upwards were delivered from the rate when less than 40 tons were delivered?—Yes, certainly.

10,215. (*Sir. R. Hill.*) And wherever it may be delivered?—No, not if it is carted; it is entitled to the same charge if the same duties are performed.

10,216. Then this differential charge would apply only to the iron shipped?—Or delivered alongside a warehouse on the river.

10,217. (*Mr. Ayrton.*) Delivered alongside the railway somewhere?—Alongside the wharf on the river.

10,218. But any siding off the railway or any railway communication would come within your allowance?—Yes, certainly.

10,219. (*Mr. Hamilton.*) I understand your complaint to be that there is a uniform charge made for a different amount of service; that in some cases the railway company do much less service for a given rate of charge than in other cases; that in some cases they do very little service by only having to deliver alongside the ship, and in other cases they have to deliver and distribute the goods over a large radius? Certainly.

10,220. And you think that there ought to be a different amount of charge in the two cases for the same quantity of goods?—Decidedly.

10,221. (*Mr. Ayrton.*) That would depend, would it not, upon what arrangements they had made with the local railway and with the docks, and upon how much they had to pay out for those services?—Of course those charges can be made to bring up the charges equal.

10,222. But are you aware that they have special arrangements for the extension of the line to the docks and with the docks?—I am not aware what their arrangements are.

10,223. (*Chairman.*) Do I understand you to state that those rates are generally adhered to by the railway company, or that there are frequent special rates allowed?—They have been adhered to for the last two years, I think I may say, entirely.

10,224. They have given no special rates within the last two years to your knowledge?—Not within the last two years to my knowledge.

10,225. (*Mr. M'Clean.*) Was there not an alteration made in the weight?—That is within the last two years. The inquiry arose with the iron trade from the alteration of long weight into short weight, which was really equal to $7\frac{1}{2}$ per cent. advance upon the rates.

10,226. That took place about a year ago, did it not?—Two years in January.

10,227. (*Mr. Ayrton.*) Short weight, I presume, is standard weight?—Yes.

10,228. And long weight was including the trade allowance?—Yes, 120 lbs. to the cwt.

10,229. (*Capt. Galton.*) Did the railway companies diminish the rates in consequence?—No.

10,230. They took advantage of the difference?—Yes, they took advantage of the difference. I may say that that was brought about very properly by some traders availing themselves of the difference to so great an extent that the railways were driven to do something, those freighters causing a single freighter who gave 22 cwt., as the amount might be, to stand at a disadvantage with those who gave greater weights.

10,231. (*Mr. Ayrton.*) Are there any other causes that you can suggest for the inequalities of the rates that you have mentioned, besides the terminal arrangements, the shipping, and otherwise?—We consider that we should have a mileage rate, on which we may base all our calculations, and that the term "terminal" should be defined according to the service done.

10,232. Do you mean that there should be a separate rate for each place or for places of the same character?—I may say, for instance, that in London all terminal charges for delivery shall be 3*s.* 4*d.*, or any figure that may be fixed upon; in Hull, or Hartlepool, or Cardiff, or Newport, or Liverpool, they should be fixed as shipping charges; and where the work is done in general terminals we suggest that a sum shall be paid for the use of a siding belonging to the railway company on the actual contents of the trucks, varying with the class of goods. We consider that $4\frac{1}{2}$*d.* a ton is ample payment for that terminal under those circumstances for the following goods,—coals, coke, ironstone, iron ore, pig iron, bar iron, rod iron, sheet iron, hoop iron, plates, slabs, billets, rolled and puddled iron, and so on.

10,233. That is when the waggons are put into the siding for the freighters to unload?—Yes, put into the siding for the freighters to unload.

10,234. (*Capt. Galton.*) Into whose siding? The siding of the company or the siding of the freighter?—A sum per ton for loading or unloading at any siding belonging to the railway company.

10,235. (*Mr. Ayrton.*) If the siding extended beyond the line, as it frequently does, into the premises of the freighter, would you make an additional charge for that?—No. We say, on the contrary, that it should be a less charge. We consider that the sum of 3*d.* per ton for the use of siding belonging to individuals is a shunting, collecting, or delivery rate.

10,236. (*Capt. Galton.*) You mean 3*d.* per ton to the railway company for their engine power upon your own siding?—Yes.

10,237. (*Mr. Ayrton.*) Would that be dependent upon the number of trucks that they had to shunt, or the distance of the siding from the station?—No. We consider that they regulate their sidings according to the amount of traffic.

10,238. But where a manufacturer has a siding on his own premises, and that siding is regulated entirely by the situation of the premises, and not by any arrangements of the railway company, would you take that element into account in fixing the charge for delivery at that siding?—No; because I consider that if I have a siding I must deliver my goods within such a reasonable distance of the railway as they can get at it. It would not be at all fair for me to expect them to run an engine half a mile down to my works to do it.

10,239. (*Capt. Galton.*) You are speaking, are you not, of sidings for the works which adjoin the railway?—Yes, which adjoin the railway, or most of them.

10,240. As all the works in South Staffordshire do?—As some works do.

10,241. (*Mr. Ayrton.*) For those works not necessarily having any communication to the stations, would it not be necessary to take into account the distance of the siding from a station in fixing the terminal charge for that siding?—Not in any way.

10,242. If you cannot stop the train at that place, is it not necessary to send back the goods that are to be delivered at the siding?—No; those arrangements are all made by themselves by their district agents, who ascertain at what time the train will be ready to call periodically for those trains which are made up at your siding. It is merely running off the main line, say 150 or 200 yards at the outside, to your siding to fetch your goods. You must have sufficient room for them to work a train in and to work a train out.

10,243. Does not that interrupt the working of the whole train unless it be itself a train? Does it not, therefore, involve the company in considerable trouble, and it may be expense?—We propose to pay them for that trouble and expense 3*d.*

10,244. Are the Commissioners to understand then that that should be the rule to apply to all sidings off railways, without reference to the cost that those

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sidings may entail, or be supposed to entail, upon the company from any circumstances?—We consider that that sum will compensate them for all that they do.

10,245. (*Chairman.*) Is it your opinion that, exclusive of terminal charges, there should be a uniform mileage rate?—We think so.

10,246. Would not that deprive the traders of the benefit of competition?—We think not.

10,247. Is not the inequality of rates owing to the competition, and that where there are two means of getting to a place the rates are lower than where there is only one means of getting to it?—Unfortunately our experience has told us the opposite. They fight for a time and then they become friends only to charge a little extra.

10,248. (*Mr. Ayrton.*) To what do you ascribe the difference of rates, supposing there be a difference, in the statement which you have given in?—There are different causes. We say that the rates "are "nearly equal whether the merchandise is conveyed "by the Great Western or by the North-western "Company; but there is great inequality in the rates "according to the distances of certain of the above-"named places from South Staffordshire. Taking "the rate to Swansea, distant from Wolverhampton "about 170 miles, it may be assumed that this is a "remunerative charge, as there are no special cir-"cumstances to make the rate exceptionally low. "The rate to Liverpool, 84 miles, half the distance "to Swansea, is the same as to Swansea." But in the Middlesborough district, which is already highly favoured by being on the sea, people can get their produce to London at the outside I believe at 7*s.* 6*d.*, and under favourable circumstances at 5*s.* by sea into the Thames. They give them a differential rate of 18*s.* 4*d.* for iron where the distance is 240 miles, and 16*s.* 8*d.* for rails as compared with 17*s.* 6*d.* by the South Staffordshire. Owing to the insulated position of the people of South Staffordshire being in the midland counties, where they have to buy a great amount of foreign materials, both bar and pig iron from Cleveland and North Staffordshire and Northampton, and from the hematite districts of Cumberland, as the mines become exhausted the importations from those districts will increase if the rates should be such as will allow capitalists to carry on the manufacture of finished iron on remunerative terms. The special circumstances of an important district of this kind ought to be taken into account, and the rates for export or import should certainly be as low as they are for any other district engaged in a similar manufacture. Taking the lowest charges at present made, and which as before mentioned may be assumed to be remunerative to the railway companies, it appears to the members of the South Staffordshire iron trade desirable to have a uniform mileage rate for the district to the various ports, &c., such rate to be charged on the shortest route where there are several to the same place. This consideration raises the question of terminal charges, which at present are vague and unsatisfactory. It is absolutely necessary in the interest of the trade that the word 'terminal' as used in the various Railway Acts should be defined. If it pays railway companies to convey iron from Middlesborough to London for 18*s.* 4*d.*, which is nearly double the distance of South Staffordshire, we consider that we should have the privilege of the same rate per mile as the base of our calculation.

10,249. If this rate is merely reduced down to the level of the marine rate, how can it be said to be an injury to South Staffordshire if they can get it conveyed by sea at precisely the same amount?—No, that is not quite so. The rate by rail is 18*s.* 4*d.* for 240 miles, whilst we pay 17*s.* 6*d.* for 126 miles.

10,250. But then you could get it conveyed by ship at the rate which the railway charges if the company charge more?—You see that the difference between 18*s.* 4*d.* and 7*s.* 6*d.* is so great that there must be a grand object in sending by rail.

10,251. But would not the effect therefore of any attempt at a uniform rate be simply that the railway company would be prohibited from charging this low rate, and the goods would then go by sea, and if so what advantage would that be to the Staffordshire district?—We hold that the railway companies could carry at remunerative rates, and if 18*s.* 4*d.* is a remunerative rate for 240 miles, it reduces itself to a calculation of what our charge should be for 126 miles.

10,252. (*Capt. Galton.*) Is it not rather this, that the railway company may think it worth their while in order to get the Middlesborough traffic to carry it at a rate at which it gives them a very small profit indeed, but that if they carried all their goods at that rate, to get a very small profit, they would not be able to pay any interest to their shareholders?—We consider that they do that from competition, and that it does pay them.

10,253. (*Mr. Hamilton.*) You assume that?—Yes, I say we consider so.

10,254. (*Capt. Galton.*) In my question I am assuming that 18*s.* 4*d.* does give the company a small profit on the carriage from Middlesborough to London, but still that profit is so very small that if their whole trade were carried on at that rate it would not be sufficient to give a profit to their shareholders?—Then supposing that is so, we consider that we are paying to make up the loss that they sustain on another traffic, which is introducing a competition injurious to ourselves.

10,255. Assuming that they must charge at the same mileage rate from Staffordshire to London that they charge from Middlesborough to London, would not the result be that the company would not lower the rate from Middlesborough to London to the rate which they have now lowered it to, but would raise it up to the level of the Staffordshire rate and allow the whole of the iron to go by sea, by which you would not benefit in any way, because the Middlesborough iron would arrive by sea in London at the rate at which it now arrives, and your iron would pay the rate which it now pays, only that the railway company would not carry Middlesborough iron, it would be carried by ship instead?—In that case it would put us in a better position than we now are in, because the ships are uncertain in their time, and I cannot suppose that anybody would pay 18*s.* 4*d.* to get the iron sent to London when they could get it by sea for 7*s.* 6*d.* unless the requirements of the purchasers were such as to compel them to pay it.

10,256. Does the 7*s.* 6*d.* include the terminal charge by the ship?—As far as I am advised it includes every charge, and I am told that in many instances they can send round for as low a freight as 5*s.* a ton.

10,257. Are you aware whether there are not several charges after the ship arrives which bring the ship rate and the railway rate more to an equality?—I was informed by Middlesborough people that 7*s.* 6*d.* was the average cost for delivery on board ship and re-delivery alongside the warehouse in London, or alongside the ship.

10,258. Are you aware that in loading a ship with iron, you cannot send the iron from Middlesborough by sea to load on board immediately, but that you are obliged to have it brought to London beforehand, and very often to keep it wharved for some time?—When they bring it by ship they put it alongside the warehouse or alongside the ship that is going to re-export it.

10,259. From the uncertainty of arrival is it not necessary to send it beforehand, and are there not therefore intermediate charges which bring the ship rate up to the same amount as the railway rate?—Those would be warehouses charges, which any merchant would make.

10,260. (*Mr. Hamilton.*) Do you believe that the quantity of iron exported from the Middlesborough district would be the same as it is now if the railway did not exist, that is to say, do you believe that by sea the same quantity would be brought into com-

petition with the Staffordshire district as now ?—I do not.

10,261. Therefore you consider that the differential rate per rail is a damage to your trade ?—Unquestionably.

10,262. (*Chairman.*) The low charges from Middlesborough to London are owing, are they not, to the competition of the sea carriage ?—Undoubtedly.

10,263. Then that is a case in which competition has lowered the charges ?—Because the railways and the shipowners cannot combine.

10,264. (*Mr. Ayrton.*) Does not the Staffordshire district profit as much as it loses by the Middlesborough district ?—No, I should say not.

10,265. Do not you think that the demand for Staffordshire iron to mix with Middlesborough iron is a compensation for the establishment of the Middlesborough ironworks ?—Not in anywise ; we complain of that as a hardship on the third page of our report. We say that the rates which are charged in the quotation from the Wednesbury goods manager for pig iron to Liverpool from South Staffordshire is 9*s.* 6*d.* for a matter of 84 miles, whilst the pig iron from Middlesborough to South Staffordshire is charged but 11*s.* 8*d.* "The charges to and from the same "places vary considerably. The Wednesbury goods "manager of the London and North-western railway "quotes the following rates for pig iron on May 1st, "1865 :—Liverpool, 9*s.* 6*d.* ; Manchester, 9*s.* 6*d.*; "Warrington, 9*s.* 6*d.*; Crewe, 9*s.* 6*d.*; Hull, 11*s.* 6*d.*; "Stoke, 6*s.* 8*d.*; Masborough, 6*s.* 9*d.*; Leeds, 9*s.* 2*d.*; "Sheffield, 10*s.*; Middlesborough, 11*s.* 8*d.*". Sheffield is not one-third of the distance, and a great deal of the best iron that is made in South Staffordshire might be sent to Sheffield to be worked up there into armour plates, and the best descriptions of iron that they have lately taken to make, but this 10*s.* rate is an absolute stoppage to any trade.

10,266. (*Chairman.*) Is there not a project to be brought before Parliament next year for connecting South Staffordshire with Sheffield by a new line of railway ?—I am not aware ; I believe it is in contemplation, but I am not aware of it.

10,267. (*Capt. Galton.*) Why is the rate so low to Cardiff ?—Simply because it is a shipping port I imagine. There is competition to Cardiff by the Midland railway, viâ Gloucester, and the London and North western and Great Western companies are on anything but fraternal terms with the Midland company.

10,268. When you get competition in active operation you get a low rate ?—We get the advantage then.

10,269. It is only when the companies have combined that competition is no advantage to you ?—Just so.

10,270. (*Mr. Ayrton.*) The facilities for shipment at Cardiff are very great, are they not ?—Yes.

10,271. There is no intermediate railway, but the railway itself runs down to the ship's side with hydraulic power ?—I believe so. That is the case with some of the railways.

10,272. Are you aware whether the rates at Cardiff for shipping are extremely low, 3*d.* a ton, or something of that sort, including all the expense ?—I am not aware whether that is so or not. In one instance I remember I paid 1*s.* 6*d.* for the shipment, in addition to the charge of 9*s.* 2*d.*

10,273. (*Mr. M'Clean.*) This was only a station to station charge ?—Yes.

10,274. (*Capt. Galton.*) Have you no water competition to London ?—A nominal competition.

10,275. (*Mr. M'Clean.*) What is the toll on the canal ?—They have a sixpenny differential rate, and they charge 17*s.* ; but the canals and railways from South Staffordshire to London are an actual monopoly. I believe they are not able to stable the horses now as pleasantly as they have done, and that we shall have some advantage from that.

10,276. (*Capt. Galton.*) You mean the Grand Junction Canal, do you not ?—Yes.

10,277. (*Mr. M'Clean.*) Do you know the charge on iron in Staffordshire on the Birmingham Canal ?—1*d.* per ton per mile.

10,278. And it is about the same on the railway to Liverpool, is it not ?—I think it is.

10,279. The rate by canal is without haulage, is it not ?—Yes.

10,280. Are the rates proposed in the appendix to the report of the South Staffordshire Ironmasters' Association based upon the rate to Cardiff ?—We have taken the rates which have been given us, and there we state, "The rates to the several places above "mentioned are nearly equal, whether the merchan- "dise is conveyed by the Great Western or North- "western companies ;" and then we show the discrepancies in their charges. We say : "From the "above table it appears that the rate to London is "89 per cent. above Glasgow, 60 per cent. above "Hartlepool, 91 per cent. above Cardiff, 18 per cent. "above Liverpool, and 40 per cent. above Bristol. "At the Hartlepool rate, the carriage to London "would be 11*s.* ; at the Glasgow rate, 8*s.* 4*d.* ; at "the Hull rate, 9*s.* 9*d.* ; at the Gloucester rate, "9*s.* 10*d.* ; and at the Cardiff rate, 9*s.* 2*d.*" In each of these instances, excepting Glasgow, there would be shipping ports ; and iron that would be shipped in London we consider should have the same advantages that it has at those other ports, because London would and could ship a good deal of Staffordshire iron if it could be got up at a reasonable rate to put alongside the ship.

10,281. But the rate to Hartlepool does not include terminal charges, according to this statement ?—It does not include the terminal charge ; practically it is the whole of the charge. There is no extra charge made, although they do not say "collected and delivered," they do not make a charge for that. I believe that 14*s.* 2*d.* is the rate delivered at Hartlepool.

10,282. (*Capt. Galton.*) You say that the rates charged from Warrington to London, which is 80 miles further than Birmingham, are the same as from this district ?—That is a mistake ; it should be corrected to 56½ miles. The calculation was as going through Birmingham.

10,283. But still you say that the rates charged from Warrington, which is much further than the Staffordshire district, are exactly the same ?—I am afraid I cannot substantiate that, because the evidence that I had is withdrawn, and I have nothing to substantiate it with.

10,284. (*Mr. Ayrton.*) You mentioned as a remedy that there should be a uniform mileage rate. How would you propose to fix the uniform mileage rate ? On what principle would you propose to fix the uniform rate ?—At so much per ton per mile on the classification of the goods mentioned in the appendix to our report.

10,285. Upon what principle would you have the amount of the uniform rate fixed ?—We say, "Sup- "posing the figures so constantly declared remune- "rative as carrying rates for coal and coke by rail, "viz., ¼*d.* per ton per mile, it seems fair to consider "the following scale for carrying iron a reasonable "one, viz., ½*d.* per ton per mile for haulage, &c., "¼*d.* per ton per mile for waggon hire, and terminal "rate not exceeding 9*d.* per ton at either end."

10,286. But the rates for coal and coke and other goods at present are fixed upon a principle of classification with respect to the supposed value of goods. Is not that so ?—I am not aware that that is so. They are classed in the Act of Parliament all the same. But as far as I can make out, the alterations in the Acts for the various duties performed in each instance vary the classification.

10,287. As a general rule does the classification proceed in some measure upon the value of the goods as well as the liability to damage and other considerations ?—Not necessarily.

10,288. But would you take as a basis merely the fact that those goods are charged ?—We consider

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that a mileage rate may be formed under the following classification :—It is suggested that raw materials used in making iron, including coal, coke, ironstone, iron ore, lime, limestone, sand, fire-clay, cinders, slag, bricks, fire-bricks, and stones, also undressed road materials, dung, compost, pig iron, refined iron, building, pitching, and paving stones, clay, and slates should be in the lowest class.

10,289. You would suggest a classification which should put the raw material and the manufactured article into the same class ?—That is class A.

10,290. I am asking you with reference to the introduction of manufactured iron into the class which you have just mentioned, do you think it would be fair to put the manufactured article into the same class as the raw material ?—By "manufactured" does the honourable member mean pig iron or not ?

10,291. Will you just read the classification again ?—"Pig iron and refined iron." Refined iron is another process almost from that of pig iron, it purifies it, but it is used in the same way as pig iron; it certainly is of a higher value. We propose to put in class B. bar iron, rod iron, sheet iron, hoop iron, plates, slabs, billets, rolled and puddled iron, heavy castings, railway chairs, gas and steam tubes, cast-iron pipes and other castings, wheels, &c., not liable to breakage in transit, nails, chains, vices, anchors, anvils, and smithed iron work, wheels, axles, &c. We do propose to make a distinction between the two classes.

10,292. What rate do you propose this class to be conveyed at ?—We think $\frac{3}{4}d.$ per ton per mile, or at the furthest 1*d.* per ton per mile, would be sufficient.

10,293. (*Sir R. Hill.*) With the addition of a terminal charge ?—Yes, with the addition of a terminal charge not exceeding 9*d.*

10,294. (*Mr. Ayrton.*) This is the mere mileage rate that you are now giving ?—Yes, the mere mileage rate.

10,295. Will you go on to the next class ?—I have nothing to do with the other classes. I do not know anything about them.

10,296. What per-centage above or below the rates now prevailing in the district would those proposed rates be ?—They would be below. If you take the London rate as 1*d.* for 126 miles that would be 10*s.* 6*d.*, and the 1*s.* 6*d.* added would be 12*s.*

10,297. You would have to add to that the terminal rate ?—If you add the cartage to that it would give you 3*s.* 4*d.*, and you would have to add a terminal, which would give you 15*s.* 4*d.*, the present rate delivered in London.

10,298. (*Sir R. Hill.*) Would you propose that the 9*d.* should include both terminal rates at each end ?—The terminal should not exceed 9*d.*, we have said before that $4\frac{1}{2}d.$ is a fair charge to the public.

10,299. Do you mean that 9*d.* should include the charge at each end of the line ?—It shall not exceed 9*d.* at either end of the line, that is to say, that the terminal charge shall not be more than 1*s.* 6*d.* a ton.

10,300. 9*d.* for each end ?—Yes.

10,301. Would you think it right that the terminal charge for London should be the same as the terminal charge for a small provincial town ?—I do not see that it would make any difference, the small provincial town would profit by the charge made in London, We have said before that we consider $4\frac{1}{2}d.$ to be a fair charge in the country at the sidings of the company.

10,302. This charge of 9*d.* is to include cartage, is it not ?—No.

10,303. The cartage then would be a varying charge in addition to the 9*d.*, would it not ?—Yes, it would be a varying charge.

10,304. (*Mr. Ayrton.*) Adding those sums to the mileage rate which you have proposed, what relation would they bear to the rates at present charged ?—There would be a very considerable reduction.

10,305. (*Chairman.*) But in some instances it would be a considerable increase, would it not, upon the rate as at present charged ?—On those distances it would be so; for instance, the rate from Glasgow would be very much increased.

10,306. (*Mr. Ayrton.*) Do your rates throughout include waggons provided by the company or by the freighter ?—By the company throughout.

10,307. (*Mr. Hamilton.*) How does this rate which you quote for class A., which you propose to limit to 1*d.* per ton per mile, compare with the existing Middlesborough rate ?—240 miles at 1*d.* would be 1*l.* against 18*s.* 4*d.*, and the terminal charges would be 1*s.* 6*d.*

10,308. What would it be altogether ?—1*l.* 1*s.* 6*d.*, and cartage 3*s.* 4*d.*, making 1*l.* 4*s.* 10*d.*

10,309. You would therefore practically propose an increase upon the Middlesborough rate ?—We propose a reduction on ourselves. We say that it shall not exceed 1*d.* for the Middlesborough rate, and if 1*d.* is taken as a uniform rate it would increase the Middlesborough rate; but we think $\frac{3}{4}d.$ per ton per mile is sufficient to pay.

10,310. That would be about the Middlesborough rate ?—Yes.

10,311. At the top of page 4 of the report, in the paragraph to which you have been alluding, you say, "Supposing the figures so constantly declared remunerative as carrying rates for coal and coke by rail, viz., $\frac{1}{4}d.$ per ton per mile." Can you quote that as an existing rate upon any of the lines of railway ?—On the Midland line, and I believe on the London and North-western line.

10,312. I ask you whether you know it of your own knowledge ?—I have no absolute knowledge of the fact.

10,313. (*Mr. Ayrton.*) Is that a rate which is quoted for two or three tons, or is it a rate quoted for large quantities ?—For large quantities. It was given in evidence in one of the committee rooms here last year I believe.

10,314. (*Mr. Hamilton.*) It was given in evidence as a thing which might be done, but it was not given in evidence that any railway has as yet reduced its charges to $\frac{1}{4}d.$ per ton per mile ?—I fancy it was so.

10,315. You do not know it of your own knowledge ?—I do not.

10,316. (*Mr. Ayrton.*) Was not that rate given as applicable to whole train loads laden in the siding by the freighter, and taken off the railway by the freighter from the siding ?—Yes.

10,317. In full trains ?—Yes, in full trains.

10,318. On a good gradient ?—I believe that the London and North-western has the best gradients of any line in the kingdom.

10,319. Will you explain how you would propose the uniform rate to be fixed, and how you would propose to maintain that uniform rate; would you prohibit all railway companies from reducing the rate, or would you maintain the rate when you had once established that uniform rate ?—We propose that there should be a rates' office established where those things should be declared.

10,320. Supposing Parliament were to fix a uniform rate as desired by you, how would you have it maintained uniform; would you have Parliament prohibit all railway companies from charging less than that rate ?—On the contrary, they may charge as low as they like, provided they put every trader on the same footing.

10,321. But supposing there were different railway companies, and they charged different rates, how would you act then ?—If the different railways give every one of their freighters the same advantages no one can complain.

10,322. Would your principle be that a railway company should not reduce that established rate on any part of its line unless it reduced the rate uniformly over the whole of its lines ?—That is our view.

10,323. But if one railway company reduced its rates, would you require that to operate upon another railway company to effect a reduction in their rates ?—No, not if they decreased below the point mentioned,

but I say that they must give every one the same advantage.

10,324. Then you would confine it only to the one company which made a reduction of rate on any part of its line?—If, for instance, the London and North-western company, on any part of its system, reduced its rate of carriage, we should suggest that the same rate of carriage should be charged all over the line—all over the system.

10,325. How would that assist you in the case of the Middlesborough traffic, supposing the Eastern Counties line were to be run over, and the rates were to be reduced on the Eastern Counties system?—We cannot help ourselves if they go below the rate.

10,326. Then if the London and North-western did not reduce their rates in like manner you would be in the same position as you are now?—Just the same.

10,327. Do you think it would be an advantage to trade in general if a company were discouraged from reducing its rate by the fact that if it reduced it on one part of its system it should be compelled to reduce it everywhere?—I do not see that it would injure trade if it placed every trader in the kingdom on the same footing. If I could go and ascertain that the lowest rate charged was applicable on any part of the line that I could avail myself of as a matter of course, it would improve my district.

10,328. (*Capt. Galton.*) What you say is, that you would make any one railway company carry at a uniform rate over its own line?—Over its own line.

10,329. How would that help you with regard to the Middlesborough iron?—It would not help us unless a uniform rate were established.

10,330. You mean unless a uniform rate were established all over the kingdom?—The same rate should be charged all over the kingdom on every line.

10,331. But suppose that the rate is established not at $\frac{3}{4}d.$ but at $1\frac{1}{2}d.$ per ton per mile over the whole kingdom, and that the London and North-western company choose to carry at that maximum rate over the whole of their line, how would you be helped if the Great Northern company chose to carry at $\frac{3}{4}d.$ over its line?—It would not help us at all; as a matter of course that would be a manifest injustice to us. If one line lowers its rate and the other raises it we are in a worse position than ever.

10,332. Your argument would be that a uniform rate should be fixed for the whole country?—For the whole kingdom.

10,333. And that all the railways should be worked as one line?—Yes, as one railway.

10,334. (*Mr. Ayrton.*) You have already stated that you would not object to any one railway company lowering its rate whenever it pleased, provided it lowered its rate over its whole system?—Yes, certainly, if they go lower than the uniform established rate, they give that advantage to their freighters.

10,335. Still we want to know how you would remedy the grievances of which you have complained, seeing that there are so many different railways, one of which may lower its rate to compete with the sea carriage, and the other does not lower its rate when there is only inland carriage?—We consider that if it is remunerative to those railway companies carrying in competition with the sea trade, in the same way it would be remunerative for others to carry where there is no sea trade as opponents, and that $1\frac{1}{2}d.$ per ton per mile would be too much to charge.

10,336. The difficulty that you experience does not seem to be capable of a remedy at present, unless it were enacted that railways should maintain a uniform rate without reduction?—There is that seeming anomaly naturally.

10,337. (*Sir R. Hill.*) You would propose a much lower maximum than now exists?—Yes, that is the point which we aim at.

10,338. Therefore the variations would be less violent than they now are, is not that your desire?—That is our view.

10,339. (*Mr. M'Clean.*) In your own business do you charge the same price to your customers as the effect of competition?—We do, certainly.

10,340. Then how is it that the variation is so great in tenders for railway bars, amounting sometimes to as much as 40 per cent.?—There is a variation in quality I suppose.

10,341. (*Mr. Ayrton.*) The specification generally gives the quality?—There are variations in the specification also.

10,342. (*Chairman.*) Do you propose that this maximum rate should be fixed by Parliament or by any other authority?—By Parliament.

10,343. Would you propose to appoint any board for regulating these matters?—We propose that a rates office should be established.

10,344. (*Capt. Galton.*) How would you constitute the rates office?—It should form a section of the present Board of Trade.

10,345. Is it your idea then that that office should have the power of varying the rates?—No, the railway companies. We say "that a rates office should "be established in London, and that all rates be sub-"mitted to and authorized by a duly appointed board; "after which they should be gazetted and should "not be subject to modification unless after giving "reasonable notice and stating the grounds on which "alterations should be made." We say this because, as in the instance in January 1863, when the rates were raised from long weight to short weight, many people had contracts existing over a period, and those contracts were based on the rates given at the time that they were entered into, and an advance of $7\frac{1}{2}$ per cent. on the carriage very frequently would tell against us. In one instance I may say it was practically an advance of 1*s.* per ton, and 1*s.* per ton frequently affects an order.

10,346. (*Mr. Ayrton.*) If that principle of not affecting contracts were carried out it would render it extremely difficult to alter rates without very long notice, would it not?—No; the only difference would be this,—that I should have to go to the railway company and say, I am entering into a contract to extend over a period, is it within your contemplation that any alteration will be made in those rates during that time, or will you enter into a contract with me to deliver this given quantity of materials at a given rate.

10,347. Can you not do that now?—We can do that now certainly.

10,348. Do not your contracts for deliveries of large quantities sometimes extend over two or three years?—They do extend over that period sometimes.

10,349. Therefore if we were to adopt that principle it would require two or three years' notice of alteration of rates to relieve you of the evil?—No; I consider that there should be a special arrangement If a man enters into a contract he considers what the cost of his materials will be and the carriage, and he includes everything in his calculations, and he makes his arrangements with the railway company and calculates for any alteration.

10,350. Should it not be left to him in making his contract to stipulate for an increase in case the railway company should make an increase of rates as he may stipulate against any other contingency; does he not now stipulate, for instance, against strikes or other matters beyond his control?—We have been driven to do so latterly.

10,351. Therefore is not the remedy for that more care on the part of the iron master in making his contract?—All of these things tend to disorganize trade so much that we like to avoid them as much as possible.

10,352. (*Sir R. Hill.*) If notice were required even for a short time it would certainly mitigate the evil?—Yes, it would give us an opportunity of making our calculations. If one month's notice or three months' notice were given, we should be able to judge what our transactions were likely to become.

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10,353. (*Chairman.*) With regard to new railways, would you propose those maximum rates to apply to all the new railways that are made?—To all new railways.

10,354. Is this board to have the power of modifying the rates that are fixed by Parliament or of allowing some modification of those rates?—No; the rates that are fixed by Parliament are to remain fixed. We merely think that the rates being submitted to an authorized and duly appointed board, the modification alluded to shall be only below those rates, or any alteration made on any one line. For instance, on this Middlesborough rate, if the rate is $\frac{1}{2}d.$ per ton per mile or $\frac{3}{4}d.$ per ton per mile, any one section of that railway may say at once, for our own individual purpose we will make it $\frac{1}{4}d.$ per ton per mile.

10,355. (*Mr. Ayrton.*) The office would merely regard the rates and the arithmetical consequences consequent upon any alteration of the rates?—Yes, certainly.

10,356. (*Chairman.*) Have you considered the effect that it would have upon any manufacturer established at Glasgow upon the calculation that he was to send his goods at a given rate if a change were made in the law by which all his calculations were defeated?—At Glasgow he would have the sea competition if the rates were raised to such an extent as to interfere with him. But I am not aware that there is any manufacturer in Glasgow that could or would be affected by this suggestion. We are speaking simply for our own trade.

10,357. You stated, did you not, that in some instances your proposed rate would increase the present rate?—Possibly.

10,358. (*Mr. Ayrton.*) Have you any reason to think that those rates are fixed by the railway companies with a view to favour any one manufacturer over another?—We believe that there are such rates. I am speaking more from conversation than as a fact. I am told that beer is brought up from Burton to London at 8*s.* a ton, and if beer can run from Burton to London, and is found remunerative in the mere transit at 8*s.* a ton, we think that bar iron should be in somewhat the same category.

10,359. In your own branch of manufacture is there any reason to suppose that the rates are at all influenced by personal considerations in favour of one manufacturer rather than another?—We cannot say that; but a rate is given from Kilwinning, near Glasgow, for pig iron, 285 miles, at 13*s.* 6*d.* a ton. That iron at 13*s.* 6*d.*, which would be brought down perhaps 20*s.* a ton less than our price in our market, comes in and destroys the whole of our capital invested in manufacturing pig iron. For instance, during the last two years we have seen pig iron introduced from that district all over the kingdom and into South Staffordshire, until it had become three months ago a question of whether we could afford to go on with our manufacturing concerns.*

10,360. Do you suppose that those rates are fixed with a view of assisting particular manufactures or any manufacturer in particular?—No; we do not suggest that.

10,361. Are you not gainers in getting pig iron into Staffordshire?—We may be in some measure, but we are very much injured by it in other respects. For instance, some of us have a very large capital employed in the manufacture and conversion of pig iron, and it is dead ruin to work our concerns in the face of those cheap quotations from other districts.

10,362. But is the iron of the same character as your own?—Certainly not.

10,363. Is it not an advantage to you to get cheaper pig iron to mix with yours?—No. We cannot make a silk purse out of a sow's ear.

10,364. (*Chairman.*) I suppose there would be a different view of the question taken by the makers of pig iron and the manufacturers of finished iron?—In some measure there would be. Many of our large concerns convert their own minerals, and they make, as is well known, some of the best quality of iron for general purposes in the kingdom. New districts have been opened up within the last few years, and they have converted a few of their minerals into pig iron by means of getting their ore from Cumberland and from Lancashire for instance, and by getting the Lancashire and Cumberland ore across into the Middlesborough district they manage to make an article which can be imported into our district, which can be re-exported under the false name of Staffordshire iron.

10,365. (*Mr. Ayrton.*) Is there not a great traffic in the interchange of pig iron with a view of making intermediate qualities of iron between Staffordshire and other districts and between other districts and Staffordshire?—Yes, I think that I have got the actual quantities brought into the district.

10,366. In answering the former question were you speaking merely as a producer of pig iron or as a manufacturer of iron?—In both capacities.

10,367. (*Chairman.*) When an application was made to the railway companies respecting their rates, was not there some proposal to start a new line in the event of the application not being complied with?—There was such a suggestion, but not on the part of the ironmasters.

10,368. On whose part was it?—On the part of some independent promoters.

10,369. Was not that remedy contemplated by the ironmasters in case their demand should not be acceded to?—It has been said so; but at present I believe that we are every one of us free from any obligation in any way or shape towards either a new railway or canal or anything of the kind.

10,370. But would not that be the proper remedy in case your wishes were not complied with?—I have grave doubts about that. If an increased capital is invested in railways there will be an increased amount of interest to be paid for it, and I am afraid that we should have to pay our share.

10,371. You do not believe in the advantages of competition as regards iron?—I am afraid not.

10,372. (*Sir R. Hill.*) You do not actually enjoy them?—They do not exist.

10,373. (*Mr. Ayrton.*) Can you state whether there has been an increase or a decrease in the conveyance of goods between Staffordshire and London during the last 20 years?—The increase has been very great.

10,374. Has there been an increase in the cost of conveyance between Staffordshire and London?—No, not in the cost of conveyance; I imagine that it is somewhere about the same.

10,375. (*Mr. M'Clean.*) Is it not very much reduced?—No, I think not; for instance, 20 years ago we could get to London on the Thames for 15*s.* a ton by water, now it is 17*s.*

10,376. (*Capt. Galton.*) Therefore there has been an increase?—Not in the case of carriers; but in those days most traders became their own carriers, and employed their own boats, and the tonnage on the canals made it somewhere about 15*s.* to deliver alongside the warehouse on the Thames.

10,377. (*Mr. Hamilton.*) Then there was the wear and tear of the boats to be taken into account?—That was included.

10,378. (*Mr. M'Clean.*) Why is not that system still carried on?—We allowed the boats to get into disuse. Some six or seven years ago the railway companies put us on our mettle and carried for us at 11*s.* 8*d.* and 12*s.* 6*d.* per ton.

10,379. (*Capt. Galton.*) You mean to say that some years ago the railway companies carried at a much lower rate than they are now carrying?—Much

* (*Note subsequently added by witness.*)—I do not desire to complain on behalf of the iron trade that cheap rates are given for pig iron introduced into the South Staffordshire district, because that is an element of profit to the district or some of those interested in it. I only wish to show that we also want low rates for exporting our iron when manufactured, and that if it is profitable to convey goods into the district cheaply, it should be the same to take them out again when manufactured.

lower; they then carried at 11*s.* 8*d.* and 12*s.* 6*d.* a ton.

10,380. But since a combination has taken place between those railways which formerly competed they have raised their rates, and they now carry as high as they did 20 years ago?—I am not conversant with what the railway charges were 20 years ago; I fancy they were 20*s.* and I think that they are lower now than they were then.

10,381. When was this period when they lowered their rates, was it when the Great Western railway was first opened?—No, in 1857 and 1858.

10,382. When there was an active competition between the Great Western and the London and North-western?—Yes, when there was an active competition between the Great Western railway, the North-western railway, and the Grand Junction canal.

10,383. Since that period the Great Western and the North-western have combined together, and raised all their rates?—Yes.

10,384. (*Mr. Hamilton.*) You do not wish the Commission to infer that, taking the enormous quantities conveyed, and the punctuality of delivery which you have secured at present by railway, you were better off with the old canal communication with London, the centre of commerce, than you now are?—I grieve to say that I do believe it, remembering that all other districts have increased accommodation and can compete more successfully with us by reason of cheaper communication with London and the shipping ports.

10,385. Independent of the increased quickness of conveyance?—Independent of everything; we were better off in every respect as long as we relied upon the canal.

10,386. Independent of the increased competition in your own trade?—Yes, independent of everything as far as regards getting our iron into London in good condition at regular periods, we were better off.

10,387. You were better off for canal communication in 1851 than you now are?—Yes.

10,388. And independent of increased competition in your own trade?—Yes; I mean by that that we then could calculate punctually what we were doing, and we knew the exact cost.

10,389. What do you mean by saying that you could calculate punctually what you were doing?—Every maker had his own boats, loaded them in his own yard, and sent them straight up to London, and he had no inquiry and no trouble of any sort or kind. Now we send away, perhaps, 20 or 40 tons of iron; a truck is lost, and goodness knows where the iron is, or when it will be found again; perhaps in three weeks it will turn up somewhere.

10,390. That is not a constant occurrence, is it?—It is rather a frequent occurrence.

10,391. Is not the railway liable for that delay?—Naturally so.

10,392. (*Capt. Galton.*) Do you complain of the delays or uncertainties of delivery under the present system being greater than they were under the old system?—Comparing the promised advantages of the present system and the old system they are more irregular.

10,393. With respect to the length of time that it takes goods to reach London, could you give any comparison between the two?—There is undoubtedly an advantage in the railways in regard to time.

10,394. The iron is delivered in a much shorter time?—Much shorter time.

10,395. In what time is it delivered?—I imagine that we should calculate, as a rule, that 48 hours would get iron into London. I believe that there are instances in which it comes up in less than 24 hours.

10,396. Do the railway companies bind themselves to deliver within a certain time?—No; I do not think they bind themselves.

10,397. (*Mr. Ayrton.*) Is not there one great advantage of the railway system in respect of the export of iron, that the goods are sent forward when the ship is ready to be laden straight to the ship?—Yes, that is one of the advantages.

10,398. Do you think it necessary that any legislation should take place with regard to the speed of the transit of merchandise or the period of delivery?—No; we consider that they use all reasonable diligence.

10,399. Would you make any difference in the rate between delivery within a guaranteed time and delivery at such time as was convenient to the railway company?—We consider that they would deliver as early as was convenient, because if they do not they are locking up their trucks, and altogether locking up their capital to no purpose.

10,400. At the rates you have given you would not propose to bind them to any fixed time of delivery?—Naturally we should not suppose that they would take a week to do what could properly be done in three days.

10,401. You could not bind them to any fixed time of delivery?—No; I do not see that that would be necessary.

10,402. (*Capt. Galton.*) Do railway companies always attend to complaints which are made?—They do attend to them, but they are considered dilatory. People have to go through so many applications that many merchants prefer to have Pickford & Co., or somebody that they can get at, rather than have to deal with the railway companies.

10,403. (*Chairman.*) Have you any other suggestion to make to the Commission?—We mention also the subject of the classification of goods. There was a classification established on the 29th of February 1864, and we say it appears that the extra charge made is only an insurance charge, and seems exorbitant for the work done. All goods charged damageable should be done so at the express wish of the sender, it never having been contemplated in the South Staffordshire Act, 1846, that a distinction should be made. We think that all goods should be considered undamageable unless declared damageable at our own risk.

10,404. (*Mr. Ayrton.*) You consider that that should be at the option of the freighter?—Yes, it should be at the option of the freighter.

10,405. At present the railway company take upon themselves, do they not, to make the classification?—Yes; they define what it is. They conceded this list to us on the 29th of February 1864.

10,406. Supposing the freighter declared the goods to be undamageable, and damage ensued, what would be the effect in that case?—It should be entirely at his own risk.

10,407. Then he would pay a lower rate, and accept himself the risk of damage?—Certainly.

If the Commissioners will allow me, I will hand in the appendix to the report of the South Staffordshire Ironmasters' Association.

The same was delivered in, and is as follows:

SOUTH STAFFORDSHIRE IRONMASTERS' ASSOCIATION.

APPENDIX TO REPORT.

ANOMALIES.

Evidenced in report. Glasgow and Kilwinning pig iron special quotations, 285 miles, 13*s.* 6*d.* per ton.

Compare rates from Middlesborough into South Staffordshire, 200 miles, with rates from Middlesborough to London; Middlesborough sending to London manufactured articles, competing with same class from this district (distance 240 miles), rate for rails, 16*s.* 8*d.*; merchant iron, 18*s.* 4*d.*; pig iron into this district, 11*s.* 8*d.*; from this district to Sheffield, 10*s.* Comparison of Hartlepool, Glasgow, and Hull rates to London. Ditto Warrington and North Staffordshire to London.

Same exist on page 2, comparing distance with rates quoted.

TERMINALS.

Not in any instance defined. All arrangements hitherto conceded in the word "reasonable," according to work done; 9*d.* per ton having invariably been the sum mentioned before the Committees of House of Commons; 6*d.*

Mr. W. Williams, jun.

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per ton was the sum allowed for several years (*vide* settlements of account produced). This sum included loading, sheeting, haulage on to the company's siding, &c., and on goods received, haulage, and unloading, &c.; say, distance 500 yards.

Suggestion No. 1.

A sum of —— per ton for use of siding belonging to railway company. A sum per ton for actual contents, varying with class of goods.

Class A.—Say 4½*d.* per ton.

For coals, coke, ironstone, iron ore, pig iron, bar iron, rod iron, sheet iron, hoop iron, plates, slabs, billets, rolled and puddled iron, limestone, lime, bricks, tiles, salt, sand, fire-clay, cinder, slag, and stones, dung, compost, manures, undressed road materials, heavy castings, railway chairs, and all other raw materials used in iron making, road making, brick making, and for foundries, and also gas and steam tubes, and cast-iron pipes.

Class B.—Say 6*d.*

For nails, chains, vices, anchors, anvils, light castings, slates, stones for building, pitching, paving, and clay.

Suggestion No. 2.

A sum of —— per ton for use of siding belonging to individuals, as shunting, collecting, or delivery rate. Include classes A. and B. at, say, 3*d.* per ton.

Suggestion No. 3.

A sum of —— per ton for loading or unloading at any siding belonging to the railway company, if executed by the company's servants.

Class A., say 4½*d.* per ton. (See suggestion 1.)
Class B., say 9*d.* per ton.

Suggestion No. 4.

A sum of —— for delivery by distance, whether from public or private siding.

This head includes interchange of traffic, uniformity of rate, and mileage rates.

For Mileage Rates the following Classification is suggested.—Class A.

Raw materials used in making iron, including coal, coke, ironstone, iron ore, limestone, lime, sand, fire-clay, cinders, slag, bricks, fire-bricks, and stones; also undressed road materials, dung, compost, pig iron, refined iron, building, pitching, and paving stones, clay, and slates.

Class B.

Bar iron, rod iron, sheet iron, hoop iron, plates, slabs, billets, rolled and puddled iron, heavy castings, railway chairs, gas and steam tubes, cast-iron pipes, and other castings, wheels, &c., not liable to breakage in transit; nails, chains, vices, anchors, anvils, and smithed iron work, wheels, axles, &c.

Interchange of Traffic.

Supposing a terminal could be charged on articles sent from the Land's End to John o'Groat's, it is said such articles would be subject to 27 separate and distinct railway companies' charges, both as receiving on their line and for delivery from it.

No terminal should be charged except at each end of the route, the mileage rate being considered compensatory to the various lines over which the goods travel.

Uniformity of Rates.

All rates should be based on the same figure, that is, that if ½*d.* per ton per mile be the maximum or minimum on any one line, no arbitrary charge shall be made by one independent line lying on the route, because their schedule enables them so to do.

Classification of Goods carried.

The railway companies charge certain articles at damageable rates, and certain other articles at an undamageable rate.—*Vide* following schedule, agreed to 29th February 1864:—

Undamageable Class.

Bars.
Bundles of bars of ⅝ths of an inch or upwards.
Boiler plates.
Railway chairs.
Scrap iron.
Chains, loose, and chain cables.
Anchors.
Common rods.
Wire iron, in rods and coils.
Nail sheets.
Iron retorts.
Gas and water pipes.
Cannon balls.

It shall be open either to consignor or consignee, previously to sending any of the articles in the "undamageable" class, to declare that such articles are "damageable," in which case they shall be carried and charged for as if "damageable."

Damageable Class.

1. Hoops.
2. Sheets, in bundles.
3. Canada plates.
4. Tin, in boxes.
5. Galvanized iron.
6. Corrugated iron.
7. Nail rods.
8. Sheets, loose.
9. Bundles of bars under ⅝ths of an inch.
10. Strips, loose, or in bundles.
11. All iron liable to damage or depreciation by moisture or breakage other than the articles Nos. 1, 2, 3, 4, 5, and 6, and such articles as are included in the "undamageable" class or any class list.

It shall be open either to consignor or consignee, previously to sending any of the articles Nos. 7, 8, 9, 10, or 11, to declare that such articles are "undamageable," in which case they shall be carried and charged for as if "undamageable" iron.

Mem.—The above lists do not apply to steel.

It appears that the extra charge made is only an insurance charge, and seems exorbitant for the work done. All goods charged damageable should be done so at the express wish of the sender, it never having been contemplated in South Staffordshire Act, 1846, that a distinction would be made.

Rate to London.

The damageable class from South Staffordshire is charged 12½ per cent. extra, 17*s.* 6*d.*, and 20*s.* damageable.

To Liverpool, 10*s.* and 12*s.* damageable.

Rates Office.

It is desirable that such an office should be established, inasmuch as rates vary even from the same company to the same places, to one manufacturer or another, as they apply for rates.

10,408. (*Capt. Galton.*) If I understand you rightly your object in establishing a rates office is merely for the purpose of publishing all the rates?—Yes.

10,409. So that every trader may know what the rates are?—Yes.

10,410. Do you consider that the rates should be invariably published?—Yes, certainly.

10,411. And that is not done at the present time?—No; it is established in this instance, for I have quotations which vary in the immediate district. For instance, the rate in one case from Wolverhampton to Sheffield is, I think, quoted at 7*s.* 8*d.*, whereas the agent of the London and North-western quotes 10*s.* to a shorter distance.

10,412. And you think that if all the rates were published the anomalies would be more easily redressed?—Yes, certainly.

10,413. (*Mr. Hamilton.*) Have you no means of getting at the rates except by private inquiry in every case at the railway office or at the agent's?—None.

10,414. (*Sir R. Hill.*) Have they no printed statement of the rates?—No, not that we have any access to.

10,415. (*Mr. Hamilton.*) Without any notice to the trade they could vary those rates, could they not?—Yes, certainly; the railway companies state that the rates are liable to alteration at any time without notice or advice from the company.

10,416. And that variation in the rate would materially affect the out-turn of an existing contract?—Yes, certainly.

10,417. (*Mr. Ayrton.*) What would you consider to be a reasonable notice of variation in the rate?—

As far as contracts are affected it would be three months generally.

10,418. (*Capt. Galton.*) As railway companies never publish their rates, I presume that it is quite within the power of a company to give one rate to one individual and another to another?—Just so; that is the point that we complain of specially.

10,419 (*Mr. Hamilton.*) Do you believe that that is done to any extent?—Here in my own hands is a letter addressed by the goods agent to my own firm and a letter addressed to the assistant secretary who has applied for the purposes of this Commission. Almost within a fortnight two quotations came down, the one quotation is of the 25th of May 1865, and the Wolverhampton rates are quoted to Sheffield as 7*s.* 8*d.* by the Great Western railway, and 8*s.* 3*d.* by London and North-western railway; and on the 1st of May, which is within 25 days, the quotation to my own firm was to Sheffield 10*s.*

10,420. (*Sir R. Hill.*) Then, although you hesitate to say that favouritism does exist, you hold that under the present arrangements it may exist?—It may.

10,421. (*Capt. Galton.*) And that one trader may get an undue preference over another?—Undoubtedly.

10,422. (*Mr. Hamilton.*) Do you mean to say that there is an uneasy feeling in the trade that that is the case?—There is an uneasy feeling that it does exist.

10,423. (*Mr. Ayrton.*) Advertising the rates would not prevent the allowance of discount, I suppose, to their freighters?—If they advertised that such and such were their rates, and it came to my knowledge that they did that, I should expect that the proposed rates office would compel them to lower my rates. I believe that the Act of Parliament at the present time does give us that power, that if they charge a lower rate for any one of the articles enumerated in their schedule they shall carry the whole at the same rate.

10,424. But that resolves itself in every instance into an action at law; everybody is aware that it would be so?—I propose to avoid an action at law with the railway company.

10,425. (*Capt. Galton.*) Would you propose that this rates office should have power to settle questions of that sort without a reference to law?—Certainly.

10,426. Then they would be something more than a mere office for publishing the rates?—The office should be referred to in any question of dispute, and the office should have the power to stand between the trader and the railway company, and to settle the dispute.

10,427. (*Sir R. Hill.*) You want, in fact, a power cheaply and promptly to enforce the law whatever it may be?—Yes; whatever the law may be, we want to have it the same for all parties.

10,428. (*Mr. Ayrton.*) It would be a legal tribunal then to decide between the parties?—Not so; it would merely be an authority as to the interpretation of the law and of Acts of Parliament, as they exist.

10,429. How could this tribunal tell what was the case except it went through the ordinary process which is deemed necessary in order to protect parties, when contentions arise which have to be adjudicated upon?—We take it that if rates are quoted for iron of a given class to London per mile, that mileage is easily decided, and if, for instance, the railways say it is two miles more, and the trader says, it is two miles less, they would be satisfied to go to this office to say what is the fact; if I may send ten tons of hoop iron, which I think damageable and which I declare damageable, and the railway company for any reason says that it is not damageable, and it is declared undamageable, and they will not take the risk and will not pay, I can come to this office and say this is my complaint, what must I do?

10,430. You can now go to the Court of Common Pleas and say that, if the Act were extended to those cases?—The second damage is greater than the first in most instances when we go to law.

10,431. Would you not be going to law if there is a tribunal established to decide such matters, is not that going to law?—It would be much cheaper than any present system that we are aware of.

10,432. That would depend upon how the tribunal was constituted, would it not?—Certainly; if it was enacted that the head of this rates office should decide those questions, he would settle them.

10,433. Supposing that the tribunal found it necessary to take those precautions which all tribunals do in the administration of justice, it would proceed very much as any other tribunal does, would it not?—I consider that it should simply settle the dispute, point out the law to both parties, leaving us the ordinary remedy if we cannot agree before that office.

10,434. Is not that exactly what a court of justice does?—Certainly, but it puts us to great expense to go to the court.

10,435. Are not those expenses merely the charge that results from precautions against doing injustice?—There is no doubt that the charges are so, but then it is a very expensive method.

10,436. But is it not necessarily expensive if you have to take precautions in order that the tribunal may justly decide upon the matter, and would not the new tribunal be like any other tribunal if it had to administer justice?—Their duty would be merely the interpretation of the rates and the Acts of Parliament that they had before them.

10,437. If this Court were constantly transacting business of a judicial character, would not it in the same manner as any other court be compelled to proceed by some rules so as to prevent wrong being done?—I think that the head of such an office would be able to decide the question whether you had a case or not, and in very few instances we should have to go to law.

10,438. (*Capt. Galton.*) I presume that in most cases of this sort you would have the question settled in five minutes if the person adjudicating upon them were thoroughly conversant with them?—Yes, invariably.

10,439. (*Sir R. Hill.*) Does not a considerable part of the expense which now arises from an action at law result from the fact that the court has to be informed as to the practices of railways, as to the rules and regulations affecting the railways, and so forth?—Yes, those things tend to run up the costs.

10,440. They have no special knowledge of the subject?—No.

10,441. (*Mr. Ayrton.*) Would you have a judge proceeding, not upon the knowledge that would be brought before him in the face of the parties, but upon some private knowledge of his own?—I would ask him simply to act upon the interpretation of a thing with which he was thoroughly conversant; for instance, the rates allowed by the Act of Parliament are the rates as declared in the scheduled statement before his eyes, and the paper put in as the charges by the railway company.

10,442. Are you aware that merchants and traders in this country some years ago desired that tribunals of the same sort should be established throughout the country to administer the bankruptcy law, and that they have been so entirely dissatisfied with the result of that arrangement that it is now generally desired to abolish all these tribunals?—I am not at all conversant with bankruptcy law in any way or shape, and I do not wish to know anything about it, either as administering an estate in bankruptcy or going into the court myself.

10,443. Are you aware of the general dissatisfaction of the commercial community with those special tribunals that were established for summary decision in bankruptcy cases?—I cannot say that I understand anything of the subject. The less I have to do with the law the better I like it.

The witness withdrew.

Mr. W. Mathews.

13 Dec. 1865.

Mr. WILLIAM MATHEWS examined.

10,444. (*Chairman.*) I believe you are the proprietor of the Corbyns Hall Iron Works at Kingswinford in South Staffordshire?—Yes.

10,445. Are you extensively engaged in the iron trade of South Staffordshire?—I have been so for many years.

10,446. Are you also connected with large iron works at Clough Hall in North Staffordshire?—I am.

10,447. Are you a railway director?—Not now; I have been in former years very extensively so.

10,448. Of what railway were you a director?—I was a director of the present West Midland Railway when it was the Oxford, Worcester, and Wolverhampton Railway. I was vice-chairman of the Birmingham and Oxford Railway. I was chairman of the Birmingham, Dudley, and Wolverhampton Railway. I was a director of the South Staffordshire Railway, and I was for many years vice-chairman of the South Wales Railway. I have also been on the board of one or two canals in South Staffordshire.

10,449. In that capacity, as well as having freighted a great amount of goods along the railways and canals in South Staffordshire, you are well acquainted with that business?—Yes, these things have necessarily made me very familiar with the process by which all the heavy traffic of a district like South Staffordshire is carried on, both by canals and by railway.

10,450. Have you formed any opinions with regard to the present system of railway management?—Yes. I have for the last four or five years been led to consider what the effect has been of differential rates given to new districts where the iron trade has been established, upon the old districts where it has been carried on for a great number of years, and I have come to the conclusion, that the favourable rates on railways, which have been given to those new districts, have been very prejudicial to the interests both of South Staffordshire and North Staffordshire. I hold in my hand a tabular statement of the rates from the Middlesborough district into the South Staffordshire district, and also a comparative estimate of the rates from the South Staffordshire district to other districts; and in looking over that statement I perceive that the rates between Middlesborough and South Staffordshire or North Staffordshire as charged by the London and North-western Company are all under 1*d.* per ton per mile for pig iron, and to some portions of the district it is very little more than $\frac{1}{2}d.$ per ton per mile, whereas when the process is reversed, and we have to send iron out of South Staffordshire to Liverpool or Manchester, the rates are more than double that; they vary from 1*d.* to nearly 2*d.* per ton per mile. What we complain of is this, that there are more favourable rates given by the London and North-western Railway to one district than to another. I do not speak of the London and North-western Railway individually, but I speak of the railway system generally, and we complain that the favourable rates given for the introduction of the products of the new district of Middlesborough, to London, to Liverpool, and into South Staffordshire, contrasted with the rates at which they deliver from North and South Staffordshire to other parts of the country, are so favourable to the former that the competition has been most prejudicial to the interests of the iron makers of South Staffordshire. It will be seen by reference to this statement that to Sheffield, where a good deal of iron goes both from South Staffordshire and from North Staffordshire, the rate upon bar iron is a little more than $1\frac{1}{2}d.$ per ton per mile against $\frac{3}{4}d.$ per ton per mile from the Middlesborough district. Again, if we take iron from the South Staffordshire district to Liverpool the rate is rather more than $1\frac{1}{2}d.$ per mile upon bars, and rather more than $1\frac{1}{4}d.$ upon pig iron. I will put in this statement as showing the comparative rates at which the iron is carried from several districts by which North and South Staffordshire are affected.

The witness delivered in the following Table:

Railway Rates. From	To	Kind of Iron.	Mileage.	Rate per Ton of 2,240 lbs. s.	d.	Per Ton per Mile in Decimals of 1*d.*
Wolverhampton	Glasgow	Pigs & Bars.	288	20	0	·83
„	Newcastle-on-Tyne	Pigs	220	12	6	·68
		Bars	—	15	0	·81
„	Middlesboro'	Pigs	180	11	8	·77
		Bars	—	15	0	1·00
„	Swansea	Pigs	170	9	2	·64
		Bars	—	10	0	·70
Wigan	South Staffordshire.	Pigs	77	6	0	·93
Wolverhampton	Cardiff	Pigs	126	8	4	
		Bars	—	9	2	
„	Leeds	Pigs	125	9	2	
		Bars	—	12	6	1·20
„	Sheffield	Pigs	107	8	3	·92
		Bars	—	13	9	1·54
„	Gloucester	Pigs & Bars.	70	5	6	·94
„	Derby	Pigs	50	4	6	1·08
		Bars	—	7	6	1·8
„	Stoke-upon-Trent	Pigs	32	5	6	2·06
		Bars	—	6	8	2·5
„	Wellington	Pigs	18	3	0	2·0
		Bars	—	5	0	3·33
„	Birmingham	Pigs	13	2	10	2·61
		Bars	—	4	2	3·84
„	London	Bars	126	17	6	1·66
		Pigs	—	15	0	1·43
„	Liverpool	Pigs	84	9	0	1·28
		Bars	—	10	0	1·42
„	Manchester	Pigs	71	9	0	1·5
		Bars	—	10	0	1·7

10,451. What do you gather from that statement?—I gather from it that the ironmasters of North and South Staffordshire are injuriously affected by those favourable rates which are given to the northern ironmasters, they having already a sea rate to London, particularly in regard to ship plates, for instance, so favourable as to exclude the ship plates of North and South Staffordshire altogether; in addition to which they get favourable rates by rail, which gives them a very considerable advantage in point of comparison between their rates and those charged to the North and South Staffordshire ironmasters. What we say is this: those favourable rates being given to the northern ironmasters, we claim upon the principles of equity to have the same rates given for the transmission of the products of North and South Staffordshire to other markets. If the railway companies let in their iron into our district, they should let our iron out of the district upon the same terms. And this principle should apply not to the London and North-western, the Great Western, or any other individual railway, but to the whole system of railways generally. One of the most striking examples is that of the Great Northern and the North-eastern Railways, which take the produce of the Middlesborough district to London. Iron is taken from that district into London, they having already the advantage of a cheap and favourable sea rate, at something like $\frac{1}{2}d.$ per ton per mile for the 240 miles.

10,452. What remedy would you propose; would you reduce your rates to as low a figure as that?—I propose, speaking of the railway system on the one hand and of the ironmasters on the other, that the rate per mile should be uniform throughout each district. We say, if you let the products of other districts into South Staffordshire at a certain rate per mile, you should let out the products of South Staffordshire into other districts at the same rate per mile. That is with regard to long distances; for short distances the discrepancies are still more striking. I am a large maker of pig iron in South Staffordshire. Pig iron is brought from the Middlesborough district into South Staffordshire at about $\frac{1}{2}d.$ to $\frac{3}{4}d.$ per ton per mile; and if I send pig iron of the higher quality, such as we make in South Staffordshire, to Liverpool or Manchester, or say Stoke-upon-Trent, I am charged 2*d.* per ton per mile. I say, let my pig iron out of South Staffordshire, wherever it may go, at the same rate per ton per mile as that at which you let the Middlesborough pig iron into South Staffordshire, and then I am content. I do not complain of the advan-

tages that the Middlesborough district enjoys by this indulgence of the railway companies with regard to their products, but I complain that they do not concede to us the enjoyment of the same advantages. From Wolverhampton to Birmingham, and from Wolverhampton and the South Staffordshire district into Shropshire, the contrast is still more violent, the rates being 2*d.* per ton per mile upon pig iron, and 3¾*d.* a ton upon bars.

10,453. (*Sir R. Hill.*) Are the rates which you have given the rates charged for conveyance along the railway only, or do they include what are called terminal charges?—We do not know what they include. We presume that they put on a terminal charge, but what that is we have no means of knowing.

10,454. But if they include terminal charges, does not it necessarily follow that the whole amount being divided by the distance in miles, the charge per mile for the short distance is higher than the charge per mile for the long distance?—Clearly, if you allow the same terminal charge in each case, it would be a higher rate upon the short distance than it would be upon the longer distance. I shall have to speak upon the question of terminal charges, and I will put in a paper to show the effect that the terminal charges have upon short distances.

10,455. (*Capt. Galton.*) Do I gather from your evidence that you propose that because the Great Northern and the North-eastern Railways carry at low rates from Middlesborough, therefore the London and North-western and the Great Western should carry at low rates from your district?—No, not exactly that. We propose that because the London and North-western and the Great Western carry at low rates from the Middlesborough district into the South Staffordshire district, they should carry the products of South Staffordshire out of the South Staffordshire district at the same low rates as they charge to the freighters in the Middlesborough district.

10,456. Does the iron come over the London and North-western line from the Middlesborough district?—Yes, eventually. In the first instance over the North-eastern lines.

10,457. (*Sir R. Hill.*) In fact, your proposition is that the rate from the Middlesborough district to Staffordshire should be the same as the rate from Staffordshire to the Middlesborough district. No doubt. And if we stop short at Liverpool and Manchester, let us go from South Staffordshire to Liverpool or Manchester or to North Staffordshire at the same rate per mile as they bring the Middlesborough pig iron into South Staffordshire.

10,458. (*Capt. Galton.*) Would not the Middlesborough products come by the Midland Railway into South Staffordshire?—Part of them would, no doubt.

10,459. Do they come through Manchester?—I think they do; I do not know exactly what the route is. The London and North-western Company give us a rate, but the particular line by which they take the traffic I do not exactly know.

10,460. (*Mr. Ayrton.*) If the rate from Middlesborough were raised up to a higher standard, would not that have the effect of forcing the traffic upon some other line?—Possibly it might. It must come over the London and North-western or the Great Western in that case, because those two lines alone occupy South Staffordshire.

10,461. (*Chairman.*) As a railway director, I presume you can state that the principle upon which railway companies go in charging their rate is to charge those rates which are the most profitable to themselves?—As a railway director I should of course hold one line of policy, and as an ironmaster I should hold another; I am bound in fairness to state that. But what I complain of is this, that the railway companies having made a contract with the public with respect to their rates, so far take liberties with that contract, that they refuse to carry out short rates except upon their own terms, because they say, It is not profitable to us. Now we say, Whether it be profitable to you or not, you made by your Act a contract with the public, and you are bound to do the business of the public upon fair and equitable rates, whether you get or lose by it; you cannot exclude the less profitable part of your traffic and carry on only the more profitable part of it.

10,462. (*Capt. Galton.*) Could you give the Commission an instance of what you are alluding to now?—Yes. The paper which I hold in my hand, and which I will hand in, is a statement of the traffic between one part of North Staffordshire and the other part, where the distances do not exceed about 10 or 11 miles, and where there is a very large internal traffic carried on in the conveyance of pig iron and minerals from one part of the district to the other, and the rate under the Act of Parliament is 1¼*d.* per ton per mile.

10,463. Is that the maximum rate that they are allowed to charge by the Act of Parliament?—Yes, that is the maximum rate that they are allowed to charge by their Act, but they charge from 2·28*d.* up to 3·27*d.*

10,464. How do they justify that rate?—They say that the rest is terminal charge, 9*d.** at each end, when in point of fact it does not probably cost them one-third part of that sum, the iron being merely taken off the siding of one work and put on the siding of another; that is the service they charge for. If they are asked for the particulars of the terminal charge, they generally decline to give it.

10,465. (*Mr. Ayrton.*) Does not the terminal charge include the whole office establishment, the expense of the clearing house, and what is necessary for carrying on the business of the railway apart from haulage?—The public do not know what it includes; they only know that the terminal charges are not by the Acts strictly defined, the law being this, that they are entitled to charge what is reasonable for the duty done, and no more, there being a sort of understanding that it shall not exceed 9*d.* a ton. The result is that where they can they put on the 9*d.* a ton, whether it costs them that or not.

10,466. (*Capt. Galton.*) Do you mean that they charge 9*d.* a ton upon goods or minerals put into the sidings of the proprietors?—If not of 9*d.*, as much short of that sum as they can.

10,467. And taken from the sidings of the one freighter and put into the siding of the other freighter?—Yes, that is the principle.

10,468. So that they have no expenses of sidings?—No; generally speaking the sidings belong to the freighter or to the railway company, the freighter paying a rent for them.

10,469. (*Mr. Hamilton.*) If you took this 9*d.* a ton off the heavier charge which you quoted just now in speaking about the 2*d.* per ton per mile, what would that reduce it to?—I cannot exactly say that; I would beg leave to hand in this paper, showing the rates for short distances to which I have referred.

The witness delivered in the following Table:

RATES as charged by the NORTH STAFFORDSHIRE RAILWAY COMPANY from HARECASTLE.

—	Distance. On N.S. Railway.	Distance. On L. & N.W. Railway.	Distance. Total Miles.	Rate per Ton of 2,240 lbs.	Rate per Ton in Decimals.	Rate at 1¼*d.* per Ton.	Terminal Charges.
Pig Iron.				*s. d.*		*s. d.*	*s. d.*
Longton	8¾	—	8¾	1 8	2·28	0 10½	0 9½
Apedale	10¾	—	10¾	2 0	2·23	1 1⅞	0 10⅝
Silverdale	10¾	—	10¾	2 0	2·23	1 1⅞	0 10⅝
Goldendale	2	—	2	1 6	3·27	0 6¼	0 11¼
Shelton	5½	—	5½	1 6	3·27	0 6¼	0 11¼
Manchester	14	16	30	4 6	1·8	3 1¼	1 4¼
Bars.						Rate at 1¼*d.* per Ton.	
Longton	8¾	—	8¾	3 0	4·11	1 0¼	1 11¾
Apedale	10¾	—	10¾	3 0	3·35	1 4¼	1 7¾
Silverdale	10¾	—	10¾	3 0	3·35	1 4¼	1 7¾
Dunstall	2	—	2	2 6	15·00	0 3	2 3
Shelton	5½	—	5½	3 0	6·54	0 8¼	2 3¼
Liverpool	9	44	53	7 6	1·7	6 7½	0 10½
Manchester	14	16	30	5 0	2·0	3 9	1 3

* See Note to Question 10,484.

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10,470. You stated, did you not, that the maximum charge authorized by Act of Parliament is $1\frac{1}{4}d.$ per ton per mile?—Yes, on pig iron, and $1\frac{1}{2}d.$ on bar iron.

10,471. But that the railway company do, in some cases, charge as high as $2{\cdot}28d.$?—Yes.

10,472. If you deduct the $9d.$ per ton off the $2{\cdot}28d.$ per mile, what would that reduce the charge per ton per mile to?—I will take the rate from North Staffordshire to Manchester. The rate upon pig iron is $4s.$ $6d.$ a ton; the parliamentary rate of carriage is $1\frac{1}{4}d.$ per ton per mile, $3s.$ $1\frac{1}{2}d.$, and that leaves $1s.$ $4\frac{1}{2}d.$ as the terminal charge. But they are not entitled to charge this sum unless it costs it; they can only charge a reasonable sum for putting it into a siding and taking it out, therefore there arose a dispute between the freighters and the company, which has now lasted for three or four years.

10,473. Is not that the interpretation of the freighters?—The Act of Parliament says "a reasonable charge."

10,474. But is your interpretation a reasonable one?—That is the difficulty; that is the question at issue.

10,475. You seem to interpret it as meaning, no more than it costs them?—It is the interpretation that all the world of freighters put upon it.

10,476. (*Capt. Galton.*) Has that been tried in an action at law?—I am not aware that it has.

10,477. Would not the freighters be able to bring it before the Court of Common Pleas?—No doubt; but the Honourable Commissioner must be quite aware of the disinclination that freighters have to go to law with a great railway company, and the disinclination also that a great railway company has to go to law with the freighters upon a great principle like this. I dare say it will be in the recollection of the Commissioners that in the session of 1861 a conference between the chairmen of committees, the chairmen of the railway companies, and the freighters was held, with a view to endeavouring to frame a clause which should control and define this charge for terminals. They tried to frame a clause that should be introduced into all the Bills then before Parliament to effect this, the railway companies contending for a maximum of $9d.$ a ton at each end of their line, to which the freighters objected as being excessive. They could not agree, and the matter relapsed into the uncertain condition of the law as it now stands.

10,478. (*Mr. Ayrton.*) How do you arrive at the charge of $9d.$ a ton?—I cannot arrive at it. I only take the parliamentary rate from their general charge, and the residue represents the terminal charge.

10,479. (*Mr. Glyn.*) It appears to be $8d.$ and not $9d.$ a ton?—It varies.

10,480. In the case that you instanced just now it comes out at $8d.$?—In this table it varies very much; it comes out at $8d.$ in that case.

10,481. (*Mr. Ayrton.*) Are there any other rates which would enable you to state how much has been added to the parliamentary charge for terminal charges?—Yes. I will confine myself to North Staffordshire, with which I am more familiar with respect to terminal charges, because I have more to do with the terminal charges there than in South Staffordshire. Take the case of pig iron from Longton to Harecastle, the works with which I am connected being situated close to Harecastle; the rate is $1s.$ $8d.$ per ton, and that leaves $9\frac{1}{16}d.$ as a terminal. From Apedale, $10\frac{3}{4}$ miles, the rate per ton is $2s.$, leaving a terminal of $10\frac{9}{16}d.$ From Silverdale it is the same. From Shelton the rate is $1s.$ $6d.$ per ton, and the terminals $11\frac{1}{2}d.$; and from Manchester the rate per ton is $4s.$ $6d.$, and the terminals $1s.$ $4\frac{1}{2}d.$

10,482. Is that the terminal charge at both ends?—Both ends, I conclude; we have no means of knowing. Upon bars from Longton it leaves a terminal of $1s.$ $11\frac{3}{8}d.$; from Apedale, $1s.$ $7\frac{7}{8}d.$; from Silverdale, $1s.$ $7\frac{1}{8}d.$; from Tunstall, $2s.$ $3d.$; from Shelton, $2s.$ $3\frac{1}{2}d.$; from Liverpool, $10\frac{1}{2}d.$; and from Manchester, $1s.$ $3d.$ So that the inference from these charges would be that where the parliamentary rates are unprofitable, they supplement the rate by what we call an extravagant terminal charge at each end.

10,483. (*Chairman.*) What remedy do you suggest for that?—I must leave the remedy to the Government.

10,484. (*Mr. Hamilton.*) But is the charge by Act of Parliament $9d.$ at each terminus?—I believe the law stands thus; that they are entitled to a reasonable charge for the service that they do off their own line, so that if they put the trucks of a freighter from their own line on to his siding, they are entitled to a reasonable charge for that, but that charge shall not exceed $9d.$ a ton.*

10,485. Is that $9d.$ a ton at each terminus?—I suppose so.

10,486. (*Capt. Galton.*) Is that in the Acts of Parliament?—$9d.$ is in Acts of Parliament, I believe.

10,487. In what Acts?—I believe in all the Acts; at least I understand so. I am sure that it is in some Acts, because I have been brought in contact with it.

10,488. (*Mr. Glyn.*) It is limited, you say, to $9d.$?—Yes.

10,489. Can you inform us, from your experience as a railway director and also as an ironmaster, what you think ought to compose the terminal charges and the amount under each head?—It is very difficult to say what ought to compose the terminal charges. I should simply say that they should charge for putting trucks into sidings, and there their duty should cease. If the freighter requires them to do anything more than that, such as loading, unloading, covering, or what not, then the Acts prescribe that they shall make a reasonable charge for that service.

10,490. There must be an allowance for office expenses; then there is the working through the clearing house and for that there must be an allowance also; it is not merely the manipulations on the line that is paid for?—Some indifferent party must decide what this expense should be, and what I should propose is, that the Board of Trade should be the tribunal to which the freighter might appeal. I say as a freighter, that if you charge me $9d.$ a ton, or $7d.$ or $8d.$, whatever it may be at each end of the line, I may think it too much. The railway company says, "I do not think it is too much, and I insist upon "having it paid." I have never yet heard of an instance in which the matter has been brought to an issue. I once had a dispute with the North Staffordshire Company in a case in which they charged what I considered an excess of their legal rate, and I objected to pay them, whereupon they said, "Very "well, then we will stop your trucks until you pay "the rate beforehand." I said, "Very well, when "you have done that I will bring an action against you "for charging more than you are entitled to under your "Act; and on the other hand, if you like to bring an "action against me I will defend it, and that will bring "the matter to an issue." They declined bringing an action, and they did not compel me to pay the rate at the time that I declined to pay it, and so it ended in a sort of drawn battle; they conceded the greater part of it, and I yielded the rest.

10,491. Have they charged you a lower rate ever since?—Yes, ever since.

10,492. (*Capt. Galton.*) Have the trade all been treated in the same way?—No doubt. The rate is not so low as I contended for, but they have charged a lower rate since then.

10,493. (*Mr. Hamilton.*) Do you consider that the railway companies supplement the limit imposed upon their mileage rate by Parliament by imposing what is practically an unreasonable terminal charge?—I say so, for short distances.

10,494. They make use of this indefinite term, "reasonable," to supplement the mileage rate?—No doubt. I dare say the railway companies would tell me, It is an unprofitable traffic to them. I dare say it is, but as they engross the whole of the traffic

* The witness afterwards withdrew the portion of this and several other answers defining the charge at $9d.$ per ton.

they are bound to do it whether it is profitable or unprofitable; and they are bound to do it upon the terms prescribed by the Act of Parliament.

10,495. Did not you start by undertaking to explain how it was that for those short distances the railway company alleged that the traffic was unprofitable to them?—Their allegation is general. They only state this: it is unprofitable for those short distances, therefore we must charge you this higher rate; and they supplement that charge by saying, we must charge a higher terminal at each end of the line.

10,496. Then they virtually acknowledge that they put on a higher terminal charge in order to supplement what they say is an inadequate mileage rate?—No doubt.

10,497. (*Mr. Ayrton.*) Were the parliamentary rates which you have taken out the rates including trucks and locomotive power?—I have taken them as inclusive of trucks and locomotive power. Those are the maximum charges under the acts. There are two descriptions of charges: there is a separate charge for trucks, for locomotive power, and for use of the railway; and there is a subsequent clause which says that the whole of those rates collectively shall not exceed a given sum. It is that sum which I have taken, where the railway companies find trucks, and I have done that for the sake of uniformity.

10,498. (*Chairman.*) To return to the former question, what do you propose with regard to the unequal rates which now exist? I do not understand you to propose that the rates should be equal throughout the country, but only that such rates should be established as should be fair between the different localities. By what means would you fix those rates?—It is a very difficult thing to say how we should remedy the evil with which we have to deal as the state of the law exists, but I think that if a railway company charge a very low rate into a district from a distance, they should charge the same low rate out of that district to the neighbourhood. Perhaps for very short distances they should not charge quite so low a rate as for long distances, but there should not exist the great discrepancy which exists now. South Staffordshire and North Staffordshire are very injuriously affected in that respect, as you can readily understand. They have no means of availing themselves of any seaport accommodation, and there are iron districts, particularly new ones like Middlesborough and other districts similarly situated, that have the advantage of the sea-board, and have the advantage also afforded them of a very low rate of railway transit, so that they compete with us first by means of sea and river accommodation to London and other places not available for Staffordshire, and next by railway by the low rates that are given to them.

10,499. (*Capt. Galton.*) If the railway companies coming out of that district did not carry their goods at a low rate, would they have any of their goods at all to carry?—Of that question the directors are better judges than I am; the probability is that they would not get as much as they do.

10,500. Would not they reasonably complain of it as a hardship that they were prohibited the enjoyment of their low rates?—I think that the public have no right to complain however low they choose to make their rates; but I say, let all the world have the advantage of it; do not charge a low rate in one case and a high rate in another.

10,501. You mean that you would not let the railway company make its profits out of a district where there is no competition, in order that they may gain traffic from a district where there is competition?—Yes; otherwise you may aggrandise one district to the serious disparagement of another, and affect the value of property indefinitely at the caprice of a railway company.

10,502. (*Mr. Glyn.*) If a railway company lowers its rate for the purpose of competing with the sea-board, you say that it is fair that that same rate should operate over the whole system?—Yes, for the same class of traffic; because you give the parties on the sea-board a double advantage over the inland trade, seeing that they have a low sea freight which the inland ironmasters cannot compete with.

10,503. Then you would not take into consideration any one of the circumstances which might operate with the railway?—I should be very unwilling to admit any circumstances that would give an advantage to any district that had already got the advantage of sea or water communication.

10,504. Then you would deprive the directors of all right of using discriminating rates?—I would not let them go beyond their Act of Parliament.

10,505. But you know they must be within their Act of Parliament?—If they work within their Act of Parliament it is very difficult to interfere with railway companies.

10,506. (*Mr. Ayrton.*) Your principle is, that if once a company make a reduction of any rate, that reduction should be made throughout the whole of the lines of that company?—I think it should. I think I have a right to say this. Take the London and North-western by way of illustration, not because they are greater sinners than other railway companies, for, on the contrary, I think that the public is very much indebted to the London and North-western for the great amount of tact and judgment and discretion which they display in the management of their railway; but I will take them as an illustration, and I say, you bring pig iron from Middlesborough into South Staffordshire, and you bring it at $\frac{3}{4}d.$ or something less per ton per mile. I have pig iron in South Staffordshire which I want to send to Liverpool or to Manchester; take my pig or bar iron out of South Staffordshire to Liverpool, Manchester, or London at the same railway rate as you bring Middlesborough pig iron into South Staffordshire.

10,507. Do not you think that that system would have the effect of discouraging reduction on the part of railway companies?—No, I think it would not. It might perhaps interfere in some small degree with the profits of the railway company. I do not know that even it would do that, but at all events my argument is that that would only be equitable for the freighters.

10,508. I mean, would it not discourage the company from reducing its rate in any case, if it were compelled by law to reduce its rate throughout its whole system if it reduced it on any particular part of the line?—Possibly it may; but if it prevented the company from doing that which is inequitable, it would be a proper thing to do.

10,509. (*Capt. Galton.*) If I understand you, your argument would be that if the company choose to reduce their rates between, we will say, Middlesborough and South Staffordshire, the traders of South Staffordshire should have a right to arbitration as to what the rates should be from South Staffordshire to Liverpool?—Clearly.

10,510. And that rate you would have fixed by some tribunal outside the company and the traders?—Yes, outside the company itself.

10,511. (*Mr. Glyn.*) You would not fix the rate from Middlesborough to South Staffordshire at a certain amount, but you would put it in as an element of consideration when you send it to arbitration?—I would fix it at a certain rate unless the railway company should show very good reasons why that should not be the rate.

10,512. (*Sir R. Hill.*) That is to say, the same rate upon the same system of lines?—Yes.

10,513. (*Mr. Glyn.*) When you speak of the London and North-western Railway Company as making the rate from Middlesborough, are you sure that you are quite accurate as regards the fact; do they make the rate from Middlesborough?—I speak of the railway system generally, not of any particular company.

10,514. You are taking a rate made by another company, and applying it to the London and North-

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western, or any company in that district that may have nothing to do with the rate?—I am speaking of the railway system generally. I do not charge this particular sin upon the London and North-western; I charge it as a sin upon the general railway system of the country.

10,515. (*Capt. Galton.*) The London and North-western Company must be a party, must it not, to any rate over its line?—Yes, the London and North-western and the Great Western are the two companies with which we have to deal, and whatever arrangements are made must be made through them. The arrangements with other companies are subsidiary to the arrangements that we make with them; we have only these companies to whom we can apply.

10,516. (*Mr. Ayrton.*) You do not carry your idea of uniform rating to the extent that if one company reduces its rate another company is to be bound to do the same?—No; our difficulty with the railway system is this, that one company may say, I will reduce my rate, and another company may say, I will not; but the system now is so worked that, I think, there is very little difficulty on that score. If the major part of a series of railways consent to carry at a certain rate, I think they generally persuade the minority of the series to co-operate with them.

10,517. Would you propose that the law should compel any one company to reduce its rates because another company had reduced its rates?—All these are questions which it is very difficult for me to propose specific remedies for. What I have to do here is to state facts as they exist; I must leave it to this Commission to suggest remedies.

10,518. (*Capt. Galton.*) You have had such great experience as a railway director as well as a freighter, that this Commission would be very glad to have the benefit of your experience?—I should not like to take upon myself the responsibility of propounding a scheme for remedying the existing evil; the subject is so manifold, that I should have difficulty in embracing it in all its bearings.

10,519. (*Mr. Ayrton.*) If you cannot suggest any possible remedy, do you not think that it is one of the inequalities of trade to which all trade is subject?—All trades are not controlled by Acts of Parliament and governed by specific laws; mercantile affairs are controlled by the reciprocal arrangements of individuals with whom you trade; whereas the acts of railways are professed to be controlled by Parliament.

10,520. (*Mr. Hamilton.*) They are parliamentary bodies constituted under Acts of Parliament?—Yes.

10,521. (*Mr. Ayrton.*) Are not the different situations of works elements of inequality quite apart from the railway companies?—They are to a certain extent, but of course I confine myself to speaking of district as against district, without going to individual works.

10,522. (*Capt. Galton.*) As long as trade was confined to the roads, all traders had the same facilities along those roads, had they not?—No doubt.

10,523. What you contend for is that, now that railways have monopolised the whole carrying trade of the country, equal facilities should be afforded by railway?—I say so.

10,524. (*Sir R. Hill.*) You think that because you suffer from natural inequalities, that is no reason why you should also have to suffer from artificial inequalities?—Clearly so.

10,525. (*Chairman.*) What is the nature of the tribunal which you would propose for the purpose of deciding on these questions of rates?—It appears to me that the Board of Trade is the natural court of appeal to which individuals should apply if they find themselves aggrieved upon any of these points; but I think it will be for this Commission to frame suggestions upon that subject. The public would be more satisfied with the decision of this Commission than they would with the suggestion of any individual.

10,526. (*Mr. Ayrton.*) Your suggestion of uniform rates is not capable of any clear definition unless you will yourself give a definition?—I am aware of that, and I have great difficulty in giving a definition.

10,527. You suggest that which is not intelligible if you do not give it a definition which makes it so. I want to gather from you a definition of what you mean by uniform rates, whether you mean that the rate is only to be uniform on one railway, or whether it is to be uniform on several railways, or on all railways?—The representation which I wish to make to the Commission is this: that if a rate is charged for pig iron, we will say, into a district, the same rate should be charged out of that district, and I leave it to the company which happens to have the control of that district by its lines to adjust the subordinate arrangements with other railway companies with which it is in connexion. If they can arrange with other companies to adopt a low rate into the district, surely they can arrange with other companies to adopt the same low rate out of the district; I should imagine that there could be no difficulty in that; I cannot suggest anything further than that.

10,528. You do not propose that there should be any legal compulsion upon the companies to fix a uniform rate?—I think that what the public have to do is to state their grievance, and it is for this Commission to propose and for the Government to adopt what remedies for that grievance they think right.

10,529. (*Chairman.*) When you talk of fairness, surely taking goods from a district which has other means of sending away its goods is a less service than taking goods from a district which has no other means of sending away its goods?—Then it is a very great hardship upon the district which has no other means of sending away its goods but by railway if it is to be subject to higher railway rates.

10,530. Does not the hardship result from the situation of the district, and not from the operation of the law?—Then you may remedy that by admitting that at all events we have a right to claim that a district which has favourable sea communication shall not be placed in a more advantageous situation with respect to its inland communication than another district which is entirely insulated.

10,531. (*Sir R. Hill.*) The law does now fix maximum rates for each railway, does it not?—Yes, but I think that few railways act up to their maximum, except upon short distances.

10,532. There is at present no uniformity, is there, as regards those maximum rates?—I think so; I think that the Acts of Parliament lay down an uniform rate now pretty generally.

10,533. For all railways?—Yes, I think so, for all railways. I do not mean that all railways are precisely alike. In separate railway companies the rates may slightly vary.

10,534. Is the maximum of one railway the same as the maximum of every other railway?—I think not, but I am not quite certain as to that point.

10,535. Supposing there be a difference, you would probably think it advantageous for the public that one maximum rate should be applied to all railways?—I would leave the railway companies in the enjoyment of their present rights as prescribed by Act of Parliament; but in the exercise of those rights, if you reduce the rates to one party, I say you should do so to other parties also.

10,536. You simply recommend that upon the same system of lines the rate imposed should be a uniform rate?—Exactly.

10,537. With regard to the lines connecting Middlesborough with London, for instance, at present those lines have a very low rate of charge to London for iron?—Yes.

10,538. And you consider that that low rate of charge acts disadvantageously to you in respect of your proceedings in Staffordshire?—It does.

10,539. Supposing the law to require that the lines connecting Middlesborough with London should charge that low rate throughout, would not that obligation tend to prevent the companies establishing a low rate in the first instance?—I think it would.

10,540. And in that way the competition which injures you would be very much mitigated ?—No doubt it would be so to the public.

10,541. (*Mr. Ayrton.*) What would you do with the case where railways are amalgamated, and one has a lower rate than the other ; would you make it a condition of amalgamation that the rates should all be reduced to the lowest rate ?—Where they are amalgamated, I should say that the lesser branch of the amalgamation should adopt the rates of the greater branch. Generally speaking, the smaller lines have quite as high, or higher rates, than the larger ones. But that is a mere speculative point, upon which it is very difficult to give any authoritative dictum.

10,542. (*Sir R. Hill.*) Is not it usual in the case of amalgamation to impose one maximum rate over the whole system of amalgamated lines ?—Yes. Amalgamation must take place, of course, by Act of Parliament ; and I think that the public generally are sufficiently alive to their own interests to watch the amalgamation, and to control in some degree the rate of charge that is to be made on the amalgamated system.

10,543. Is not the result generally to adopt the lowest rate existing upon any one of the lines previously to the amalgamation, and to apply it to all the amalgamated lines ?—I think it is. I think the public are sufficiently vigilant to take care of that.

10,544. (*Mr. Glyn.*) That has almost been the rule in amalgamations lately, has it not ?—I think it has.

10,545. What would you consider a reasonable notice of the alteration or modification of any of the rates ?—A month's notice, I should think, would be sufficient.

10,546. That is generally given now, is it not ?—I think it is.

10,547. (*Sir R. Hill.*) But not always, I presume, as there are complaints on that score ?—No, it is quite arbitrary.

10,548. (*Mr. Glyn.*) It would be very desirable, would it not, to have some specified time at which notice should be given before a change takes place ?—I think it would.

10,549. (*Mr. Hamilton.*) Do the railway companies in your district give you a printed notice of their existing rates ?—No.

10,550. How do you ascertain the rates for which you will be liable ?—By application to the office in all cases.

10,551. (*Sir R. Hill.*) Is that information given in a written document or by word of mouth ?—It is generally given by letter. For instance, I apply to the North Staffordshire Railway, and I say, give me your rates to various towns ; and they give me a list of 30 or 40 towns, and they say, this rate belongs to us for conveyance over our own line, and by the London and North-western, or the Lancashire and Yorkshire, as the case may be ; and from their office I get those rates in manuscript.

10,552. (*Mr. Hamilton.*) You have no security by the publication of those rates that you will be charged the same rates as other traders are charged ?—None at all.

10,553. Would you not think it a great protection to you if the rates were published ?—Yes, I think that publicity would be a great protection to us. No doubt the proceedings of railway companies, like those of individuals, are influenced less by regard for the public than their own interests. A freighter says, I will undertake to put so much traffic upon your line, will you give me a low rate ? And with that understanding the rate would very likely be a personal rate, and not applicable to the generality of the public.

10,554. (*Mr. Glyn.*) Such a rate would generally be for a large quantity, would it not ?—Yes ; there are various circumstances that enter into the consideration.

10,555. (*Sir R. Hill.*) Would there be any insuperable difficulty in publishing those rates, and at the same time providing for lower charges to those who send large quantities ?—No, but I think that that should be made public.

10,556. Would there be any difficulty in your opinion in making lower charges where the quantity of goods was large, and in making the fact that such charges were lower public by including them in this schedule of rates ?—I think it ought to be so for the protection of the public.

10,557. (*Mr. Hamilton.*) Considering the special privileges that railways enjoy, do you think it a sound principle that they should give an advantage to large traders which small traders do not enjoy ?—I think they should not. I think that is one of the objections, that they do give an advantage to the large trader to the detriment of the small trader.

10,558. Owing to the monopoly that the railway enjoys it does not fall under the same principles as those by which private individuals act in conducting their traffic, namely, that they will sell at a lower rate to a person who gives them a very large order than they will to a customer who gives them a very small order ?—I do not think that railways have a right to demand to be placed in the position of an individual in that case.

10,559. (*Capt. Galton.*) Do you think that any advantage would result from the publication of rates, in drawing attention to anomalies, and thus obtaining the redress of those anomalies ?—I think that very great advantage would be derived from the publication of the rates.

10,560. And that without any other intervention than the mere publication ?—I think that the mere publication would go very far in correcting many of the existing evils.

10,561. (*Sir R. Hill.*) Is there not a feeling amongst persons not connected with the railways that favouritism is sometimes shown in charging the rates ?—I think there is, but I have no direct charge to make myself upon that particular point, because it is one of those things that I have not considered, and without considering it I should not think it necessary to mention it to the Commission.

10,562. Whether that feeling is well founded or not, the publication of the tariff of rates would go a long way to prevent favouritism, would it not ?—I think it would.

10,563. (*Mr. Ayrton.*) Would publication do that, or would it be the law that would prohibit the company from charging less than their legal rates ?—If you published the rates, and any portion of the public found upon that publication that the railway company had stepped beyond the law, it would be for them to deal with it as they thought right.

10,564. The mere fact of the rates being published would not prevent the railway company making any arrangement they thought fit with an individual trader, unless every such transaction was reported to some office, published, and made the subject of a prosecution ?—The vigilance of the public, I think, would protect themselves in that matter. If they found upon publication of the rates that the railway companies made their charge upon the rates so published, and they found on inquiry that any exception was made in favour of individuals, I think they would soon put the matter straight themselves.

10,565. How would they be in any better position in that respect by the publication of the rates than they are in at present ?—If they found, as I before observed, that a railway company had deviated in favour of any individual from the published rates, they would have a right to demand that the railway companies should alter their published rates to the extent that they had deviated in favour of this individual.

10,566. But they have the right now, under such circumstances, to demand a reduction of rates for themselves, which is the matter with which we are more immediately concerned ?—The difficulty in dealing with the railway companies is to know what individuals they do favour, or whether they do favour any individuals.

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10,567. Then the mere publication would not be of any use; the nature of the transaction with the individual would be what you would want to get at, would it not?—No doubt it would, but I think you would get at it more easily upon the publication of the rates than you would by the present system.

10,568. Would not it be necessary, in order to get at that, not merely that the rate should be published, but that no transaction should take place with any individual unless it were published?—I think so; I think it should be published with some such stipulation.

10,569. Then you would have every transaction with an individual deviating from the published rates reported to the office, and also made public?—I think so. Without something of that sort to complete the publicity, it would only partially affect the object.

10,570. (*Mr. Hamilton.*) Surely, without going so far as that, the mere publication of the rate would be a greater protection than the public now enjoy, would it not?—I should like the fullest protection, and I think that publication would be a very good step in the right direction.

10,571. (*Sir R. Hill.*) It would remove all doubt, would it not, as to what the proper charge is?—Yes.

10,572. (*Mr. Glyn.*) But, on the other hand, it would not prevent any allowance being made?—If people choose to do wrong, it is a very difficult thing to prevent them.

10,573. (*Capt. Galton.*) Still the publication of the rates would be of very great assistance, would it not, towards detecting that wrong?—Yes.

10,574. (*Mr. Ayrton.*) Has anybody engaged in trade at any station any doubt now as to what is called the public rate?—Generally speaking they have not. They get a sort of general intimation of what the public rate is, but I do not think they get it as fully as they would if the rates were to be published.

10,575. Can they not get it by simply asking at the office for it?—They can.

10,576. (*Mr. Hamilton.*) But they have not this security, that the same measure which is given to them is given to other people, which they would have if the rates were published?—Clearly not. The publication of the rates would be a very great protection.

10,577. Is it not a fact that in every town where there are two competing railways under arrangements as to rates, the agents of both companies look very sharply after each other?—They do. I have always myself been an advocate for competition. I believe competition to have been the salvation of the public against the railway companies. Only two or three years ago, in the case of a railway bill upon which I gave evidence, there was an agreement put in amongst the clauses, after the evidence was finished, to the effect that three great companies, the Midland, the London and North-western, and the Great Western, should none of them make different charges or promote other lines, except with the consent of all three parties, whereupon people said, the competition of these railway companies has ended, as we always said it would end, in combination. This agreement puzzled me very much, and I thought that it had ended in combination; but another element sprung up which has destroyed in a great measure that combination, and that is the Contractors. When the great companies had ceased to make lines in districts where they found it not profitable or desireable to make lines, by some process with which I am not very familiar, a body of contractors started up to make railways, with this idea, that if a railway is made, one of those great companies will take to it when it is made; and it is found that although those great companies had made this compact between themselves, yet they were quietly encouraging those contractors in the construction of the particular lines that favoured their systems. That has, in a great measure, broken down this combination, and the public now are very much benefited by the enterprise of contractors who make railways in districts where the great companies would not make them, and where a railway would not be made but for those contractors.

10,578. (*Sir R. Hill.*) When you say that the public are benefited, I presume you do not include under the term "public" the shareholders of the railways?—I will leave the shareholders and the capitalists of every sort in England to take care of themselves. I have no doubt that they are quite competent to do so.

10,579. Still they are exceptions to the general public?—I am speaking as one of the public, and not as a railway proprietor. I dare say that I should feel, as many railway proprietors do, that they have had a very insufficient remuneration for their capital in many instances.

10,580. Can you conceive of any permanently efficient competition where the number of competitors is necessarily so limited as is the case with respect to railways?—Competition has gone on now for 20 years, and, as I before observed, when we thought it was closed by the combination of those three great companies, there was another element which opened up competition again, and it may go on for another 20 years, and I have no doubt that the public will be very much benefited by it. Therefore I think it a very salutary proceeding.

10,581. (*Mr. Hamilton.*) Is it not the case that, although competition has often ended in combination, the agreed rate under that combination has been a lower rate?—It has almost universally been so.

10,582. (*Mr. Ayrton.*) You have been asked whether the competition between two competitors is enough for the public; I want to ask you whether the competition to which we ought to look for the purpose of the protection of the public is not the competition of new lines being constructed if existing lines are worked at an excessive profit?—Clearly the competition in that case would be on the part of new railway companies.

10,583. And that is the open competition of all society against existing railways?—Yes.

10,584. (*Mr. Hamilton.*) But excessive charge to the public and excessive profit to the shareholders are not convertible terms, are they?—Not exactly.

10,585. (*Mr. Ayrton.*) You may suppose, may you not, that railway companies conduct their business with ordinary intelligence, and that they charge that which is most profitable to themselves?—I have no fault to find with the way in which the business of railway companies is conducted. I have no doubt that it is conducted with the greatest possible ability with regard to the interests of their shareholders.

10,586. Do you think it is desirable that we should look to the action of competition to keep down the charges by new lines being constructed rather than to any very special legislation?—I really cannot give an opinion upon that point.

10,587. (*Chairman.*) One of the general conclusions to which the Committee of the South Staffordshire Ironmasters' Association have come is, "that the same "charges should be made binding on all companies," I understand that you do not go that length?—With respect to the report of the South Staffordshire Ironmasters' Association, I may state that my time was a good deal occupied, and I did not attend their meetings. I am one of the committee for managing the dssociation, but I did not attend the meetings, and there is a good deal in that report which perhaps I should not quite concur in. Therefore I have left it to the secretary of the association to give his own views upon that particular point. I am not prepared to speak upon it.

10,588. (*Mr. Ayrton.*) Do you concur in the recommendations of the association as to the separation of the terminal charges from the mileage rate?—I do.

10,589. Do you concur in their classification of the terminal charges?—I do not quite.

10,590. Will you state wherein you differ?—I should say generally with respect to the termiual charges, that they should be kept entirely distinct from the mileage rate, and I would have individuals know exactly what

terminal charges they have to deal with. If they think that they are aggrieved by it they may have recourse to such remedy as the law affords, going either to the Board of Trade or elsewhere, and leaving it to them to assign the proper amount in respect of the duties that are done and for which the terminal charge is made.

10,591. Have you considered the possibility of making a classification of the terminal charges ?—There would be no difficulty in it in my opinion, because the terminal charge is really a very simple matter; it is simply for taking the trucks into the siding of the freighter and bringing them out again.

10,592. That is confined to the simple case where he freights from a siding and takes delivery on a siding ?—Yes.

10,593. That would be one class ; but have you gone through the whole subject, so as to consider any other cases ?—I have not, because I look upon the other cases as being outside the terminal charge. If the railway companies load and unload, and cover the trucks, they have a right to charge for that service beyond putting the trucks into the siding; that is a duty which they are not called upon to do except they can agree with the freighter to do it.

10,594. Do you think it would be possible to classify those extra charges and fix public rates for them ?—I think it would. It would be a matter of some difficulty, but they are mere mercantile questions, and all mercantile questions are settled eventually in one way or other between the public body and the individuals as between one individual and another.

10,595 Would you leave it to what may be called competition between the railway company and the general public to settle those rates ?—All except the mere transmission of the trucks into the siding and out of it ; that should be defined, because it is not often that there are two cases alike. The cases of the transmission of goods into a siding and bringing them out of the siding again vary so much under different circumstances, that it would be a very difficult thing to fix upon one general arbitrary rate for that duty.

10,596. You would, for these purposes, treat a station as a siding, and, the goods being there, you would then have the railway charge terminate ?—I would leave it to the freighter, and to the railway company to agree if they can, but if they cannot agree, I would have some tribunal like the Board of Trade send some person down to investigate the circumstances, and say what is a proper and reasonable charge.

10,597. Where would you have what may be called the fixed parliamentary charge cease ; would it be the trucks coming into a siding or a station, and would all the subsequent services rendered be the subject of account between the freighter and the railway company ?—I think the public would suffer no injury if it were left in that form.

10,598. So that if the parties would not agree, the freighter must take the goods at his own cost ?—Yes, he must do it by himself.

10,599. With regard to different places, would you make any difference between places such as London or Liverpool, and provincial towns, in respect of the terminal charge, such as you have defined it ?—Yes ; I think that would necessarily arise, as it would be a very difficult thing to apply a uniform rate in all cases.

10,600. (*Mr. Glyn.*) Practically that is the case now, is it not ?—Yes.

10,601. (*Mr. Ayrton.*) Where the goods were forwarded on by a special railway, such as the North London or the Metropolitan, would you consider the sum paid for that as a charge paid out in addition to the ordinary charge, or would you insist upon all those railways coming into the uniform mileage rate ?—That is a very difficult question ; I have not considered the subject sufficiently to give an answer that would satisfy the Commission upon that point.

10,602. (*Chairman.*) Have you any other suggestion to make to the Commission ?—No, I think not.

The witness withdrew.

Mr. Thomas Perry examined.

10,603. (*Chairman.*) Are you connected with the iron foundry trade ?—Yes.

10,604. And are you Chairman of the Iron Founders' Association ?—Yes.

10,605. Have you any statement to make to the Commission with regard to the classification on railways connected with your business ?—Yes ; what I wish to say of course is chiefly with regard to South Staffordshire, where my experience has been. I may say that the foundry trade of South Staffordshire is a very important one, scarcely less so than what is called strictly the iron trade, that being the making of pig iron and malleable iron. The castings used in this country in all large works are very numerous, but the rates which are placed upon most of them being so much more than those upon bars, the trade of the founder is very much restricted. The iron founder and the malleable iron maker each receives the same raw materials, the one melts the iron and puddles it and rolls it into bars, and the other melts the iron and casts it into a mould, and because one is called "bar" and the other "casting" they go at different rates. We think that where the values are the same, and where the convenience of loading the trucks is as good, the iron foundry trade of the kingdom should not be placed in a position less favourable than the general iron trade.

10,606. (*Capt. Galton.*) Are not those castings more liable to break than bar iron ?—This proposition is based upon the owner taking all risks, and that it should apply to those castings which are of good loading. That is the object of my argument, that where the loading is as good, and the value equal, there is no reason why what the iron founder produces from his foundry should be carried at a higher rate than that at which the iron master sends out of his mills.

10,607. Who is to be the judge of whether the loading is equally good ?—I think that that would be a matter of common consent between the railway officials and the founders. I think that if the general principle were established there would be no difficulty between the parties interested, the founders and the railway people.

10,608. (*Chairman.*) Can the castings be packed as closely as the others ?—Yes, certainly. The term "castings," perhaps, would lead one to think of things that are rather more of an ornamental character and of a more fragile nature, but such castings form a very inconsiderable part. The foundry trade includes very many heavy castings, which are required in every large work that is undertaken every day. The buildings that are being erected are now being made fire-proof, and chiefly with iron ; in all our offensive and defensive operations cast iron is combined with wrought iron ; and for all sanitary purposes, and gas and water, cast iron is very largely used. The railway companies have themselves lately included a great many of the lower priced castings in the bar iron classification; but the foundry trade consider that they have not gone far enough. They state in one of their own classifications they will take bearers, short girders, pipes, plates, and turn tables at the low rate that they take bar iron ; yet they exclude bridge work and castings, mill and forge, and other rough and heavy things, which the trade practically regard as the commonest and most general class of castings in a higher class. They use the term themselves, castings, mill and forge, *and other rough and heavy things.* I do not wish to give any evidence as regards rates, because I think that will be taken up by the iron trade separately ; but my object is to draw attention to the fact which I have stated, that the iron foundry trade so much assimilates to the iron trade, that we seek that the castings, where they are of equal value, should be carried at the same

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rates. Where single castings are very heavy, of course special rates must be charged ; and where they are of excessive size, special rates must be charged ; or where the bulk would not be in proportion to their weight, then, in the same way as ships charge, let them be taken by a higher rate, or by the cube foot.

10,609. (*Mr. Hamilton.*) What do you mean by the expression "where the loading is equally good?" —I mean that where the ordinary servants employed at the railway station can load a truck in the same time, and lay it as well upon the truck as bar iron, and the railway people would not have more trouble with it.

10,610. (*Sir R. Hill.*) You think that the mere fact of goods being cast rather than forged or rolled is no reason why they should be charged a higher rate ?—Precisely.

10,611. (*Mr. Hamilton.*) I see that you wish to do away with this differential charge on the principle of bearing the risk of damage yourself ?—Yes.

10,612 Do you think that the classification ought to be very much modified in all cases in which freighters were willing to take the risk of damage upon themselves ?—I think so ; and for this reason I think that the margin adopted by the carrying companies, which we may look upon as an insurance to themselves, is very excessive. I think that people would prefer to be their own insurers, as they would be in that case.

10,613. You think that the railway company should in all cases be bound to give a freighter a rate free of damage and a rate subject to damage ?—I think so. I think that the producer of the goods is the best judge as to the risk of his goods. I may say also that in comparing castings with malleable iron, such as bars and sheets and plates, $\frac{19}{20}$ths of the castings consist of articles which are produced at a lower price from the pig iron than the malleable iron is ; so that it is not the case, as the railways profess, of charging according to value, because, on the average, the castings that are made throughout England are at a lower price than the bar iron that is produced.

10,614. (*Mr. Ayrton.*) The element here is the liability to fracture I presume ?—Yes ; if the railway company receives goods which it considers liable to be injured, and they ask a higher rate for them, no one can objeet ; but if the sender says, Well, I know what the goods are, and I am perfectly willing to take all responsibility. I only ask you to deliver them from one point to the other, and if they are broken it is my own risk.

10,615. Would the risk of loading and unloading the trucks then be in the hand of the trader or of the company ?—That would rest with the sender, because the liability to be injured is one of the incidental consequences.

10,616. (*Mr. Hamilton.*) Your argument is that the extra rate charged for insurance is excessive ?—Yes.

10,617. And that in many cases it would pay the freighter well to take the risk himself in consideration of having to pay a lower rate of freight ?—Yes ; there are damageable and undamageable rates charged now for different kinds of castings, but the point which I wish particularly to impress upon the Commission is this, that the castings made throughout England should not be mulcted in a higher rate of freight than the malleable iron.

10,618. (*Sir. R. Hill.*) At present you have no choice, you must pay a higher rate whether you are willing or unwilling to take the risk ?—On certain things. As chairman of the Founders' Association I appealed to the railway companies about their high rates of freight, and in February they issued a circular giving a classification of certain castings which they would take at bar iron rates, at the senders risk. But if taken at the railway company's risk, those castings were put in the next class above, but they have not in that classification included the bulk of the castings which ought to have been included, they have reserved a very large proportion of the castings which they do not give you the option of taking at a low rate.

10,619. (*Mr. Hamilton.*) Still they have admitted the principle ?—Yes.

10,620. (*Mr. Glyn.*) Your complaint is confined to that particular system ?—Yes, with regard to the castings.

10,621. (*Mr. Ayrton.*) Do you understand why the railways have made this distinction ; do they differ from your opinion ?—I think it is simply this, that perhaps the railway companies think they must get a higher rate on some things than others to make up an aggregate income ; there can be no other reason than that.

10,622. (*Sir R. Hill.*) Would you make this additional charge for risk, dependent upon the value of the goods, or upon what principle would you arrange it ?—Yes ; it would be dependent upon the value and the little liability to injury ; that is to say, that castings principally are of a heavy and rough description ; they form, as it were, the materials from which other things are made, in the same way as bar iron does ; if a bridge is to be built, iron plates have to be sent to it, and castings too are, as it were, part of the raw material of which that bridge is made.

10,623. You would have that additional charge regulated with a view of covering the risk whatever it may be, and affording some profit to the company ? —Yes ; if a sender desires to send away his castings at an insured rate to the railway company, let them give that rate, but it should be a more reasonable one.

10,624. Speaking from your experience as a manufacturer, are you of opinion that such an arrangement would increase or decrease litigation ?—I think that it would decrease any litigation or dispute, because, if things are taken at the owner's risk there can be no difference of opinion.

10,625. There can be no litigation in that case ?— I think not.

10,626. And when they were taken at the risk of the company, that would be a fact which would be indisputable ? — Yes ; but the railway company may allege that they were improperly packed, or that they were of such a nature as ought not to have been sent, or something of that kind.

10,627. (*Mr. Glyn.*) That would be a question for proof when the trial came on ?—Yes.

10,628. (*Sir R. Hill.*) At present it is sometimes doubtful, is it not, when damage arises, whether the company is liable for the damage or not ?—Yes ; in some instances it may be. My chief proposition is, "That when the owner takes all risk and the loading "is equally good, there appears no reason why dif- "ferential rates upon castings should be charged," that is, supposing that they are within certain ordinary sizes.

10,629. (*Mr. Ayrton.*) Have you read the suggestions which were made by the South Staffordshire iron masters ?—Yes.

10,630. Do you concur in those suggestions as to the classification and otherwise of iron ?—Yes ; I am not a maker of bar-iron, and that is principally what their evidence turns upon.

10,631. (*Chairman.*) Would you leave it to the Board of Trade to make out this classification ?—Yes ; of course I presume that the Board of Trade would take their information from thoroughly practical sources. Unfortunately, I think that these classifications pass through the hands of those who are not acquainted with the particular objects which they class, and it requires some one who practically understands the separate kinds of castings.

10,632. (*Mr. Ayrton.*) I presume that you would finally have the classification of the rates fixed by law ? —Yes ; but the simple thing that I propose is, that all castings should go as bar iron does, under one rate.

10,633. (*Chairman.*) Have you any other suggestion to make ?—No ; I think not.

The witness withdrew.

Adjourned to to-morrow at half-past 11 o'clock.

Thursday, 14th December 1865.

PRESENT:

SIR ROWLAND HILL, K.C.B., F.R.S.
GEO. CARR GLYN, ESQ., M.P.
J. A. ROEBUCK, ESQ., M.P.
A. S. AYRTON, ESQ., M.P.
E. T. HAMILTON, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
J. R. M'CLEAN, ESQ., PRES. INST. C.E.
WILLIAM POLE, ESQ., F.R.S., *Secretary.*

THE RIGHT HON. LORD STANLEY, M.P., F.R.S., IN THE CHAIR.

Mr. WILLIAM WALKER examined.

Mr. W. Walker.

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10,634. (*Chairman.*) I think you are a member of the Chamber of Commerce of Wolverhampton?—Yes, I am.

10,635. Are you come up on this occasion as representing the Chamber?—Yes; and in addition to that, I may say as representing manufacturers and merchants who are not, perhaps, members of the Chamber.

10,636. Are you yourself a merchant?—Yes, I am a merchant in the hardware trade.

10,637. We understand that you are prepared to give evidence as to the inequality in the rates charged by the railway companies for the carriage of goods?—Yes, and the effect on the trade of Wolverhampton.

10,638. Can you give the Commission any instances of that inequality?—I will give instances, as far as my knowledge goes, with regard to Wolverhampton in particular. The rate which we pay for hardware from Wolverhampton to London is 30*s.*, and the mileage is 123 miles; from Wolverhampton to Liverpool the rate is 15*s.* 10*d.*, and the mileage 84; from Wolverhampton to Fleetwood, 15*s.* 10*d.*, 115 miles; from Wolverhampton to Glasgow 35*s.*, 290 miles; to Paisley, Greenock, and Dumbarton, though differing some little in distance, the same rates are charged, 35*s.*; from Wolverhampton to Aberdeen 45*s.*, 427 miles.

10,639. Are you speaking of hardware?—Yes, of hardware; it is classified under that term by the railway companies.

10,640. I presume that in taking an account of those disparities we ought to allow for the cost of collection and delivery being nearly the same for a short as for a long journey?—I fancy that that would mainly depend upon the town in which the goods were collected. I can conceive that the rate for collection would be more in a large town than it would be in a small one, the distances would necessarily be greater. From London to Liverpool the rate for hardware is 30*s.*, a distance of 201 miles; London to Glasgow, 45*s.*, 413 miles; London to Aberdeen, 40*s.*, 550 miles; that being 5*s.* less than the rates from Wolverhampton, thereby offering a premium in favour of London being the seat of the hardware trade.

10,641. The practical effect is that for commercial purposes you are placed at a greater distance from those northern towns than the London people are?—Exactly so. The rate from London to Bristol is 27*s.* 6*d.* a distance of 118 miles; from Wolverhampton to Hull it is 22*s.* 6*d.* Those are for hardware, and the rates that I will now give, are for nails. I have not had time to get the rates for hardware with certainty. For nails, from Wolverhampton to Bristol the rate is 17*s.* 1*d.*, and from Birmingham to Bristol 12*s.* 1*d.*, the distance being the same. From Wolverhampton to London the rate for nails is 25*s.*; Wolverhampton to Dublin, 25*s.*, including the sea freight, and risk of the sea from Holyhead to Dublin; Wolverhampton to Glasgow, 30*s.* I would wish now to speak of the difference in charges on the same 13 miles of railway between Birmingham and Wolverhampton for nails. Birmingham to London the charge is 21*s.* 8*d.*; Wolverhampton to London 25*s.*, the difference being 3*s.* 4*d.* Birmingham to Liverpool, 16*s.* 8*d.*; Wolverhampton to Liverpool 14*s.* 2*d.*, the difference being 2*s.* 6*d.*

10,642. (*Capt. Galton.*) Is it necessary that the traffic from Birmingham to Liverpool should pass by Wolverhampton; why cannot it go by the old Grand Junction Railway?—That is still in the hands of the London and North-western Railway Company.

10,643. Is it not the case that a good deal of the goods traffic goes along that line?—I think that the through traffic mostly goes on the Stour Valley line; but I do not think that it would affect the question at all which line it went by. There are a few miles difference in distance, but they are both near the town.

10,644. Still it would be shorter to Stafford by the old line than through Wolverhampton?—No; it is shorter to Stafford by the Stour Valley line.

10,645. From Birmingham through Wolverhampton to Stafford?—Yes; a few miles, there would not be much difference, but there is a little difference. I speak of the inequalities of the rates between Birmingham and Wolverhampton in particular.

10,646. If the traffic does not pass through Wolverhampton the comparison falls to the ground, does it not?—But it does pass through Wolverhampton. Even the Grand Junction line we call Wolverhampton; before the Stour Valley line was opened, that was the only station we had, and it is the old Wolverhampton station; it is a mile and a half to Wednesfield heath. I speak of the disparity there between Wolverhampton and Birmingham, but I do not find the same disparity elsewhere; for instance, there is no extra freight charged from Wolverhampton between Dundee and Aberdeen, though it is, I suppose, 55 miles farther, there is nothing charged extra for that 55 miles at all; nor is there anything extra charged for our freights from Wolverhampton between Perth and Stirling, though one is 31 or 32 miles shorter in distance than the other.

10,647. Do you mean that the rate from Wolverhampton to Perth is the same as the rate from Wolverhampton to Stirling?—Yes, exactly the same; and the same again from Wolverhampton to Dundee or Aberdeen, and yet there is 50 miles difference between the two.

10,648. (*Mr. Ayrton.*) Do all the rates which you have given include collection and delivery?—Yes. Now I come to a very important article with regard to Wolverhampton, and that is steel. It is largely used in the manufacture of edged tools, and is very indispensable to the manufacturers. The seat of this manufacture is principally Sheffield, and I will show how we are served in the article of steel with regard to the freight of that article. The freight of steel from Sheffield to Wolverhampton and Birmingham is 25*s.* a distance of 87 miles; but the freight from Sheffield to London is 22*s.* 6*d.* a distance of 166 miles, so that the Sheffield people deliver steel in London at a lower rate than in Wolverhampton where it is most wanted, and where it is the essential thing next to iron to the manufacturers.

10,649. Is that by the same line of railway?—There are two lines of railway from Sheffield, the distance by one being rather more than by the other, but the rates are the same by both. It is a very singular thing, speaking of Sheffield freights, that they make a difference of five shillings in favor of Birmingham on hardware, cutlery, files, saws, and edged tools. The distance from Birmingham and Wolverhampton to Sheffield is nearly the same, and yet we have to pay five shillings more than the Birmingham people.

10,650. (*Chairman.*) Have you any other instances

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of the same kind which you wish to mention ?—If the principal Railway Companies were required to lay upon your table a tabular statement of their charges for railway freight, and if an actuary were allowed to dissect those charges, you would find them to confirm all I have stated, and a vast deal more, and to show still more unequal rates. I only speak of things that come under my own observation, but if you had the rates before you, they would speak for themselves.

10,651. (*Mr. Roebuck.*) Does the inequality generally tend against Wolverhampton ?—Yes.

10,652. Can you suggest any reason for that ?—I cannot, indeed. I would like to see a remedy for that which I conceive to be a wrong. I think, that if the entire rates were laid before you, they would demonstrate that the rates are levied without reference to profit or loss, that they are levied without reference to mileage, and that they are levied without reference to any principle of business, or even the cost of the lines. In many cases the rates are far too high, and in other cases perhaps far too low. They seem to demonstrate simply how much the railway company can take from one district, and how little from another.

10,653. Would you suggest that it is simply the consequence of caprice and ignorance ?—I can hardly give an answer to that question. I think that it arises principally from their all having too much to do.

10,654. Does not that resolve itself into ignorance ?—Into inattention, perhaps, arising from their having more to accomplish than they really can accomplish ; the traffic of the country has so enormously increased.

10,655. (*Chairman.*) Do I understand you to put it in this way, that they have so much to do that they do not want additional traffic upon some of their lines ?—No, I think that they grasp everything they can in their own hands, whether they can convey or not. I know that at present the London and North-western Railway is fairly blocked up with goods.

10,656. (*Mr. Ayrton.*) Would the fact seem to be this, that from the pressure put upon them, the company have made reductions here and there without any consideration of the general system of rates ?—The memorial on your table was never intended to be placed before this Commission. It was intended simply as a memorial to the London and North-western and the Great Western, the two railways which are most intimately connected with Wolverhampton, in the hope of inducing them to make a reduction in those freights, by pointing out the discrepancies.

10,657. Do you think that those inequalities originated from pressure being put upon the companies by particular interests or by particular towns, and their making those reductions in particular cases without reference to the general system of rates ?—I think it arises entirely from this, that they cannot help themselves. For instance, as I have observed, the rates from London to Aberdeen are actually lower than they are from Wolverhampton to Aberdeen, but of course they have a sea freight there.

10,658. Would it not result from competition having grown up in any particular place, which has rendered it necessary for them to make a special reduction in the rates to that place to meet the competition ?—I do not think it arises from that, but it is because they have got to meet the water competition.

10,659. Therefore they have made a partial reduction to meet some special local competition without making a reduction in other places, and hence these inequalities ?—Yes.

10,660. Do you think that that is the general character of the inequality, that it has arisen from special local competitions either of water, carriage, or of other railway companies ?—I think it is more a study on the part of the railway companies how much they can really get.

10,661. It would involve this, would it not, that they charge as much as they can till they are compelled, by competition somewhere, to reduce the rate ?—I can hardly answer that question.

10,662. (*Mr. Roebuck.*) Is it not that they charge as much as they can in every place, but that in some places they can charge more than in others ?—Yes ; that is exactly what I mean.

10,663. (*Mr. Ayrton.*) Why do they charge more in one place than in another, except that they are compelled to do so by competition ?—It is all by competition that the rates are kept down in some places. I am told that in some cases they carry wire from Warrington to London at lower rates than from Birmingham and Wolverhampton to London ; and the reason is that at Warrington they have river carriage, and that they have the sea freight down the Mersey in competition. Those rates act in fact as a protective duty in favour of other manufacturing towns to the detriment of Wolverhampton.

10,664. (*Chairman.*) Does not it come to this, that they carry cheap where there is competition, and that they carry dear where there is none ?—Yes.

10,665. (*Mr. Ayrton.*) They charge the full legal rates where there is no competition, and where there is competition they are compelled to reduce those rates considerably ?—I do not think it is a question of legal rates, but I think it is entirely a question of how much they can get.

10,666. (*Capt. Galton.*) With regard to this difference of rates between Wolverhampton and Birmingham to Sheffield, for instance, how does the traffic go to Sheffield ; does it go by the Manchester, Sheffield, and Lincolnshire Railway or by the Midland Railway ?—It would go by the Midland Railway.

10,667. Then in both cases it would go by the Midland Railway to Sheffield from Birmingham and Wolverhampton ?—It would come in at what we call the Dudley end from Birmingham, and it would go by the Midland ; and from Wolverhampton it would go partly by the Midland and then on by the South Staffordshire line.

10,668. (*Mr. Ayrton.*) Is there a canal between Birmingham and Wolverhampton ?—Yes.

10,669. And none between Wolverhampton and Sheffield ?—I can hardly answer that question. I think there is one.

10,670. Does your canal come in competition with the railway ?—The canals do not come in competition with the railways with us. We hear nothing of the canals now.

10,671. (*Capt. Galton.*) Are they all under the influence of the railway ?—Yes ; one might suppose that the canals would produce competition, but I do not think they do at all.

10,672. (*Mr. Ayrton.*) Is the Wolverhampton and Birmingham canal under the control of the railway company ?—I think it is so far under the control of the railway company that if they were to reduce the freights the railway company would instantly reduce a little lower ; so that they are always in a fix, and it is no use reducing the freights.

10,673. (*Capt. Galton.*) As to that canal, it is practically leased, is it not, to the London and North-western Company ?—I cannot tell.

10,674. Is it guaranteed by the London and North-western Company ?—I am not sure.

10,675. (*Mr. Glyn.*) At any rate they regulate their rates together ?—Yes, they regulate their rates together, and there is no competition.

10,676. (*Mr. Hamilton.*) In fact, the only competition of which the railway feels the effect is by the sea route, where it exists ?—Yes.

10,677. (*Sir R. Hill.*) Are there any differences in the mode and extent of collection and delivery in the several towns that will at all account for the discrepancies to which you have alluded ?—I do not think so, at all.

10,678. In Wolverhampton and Birmingham they would be much the same ?—Yes, much the same ; the delivery in Birmingham would probably be a little greater, it being a larger place.

10,679. And in London it would be very much greater ?—Yes.

10,680. (*Capt. Galton.*) You were mentioning, were you not, that the rates were the same from Wolverhampton to Perth, Stirling, Dundee, and Aberdeen ?—No. I mentioned that they were the same to Perth and Stirling at one rate, and to Dundee and Aberdeen at another rate.

10,681. I suppose that, practically, to those distant places the railway company charge that amount of freight which the traffic will bear ; that is to say, which will enable the nails or the material to be sold in that particular town, and they charge as high as they can consistently with not shutting it out of the market ?—I think that they may charge a little higher to Perth myself. I do not see why they should not charge a little higher to Perth than to Stirling from the midland districts.

10,682. Do you think that the traffic would bea it?—I do. I do not see why it should not from the midland districts, but I can understand why they do not from London, because there they get the sea freight in competition with them. But you see that here they actually carry those long distances without extra charge, whereas we have to pay 9*s.* 7*d.* between Wolverhampton and Birmingham for 13 miles.

10,683. (*Mr. Glyn.*) You include in that the charge for collection and delivery?—Yes.

10,684. (*Sir R. Hill.*) May not the charge for delivery and collection amount nearly to 9*s.* 7*d.*?—I think not, nothing like it. Then we are treated very differently with regard to the question of railway fares. If I book to London first-class from Wolverhampton, I pay 22*s.* 4*d.*, but if I book to Glasgow it is 49*s.*, and yet the rates for merchandise as between those cities are almost exactly the same, the difference in the passenger fare being 26*s.* 8*d.* Now goods have to be collected and delivered, while the passenger arrives and departs at his own expense.

10,685. (*Capt. Galton.*) Is it your argument that goods are carried at an unremunerative rate ?—I have nothing to do with that ; I think that the railway company have to look out for that entirely themselves, but I think that railway companies have taught us how very cheaply they can carry, and they should not blame us for asking them to carry out their own principles.

10,686. (*Chairman.*) Do you lay it down as a rule that they ought to charge the same rate for the same mileage uniformly?—I would not feel myself warranted to give an opinion upon that. I have not sufficiently thought of it.

10,687. (*Mr. Hamilton.*) You are not prepared to state upon what principle you think that the rates ought to be fixed?—No, I am not; I would rather leave that to people more competent to give an opinion upon it than I am.

10,688. But your opinion is that they are partial and capricious?—Yes, we think so, and that we in particular suffer at Wolverhampton. We are unfortunately situated at Wolverhampton. We are a very considerable distance from the sea-board, and in the very heart of the kingdom.

10,689. I suppose it is your opinion that it was not contemplated by Parliament, in giving certain privileges to the railways, that they should establish preferences in favour of one town against another?—Certainly not. All I would ask is for us to be charged alike. I do not complain of our local situation at Wolverhampton, but that we are placed at an artificial disadvantage by the rates that are charged.

10,690. (*Mr. Ayrton.*) Is there any place where nails are manufactured in competition with you?—Yes, there are several places. Cut nails are manufactured in Birmingham and Wolverhampton, and they are manufactured at Newcastle-upon-Tyne and at Leeds extensively.

10,691. If the rates were kept up from Wolverhampton to Perth and Stirling at the higher rate, it would be impossible for you to compete with the Newcastle manufacturers, would it not?—As a rule we are rather lower than the Newcastle price to start with.

10,692. But if you were to pay the full rates through to Perth, you would be placed at a very great disadvantage as compared with the water communication, which would be completely through from Newcastle to Perth ?—Yes, no doubt of it.

10,693. Therefore, is it not probable that the rates have been reduced in your favour, to enable you to compete with the Newcastle manufacturers ?—No, I do not think that that was ever taken into consideration. I think that those rates have been fixed merely from an idea of how much they can get.

10,694. Could you send nails from Wolverhampton to Perth, if you paid the full rate by the railway, as compared with the nailers at Newcastle sending by sea to Perth ?—It would be a question whether we could.

10,695. It would certainly be a difference against you, would it not ?—Yes, it would ; on nails a mere 3*d.* per cwt. is the profit.

10,696. Therefore, that would all vanish in the difference of rates ?—Yes, it would be a question whether we could retain our trade with Perth, I think.

10,697. Do you not think that circumstances like these are, to some extent, the cause of those peculiarities of rate ?—No, I do not think so.

10,698. Do you think that you would not lose a good deal, as well as gain, if you had a rigid rate all through the country, Wolverhampton being an inland town, as compared with the iron and other manufactures in the seaports ?—No, I think that we should be benefited by a revision of the rates, because, generally, the lowest rates are to places far away from us ; they are along the sea-board, and we are distant from the sea-board.

10,699. If the principle were adopted of not reducing the rates to meet the special circumstances of competition or of trade, would not it result in this, that the manufactures now carried on at Wolverhampton, would be transferred to the ports where they are connected with the iron manufacture ?—That would be a work of considerable time, because we have the raw material under our feet ; all the iron, coal, and labour, is located there.

10,700. But they have the raw material also under their feet, and the port in addition ?—Yes, but the class of iron is not so particularly adapted to the manufacture of particular goods.

10,701. (*Mr. Roebuck.*) Is it not a fact that, generally speaking, the rates from seaports to other seaports are lower than from inland towns to the seaports ?—Invariably so, I should say.

10,702. Then does not that answer the question put to you by the honourable member ?—I scarcely understood his question.

10,703. (*Mr. Ayrton.*) The principle that you object to is any reduction of rates to meet special circumstances ; if I understand you, you want a certain and uniform rate ?—I think we should approximate to it ; I do not say that we can arrive at a uniform rate, but we can certainly approximate to a much more uniform rate than the tables that I have read to the Commissioners to-day. Then, as far as Wolverhampton is concerned, it is a very serious thing, because the class of goods that are made by us are so cheap and so common, a great many of them, that the railway rates to the ports frequently range from 10 to 20 per cent. upon their value.

10,704. Upon what principle would you fix the rates, if they are not to be uniform ?—I am not prepared to offer any information upon that point. I am only prepared to show the baneful effect of the present rates upon our trade.

10,705. (*Mr. Hamilton.*) You stated in a part of one of your earlier answers, that the rates appeared to be fixed without reference to profit and loss. Did you mean profit and loss to the trader, or to the railway company ?—To the railway company.

10,706. (*Mr. Roebuck.*) What I understand from

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you is, that you are here simply to state the facts of the case, and that legislation upon those facts you leave to other and wiser hands ?—Exactly so. I would wish to point out how very important it is that we should have reduced rates, particularly to London. The Australian trade is a very increasing trade with us, and so is the New Zealand trade. The best ships for those markets leave the port of London, and it is therefore very important to us that we should have low freights. Then again there is every prospect of a reduction of the tariff in Austria, and many other continental states. Common sense seems to be getting more prevalent in those countries, and low rates to London, to meet that trade, would be of the very greatest importance to us.

10,707. (*Mr. Ayrton.*) Is it not necessary, even in examining this question of rates, entirely to separate the terminal charges from the mileage rate ?—I have not considered that question at all. I come here simply to give an idea of the rates which we pay, and of the effect upon the trade of the town.

10,708. (*Capt. Galton.*) To state how injurious the present rates are upon the trade of Wolverhampton ?—Yes, but I do not treat those questions. Mr. Gibbs, who will follow me, will answer those questions.

10,709. (*Mr. Hamilton.*) With regard to your Australian trade, of course the railway would deliver goods in the docks, or alongside, without having the cost of distribution. Would they quote you a lower rate for goods intended for shipment than they would for goods intended for distribution in the town ?—No.

10,710. (*Capt. Galton.*) They would quote just the same rate ?—Yes, they would quote the same rate. Perhaps if a ship were in a peculiar position, lying away from the ordinary berth where ships lie, then the rate would be higher ; they would want an extra charge, but even then, if it was entered in ten ton lots, they would make a difference and not charge so much higher.

10,711. But in no case would they make you a lower rate ?—No, we have but one rate, and we never pay any but those rates that I have read over.

10,712. (*Mr. Hamilton.*) You have stated that London is the principal port for Australia ; London is not the principal port for the colony of Victoria, the principal port for that is Liverpool ?—There are a better class of vessels in London, and I am satisfied that London would have the trade if the freight were lower to London. The trade is about equally divided between London and Liverpool. Some of our best customers, if they have an office in London, have their goods for Victoria sent to London.

10,713. Are you right in saying that it is equally divided as regards the Australian colonies ?—I am speaking of goods leaving Wolverhampton, and I say that the freights are pretty fairly divided between Liverpool and London ; but if the rates were lower to London the large bulk of our goods would come here. I fancy that the insurance is effected rather lower on the London vessels than on the Liverpool vessels.

10,714. It is not within your knowledge that the principal port of shipment to the colony of Victoria is Liverpool ?—I state that I think that the trade is about equally divided as far as Wolverhampton is concerned.

10,715. (*Capt. Galton.*) In the earlier part of your examination you remarked that you thought one reason for the discrepancies in the rates was that either the directors or the companies have not time enough to look after them ; did you mean that they have not sufficient time to give to the proper consideration to the question ?—I think that they have such a large amount of business to do, especially in the case of the London and North-western Railway Company they do not investigate and inquire into the rates.

10,716. You mean that they do not look into the general arrangement of the rates, they merely look into each detail as it is brought before them ?—Yes.

10,717. (*Mr. Glyn.*) Has the present rate been going on for a great many years ?—Yes, for many years.

10,718. There has been no recent variation in the rates, has there ?—No, with the exception that as between Birmingham and Wolverhampton there has been some reduction upon nails.

10,719. But not between London and Wolverhampton ?—No.

10,720. Has the present scale of rates been going on for the last 15 years ?—I can scarcely say whether we can go so far back as that, but it is a considerable time.

10,721. (*Chairman.*) Have you only one railway company coming into Wolverhampton ?—We have the London and North-western Company, and the Great Western Company.

10,722. Then I presume there is competition between those two ?—The rates are always the same.

10,723. (*Mr. Hamilton.*) Is the rate lower than it was before the Great Western Company got access to Wolverhampton ?—I question if it is, but I cannot positively answer as to that. The distance from Wolverhampton to London by the Great Western Railway would be 18 or 20 miles more circuitous, and they take that 18 or 20 miles for nothing.

10,724. (*Mr. Ayrton.*) Have your firm ever entered into any personal communication with any of the railway companies on the subject of rates ?—Never.

10,725. (*Chairman.*) Do I understand you that there is no real competition between those two companies, but that they always combine ?—They run at the same rates, and that is the best proof.

10,726. (*Mr. Ayrton.*) Have you any objections to make to the present mode of classification of goods sent by railway as regards your trade ?—I think that if the present classification of goods were honestly held by it would be very disastrous to the railway companies themselves ; but it is not so held by. For instance, in the hardware trade there is a class of goods coming under the term "nails," but it is quite a common practice to declare as nails a variety of other goods, which are actually of less cost than nails and heavier. If it was all considered nails it would show an enormous quantity of nails manufactured by us.

10,727. You mean that they would declare that they were nails because if they were strictly declared they would go into a higher class ?—Yes ; and hence the railway company themselves are the principal benefiters by it, because they get a freight which they otherwise would not have.

10,728. The charge would be too great if they were charged in the higher class ?—Exactly so; they would not be sold.

10,729. In that respect it would seem that the classification is very imperfect at present ?—It is very imperfect, I think.

10,730. Do you think that it would be desirable that it should be entirely reviewed and a re-classification made ?—It would be desirable as far as this, that it would cause people to make more honest returns of what does go.

10,731. Is it your opinion that in those returns which you say want improvement, the people are not honest ?—I do not say that it is not honest, only it is saying that which is not really the case if you have a cask of bolts and nuts and call them nails, and send them at the charge for nails.

10,732. In the case of those returns which are inaccurate, do you think that the railway companies are conscious of the fact ?—Yes.

10,733. Being conscious of it they acquiesce in it, because they know that their classification is not satisfactory ?—The railway companies are quite aware of it, but the railway companies are more benefited than anybody else by not taking notice of it.

10,734. (*Capt. Galton.*) Are there any complaints of inequality of charge between individual firms at all? —Not amongst the hardware merchants.

10,735. (*Mr. Ayrton.*) You do not think that the inequalities which you have referred to have been in-

fluenced by any personal considerations ?—I think not amongst hardware merchants.

10,736. (*Capt. Galton.*) Do the companies charge less for a large quantity ?—No, not with us, as traders. I have heard that such things exist amongst the iron trade, but not amongst merchants.

10,737. (*Mr. Ayrton.*) Are you satsified with the minimum quantity or the maximum quantity that is fixed for the different rates as between the higher and the lower scale ?—I wish to have a revision, and I wish to see the rates, particularly from Wolverhampton to London, reduced.

10,738. I mean as regards the quantity, one or two tons, or a cwt., or whatever it may be ?—I think that as far as iron is concerned, I have heard great complaints in the town amongst dealers in iron that, in consequence of the railway companies requiring two tons to go and charging two tons as the minimum, they have lost their trade with many little country blacksmiths that could not order half that quantity, because the difference in the rate is fatal.

10,739. In the nail trade, and other trades of that description, do they generally take a less quantity than two tons for the purpose of working up ?—Yes; anything from two cwt. and upwards to two tons is charged at the same rate.

10,740. In the raw material, I mean ?—I have not anything to do with the raw material; I have simply to do with manufactured goods.

10,741. Is any allowance made for very large quantities in favor of great dealers ?—No allowance is made amongst merchants.

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10,742. (*Chairman.*) Is there anything further that you wish to lay before the Commissioners ?—We have a considerable amount of competition in hardware with Belgium and the Zollverein. We come into competition with them in neutral markets, and they are able to deliver their hardware at a port cheaper than we are able to do, and therefore that is injurious to us; in fact, we have to pay 2*d.* per ton per mile at Wolverhampton, while other towns pay 1*d.* per mile for the same class of goods. We are interested in the railway companies charging a reasonably fair rate and making a profit, for we are quite satisfied that their business will never be properly conducted unless they do make a profit.

10,743. But I understand that it is not so much the actual amount of the rates charged that you object to as to the inequality between one place and another ?—Yes; and as affecting particularly a town so situated as Wolverhampton, a town in which many of the manufactures are so very cheap and common, and the freight of the goods bears so high a per-centage upon their cost.

10,744. I understand you further to say that you do not look upon competition between one company and another as a sufficient remedy for what you complain of, because it is always easy for them to combine ?—It is always easy for them to combine.

10,745. (*Capt. Galton.*) As far as your experience goes in Wolverhampton, they do combine ?—Yes; they do combine; the only difference is, that they have got to pay interest upon two capitals instead of one.

The witness withdrew.

Mr. Edward J. Gibbs examined.

Mr. E. J. Gibbs.

10,746. (*Chairman.*) You are secretary, I think, to the Chamber of Commerce at Wolverhampton ?—I am.

10,747. And do you produce the resolutions passed at a meeting of the Council held about six weeks ago ?—I do.

10,748. Those resolutions are contained are they not in a paper which you have sent to the Commissioners ?—Yes; and which I beg to hand in as part of my evidence.

The same was delivered in, and is as follows:

Resolutions passed at a Meeting of the Wolverhampton Chamber of Commerce, held on Tuesday, 31st October 1865.

1. That inasmuch as Railway Companies have been invested by law and for the benefit of the public with a practical monopoly (at least so far as inland towns are concerned) of the carriage of all goods, they are bound to take into account the interest of the public in fixing their rates. Hence, if a rate of 10*s.* and a rate of 20*s.* would pay the same dividend to the shareholders, the Railway Companies are bound to carry at the lower rate.

2. That the system of charging very low rates where any competition by sea is to be met, and very high rates where only land carriage is possible, is unjust, and contrary to the spirit of the Acts of Parliament under which railways take their powers, and that it is, in addition, permanently injurious to the Railway Companies themselves, as tending to check, in a very decided manner, the growth of all midland towns.

3. That the system of giving special rates to a firm that will guarantee a certain amount of traffic requires alteration, inasmuch at it gives to large and favoured firms exceptional advantages, which are contrary to the spirit of the Railway Acts; and that if it be allowable to make a reduction for a guaranteed traffic, that reduction should be publicly announced and made equally to any number of firms that would give collectively the same guarantee.

4. That the existing rates for hardware and general merchandise from Wolverhampton and the district are unfair and injurious to the trade of this neighbourhood. For example, the rate for nails to London is 25*s.*; to Glasgow, 30*s.*; to Aberdeen, 40*s.*, including in all cases collection and delivery. Of course, the cost of collection and delivery may be taken to be nearly the same for a short journey as for a long one, and so also the cost of station-room, clerks &c. But if these items be taken at 5*s.* per ton, which appears to be a sufficient estimate, then the station to station rate will be 20*s.* to London, 124 miles; 25*s.* to Glasgow, 280 miles; and 35*s.* to Aberdeen, 430 miles; or, in the first case, 2*d.*; in the second, 1½*d.*; in the third, less than ¾*d.* per ton per mile.

The rate for hardware from London to Wolverhampton is 30*s.*; to Liverpool, 35*s.*; to Glasgow, 45*s.*; and to Aberdeen, 40*s.*, including the usual collection and delivery. In other words, if we make the same allowance as above for dead charges, the rate to Wolverhampton is 2½*d.*; to Liverpool, 1¾*d.*; to Glasgow, 1½*d.*; and to Aberdeen, scarcely more than ¾*d.* per ton per mile.

Again, the rate for nails from Wolverhampton to London is 25*s.*; from London to Hull, twice the distance, it is 27*s.* 6*d.* For hardware from Wolverhampton to London, we pay 30*s.*; from London to Hull, the rate is 38*s.* 4*d.* For what are called "smalls" we pay 1*s.* 6*d.* per cwt. and the Hull merchants only 2*s.*

Again, the rates from Wolverhampton to Hull for hardware is 22*s.* 6*d.*; and from Wolverhampton to London, 30*s.*; or, if we make the same allowance as before for the standing charges, the cost of the freight alone is 17*s.* 6*d.* to Hull, and 25*s.* to London for the same distance. In the one case about 1¾*d.*, in the other nearly 2½*d.* per ton per mile.

It is clear also that the difference in rates for long and short journeys does not arise from the fact that it makes little difference, when once loaded, whether a ton of goods goes another 20 or 50 miles or not. For if this were the case, the rates between Wolverhampton and London, and those between Birmingham and London, would differ by an infinitesimal amount, whereas, in fact, there is a difference on hardware of 3*s.* 4*d.* for the 12 miles.

It would be easy to multiply instances, but these are sufficient to show that there exist very great irregularities and inequalities in the rates charged.

5. That the fair way of making all these rates would be to fix a proper and sufficient charge for all the expenses which attach equally to long and short journeys, and a mileage rate for the conveyance of goods from station to station, which for the same classes of goods, should always be the same.

6. That if such a system be found for the present impracticable or difficult of adoption, the merchants and manufacturers of Wolverhampton conceive that they may fairly demand such an immediate revision of rates as will, at least, redress the more serious overcharges on their goods.

7. That unless some such reduction as has been suggested be made, it will be the interest and the duty of the traders of this district to support in Parliament, and by a guarantee

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of traffic, any proposed Railway or Canal Company which is willing to adopt a sufficiently low mileage rate, and a sufficiently low and distinct system of terminal and other dead charges.

8. That these resolutions be open for signature, both by members of the Chamber and by other merchants and manufacturers of the town, and that a copy be forwarded to the Chairmen of the London and North-western, the Great Western, and the Midland Railway Companies, and of the Birmingham, Grand Junction, and Bridgewater Canal Companies; to the Chairman of the South Staffordshire Iron Trade, and to the Chambers of Commerce of Birmingham, Sheffield, Leeds, Nottingham, and Bradford.

10,749. Do you commence with a statement in that paper as to the inequality of the rates charged upon hardware and general merchandise?—Yes; the rates have been given to us by the representatives of the railway companies and their agents, and they appear to us to be unequal.

10,750. I find it stated in this paper that the rate for nails to London is 25*s.*; to Glasgow, 30*s.*; to Aberdeen, 40*s.*, including in all cases collection and delivery. Do you confirm that?—That is true.

10,751. I think you calculate that if the cost of collection and delivery, and also the cost of station-room, clerks, and so forth, be taken at 5*s.* a ton, the station to station rate will be 20*s.* to London, 25*s.* to Glasgow, and 35*s.* to Aberdeen, which makes in the first case 2*d.*, in the second case 1½*d.*, and in the third, less than ⅞ths of a penny per ton per mile?—Yes, precisely so; that is the calculation.

10,752. That has been worked out from statements made to you by persons actually concerned in business?—Yes; persons in the trade.

10,753. (*Sir R. Hill.*) Would not the 5*s.*, if sufficient for a provincial town, be insufficient for London?—It is possible that it might be insufficient for London.

10,754. The distances being so much greater in London than they are in provincial towns?—Yes; but at the same time I think that the distances to which the delivery is given are defined in London; it is not all over London that the delivery is given, but within a certain limited radius.

10,755. No doubt there is a limit, but it is a very extended limit, so as practically, I believe, to include the whole of London and Southwark also?—It does not include Deptford; I believe that the limits are about four miles.

10,756. (*Chairman.*) Taking hardware, do I understand you to state that the rate for hardware from London to Wolverhampton is 30*s.*; to Liverpool, 35*s.*; to Glasgow, 45*s.*; to Aberdeen, 40*s.*, including the usual collection and delivery?—Precisely; those are the rates quoted.

10,757. And I think that your calculation is that, making the same allowance as before for dead charges, the rate to Wolverhampton is 2½*d.*, the rate to Liverpool, 1¾*d.*, the rate to Glasgow, 1½*d.*, and the rate to Aberdeen less than 1*d.* per ton per mile?—Precisely so.

10,758. Have you also a similar complaint to make with regard to the charge for nails?—Yes; from Wolverhampton to London the rate is 25*s.*; from London to Hull, 27*s.* 6*d.* The rate for hardware from Wolverhampton to London is 30*s.*; from London to Hull, 38*s.* 4*d.*; and for small parcels from Wolverhampton to London, 1*s.* 6*d.*, and from Hull to London 2*s.* per cwt.

10,759. In short, speaking generally in the case of all that kind of traffic in which you are most interested, there is no proportion between the charge made and the distance travelled?—That is our complaint.

10,760. Are we to understand that it is contended by the Chamber of Commerce that a uniform mileage rate from station to station ought to be established upon all lines?—That was the resolution passed by the Chamber.

10,761. Do they consider that it would be fair that the same rate should be charged upon a line which was doing a very great traffic, and upon a line, which, from the nature of the country, was doing a comparatively small business?—I think that that is the effect of the resolution that they passed.

10,762. I understand that you are here to support that resolution?—I am not inclined myself absolutely to think that we could, with justice, expect an absolutely uniform rate in all cases, but at all events we could expect a very much smaller margin between the minimum and the maximum rate than at present exists.

10,763. All I wish to learn from you is, what is the system which you desire to see the railway companies adopt; you disclaim the idea of an absolutely uniform mileage rate upon all lines. According to the present system every company acts upon the purely commercial principle of charging as high a rate as it can within its Parliamentary maximum upon each line, irrespective of the charge which it may make upon other lines, and that is a system of which you complain?—That is so.

10,764. What is the third alternative which you wish the companies to adopt?—We think that they do not charge their rates on purely commercial principles, but that their maximum and minimum rates are made to support and counterbalance each other, because they are not in an exactly commercial position checked by competition, but have a monopoly granted to them by Government, which enables them, if they carry at a loss in one case, to make it up by carrying at an exorbitant profit in another.

10,765. You consider that, practically, they have a monopoly because, where only two or three companies at the utmost have entrance into a town, they have always the power, and they generally use it, of combining?—Precisely so. You can hardly find any case in which two or three railway companies go to the same place, without sooner or later making an arrangement as to the rates which they shall charge.

10,766. Then according to your view it comes to this, that the companies have it in their power to charge any rate that they think fit subject only to the Parliamentary limit?—I think they have.

10,767. And you contend that they could make it profitable to themselves to charge a lower rate?—We contend that if they can find it profitable to charge in one case ¾*d.* per ton per mile, the probability is that it will be profitable to them to charge in another case something less than 2½*d.* per ton per mile, the difference is so great.

10,768. You do not, I presume, complain of their reducing their charges below what is profitable to themselves, seeing that that is their loss and your gain?—We should complain of it if they carry at a loss, because we are quite certain that they will make it up by carrying at an excessive profit where they have an absolute monopoly.

10,769. But supposing that with a view of developing traffic which does not at present exist, a company consents to incur for two or three years a loss upon some portion of its line, do you think that that is objectionable?—The question supposes that it is to be only for two or three years and for the purpose of developing traffic which otherwise would not be developed—that is a different case from those in which the low rates are given. The traffic between Glasgow and London, or London and Aberdeen, or London and Hull, is not a traffic to be created by carrying at a loss.

10,770. Do you then contend that the companies are in the habit of carrying permanently at a loss?—No; we contend either that they carry at a loss when they carry at ¾*d.* per ton per mile, or that they carry at an excessive profit when they carry at 2½*d.* per ton per mile. We do not know which side of the alternative we should take.

10,771. (*Mr. Ayrton.*) May there not be a third case, namely, a very small profit?—We think that the difference on the face of it appears to be so great as that there would be no profit at all on the very low rate. That is what appears to us likely, comparing railway business with other business; because we hardly ever find any business in which the same goods can be supplied to derive any profit at all at one third

of the price at which they are supplied to other customers.

10,772. (*Chairman.*) I do not understand what it is that you consider to be the object of the railway companies in carrying for those long distances at a loss: you say that it is not with a view of developing a traffic which does not at present exist?—Looking at the cases in which the very low rates are given, it appears to us to be probable that the very low rates are given for the purpose of destroying the competition by sea; and that this is the only case in which low rates are ever given for a series of years.

10,773. But assuming that the competition by sea is destroyed, what is the gain to the company if, according to your theory, they are carrying at a loss, do you mean that the rates will be raised again after a certain time?—Not knowing the reasons that have dictated that policy we can only invent probable reasons. We find their policy to be always to carry at a rate about one-third of what they charge us, or at the most one-half of what they charge us, whenever they are met by competition by sea, and we find that they never give those low rates in any other cases. The only reason that we can imagine for such a course is that they wish to get the whole of the traffic which goes by sea into their own hands as they have already got nearly all the traffic that used to go by canals.

10,774. I understand you to say that competition as between one railway and another is no remedy, because they always combine?—Invariably, I believe. In all cases with which I am acquainted they have done so.

10,775. How is it that the same principle does not apply to competition between a railway company and a steam-boat company?—Because there is nothing to prevent a new steam-boat company being started to-morrow.

10,776. (*Mr. Ayrton.*) Then what is the use of reducing rates to get rid of steam-boat competition if a new steam-boat company may be started to-morrow, or the moment they raise the rates?—I do not think that the railway company are wise in doing it if they get no profit. I only say they do it. I do not think it is a wise policy myself.

10,777. Then it would rather lead to the assumption that they get some profit, though the profit is not so great as they would get in other cases?—I should not like myself to draw either of the two conclusions, because I do not know enough of the working of the case. We only say that you must take one conclusion or the other; either there is a small profit at seven-eighths of a penny per ton per mile, and then the profit appears to us to be excessive at 2½*d.*, or there is a loss, and then we think the policy is wrong.

10,778. (*Sir R. Hill.*) May we not safely assume that there is a profit derived by the company in conveying at that very low rate.—I do not see how I could assume that at all.

10,779. Does not the fact of its continuing year after year show that there is probably a profit?—I am not aware that it does.

10,780. (*Mr. Roebuck.*) You state that this inequality of rates is the result of a monopoly, and that that monopoly is the gift of the Government, meaning Parliament. Do you think that that is an accurate statement of the case; ought not you to say that the monopoly is the result of the state of circumstances over which Parliament has really no control?—I am not sure how far Parliament has control now, but I think it must be admitted that in granting the monopoly in the first instance Parliament had absolute control over the terms on which it should be granted.

10,781. Does Parliament grant a monopoly; does not Parliament simply grant the power of doing certain things?—Yes; Parliament grants powers which a railway company could not possibly have without it, and another railway company cannot be started in opposition without powers from Parliament.

10,782. Is not that because the state of circumstances is such as that a company could not run a road from one town to another without getting powers from Parliament to make it?—Precisely.

10,783. Then Parliament giving powers to one company, and another company asking for powers and having them granted to them, still you say that the mischief arises; then I ask you how you would prevent that combination, the result of which is this inequality of rate?—Whenever Parliament gives powers to a public company, or rather to a private company for public purposes, it is in the power of Parliament at the time that it gives those powers to insist upon such terms being affixed to the powers as will make the undertaking really what it professes to be, a benefit to the public.

10,784. I suppose that that is done by making a maximum rate, is it not?—It may be done in many ways.

10,785. How would you do it otherwise?—Does the honourable member mean to ask what are the kind of terms?

10,786. I ask you how would you prevent competition except by affixing a maximum rate?—I say that there is no competition; there is a monopoly granted by the public, and, in granting that monopoly, the public, I think, has the right, at all events in its original grant, to insist that it shall be for the benefit of the public.

10,787. You see that you are using words without really attaching any distinct meaning to them. When you say that it should be for the benefit of the public, how do you mean for the benefit of the public?—For instance, supposing you grant what I contend is a practical monopoly of the carriage of goods, I think that you have a right to require that the goods shall be carried at the lowest price consistent with a remunerative dividend to the shareholders.

10,788. Is not that always considered when a tariff is put into an Act of Parliament?—I dare say it is.

10,789. Then what more would you have done, would you merely lower the maximum?—We contend that the maximum, at all events, is so high as to allow of those very great inequalities.

10,790. Then is it your panacea that in future Acts of Parliament they should have a lower maximum?—Yes, and perhaps a minimum too.

10,791. Then your panacea is, that the restrictions should be less—that they should not charge so high as they now charge, and that they should not charge so low as they now charge, because that is the meaning of restricting: do you think that a remedy for the evil?—Speaking as the Secretary of the Chamber of Commerce, I have very distinct instructions to complain of the inequalities, and not myself to suggest remedies.

10,792. I do not ask you for remedies. You used a particular phrase—you said that a monopoly was granted by the Government. Monopoly means giving to one person; but very often three railways run to one town, and you say that it is still virtually a monopoly because they combine. I ask you, that being the case, what is to be done?—I say that I was particularly desired by the Chamber of Commerce to state the difficulties and grievances of which we complain, and not myself to suggest remedies to this Commission.

10,793. Still do you adhere to your statement that a monopoly is granted by Government, and is not the result of the state of circumstances under which the railways are made?—It appears to me to be so; that is my opinion.

10,794. You think it to be the result of the conduct of Parliament; that being your statement, I want to know if it is not a fair question to ask you what you would propose that Parliament should do?—That is coming back and asking my opinion, and I scarcely like to give it, acting as I do under the instructions of another body. I have an opinion of my own, but I am not appearing here in a personal capacity.

10,795. (*Mr. Ayrton.*) You have been good enough to hand in a paper containing this statement, "that "the fair way of making all these rates would be to

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"fix a proper and sufficient charge for all the expenses which attach equally to long and short journeys, and a mileage rate for the conveyance of goods from station to station," will you be good enough to explain to the Commission what is meant by fixing a mileage rate for the conveyance of goods from station to station, in what way is it to be fixed?—I should take the evidence of the railway companies themselves as to what the cost of conveyance was, and I would fix a minimum and a maximum rate, of which the minimum should be sufficiently above the absolute cost of carriage to give them some profit.

10,796. What do you say with regard to the maximum?—I am not prepared to state the exact principle upon which I should fix the maximum, but I do not think that there should be a very great margin between the two.

10,797. Then you would leave to the railway company unfettered discretion between the maximum and the minimum in the conduct of its business?—Yes, with one exception, mentioned in No. 3 of those resolutions. I would not allow the railway company to treat one firm differently from another.

10,798. Always assuming that the rates are the same under the same circumstances, would you allow a fluctuating scale for quantities large or small?—I do not see any objection to that myself on the ordinary principles of business.

10,799. Would you have only two rates for the smaller or the larger quantities, or would you have more than two rates?—I do not know. I would not give an opinion upon that.

10,800. (*Mr. Roebuck.*) What meaning do you attach to the words "fixing a proper and sufficient "charge for all the expenses?"—I mean to say that the railways should not charge more than a certain profit after they have paid the expenses for the rent of their stations, for their clerks, for the waggons, and for collection and delivery, and so forth.

10,801. Then you think that a parliamentary committee ought to estimate the expense of the line, and then to take into their consideration what fares would give a fair profit upon the expenditure so made?—If I were on the committee I think that I should take all that into account.

10,802. Do not committees take that into account?—I dare say they do.

10,803. Then what more would you do?—I would have them take it into account now with such facts as we have brought forward, now shown to them, making it evident that there is a very wide margin in practice, and I would require that margin to be reduced.

10,804. (*Mr. Ayrton.*) Does not the law at present give you the right of calling upon the railway company to make a rate from station to station, and does not it give you the right of collecting and delivering the goods yourself, quite apart from the railway company?—I do not know whether the law gives that right. We never do it. I have asked the railway company officials whether it could be done, and they have answered me that it was impossible.

10,805. Are they not bound to make you a separate rate if you choose to ask for it?—I am not sure about that; they tell me that it would be impossible to get the goods delivered in London by any other means than by having a single, or at most two agents.

10,806. Still if you choose to insist upon delivering the goods at the station, and taking them away from the station, is not the railway company bound to allow you to do that, and to make a rebate for the charges which it itself makes for collection and delivery?—I do not know whether it is bound to do it. I do not know the law upon the subject. They do make a rebate when we deliver at the station at our end.

10,807. How much do they rebate in that case?—1*s.* 6*d.* a ton.

10,808. Therefore whether you demand it or not they comply with the demand?—Precisely so.

10,809. And if you demanded it at the other end they would equally be bound to comply with it and to make a rebate, would they not?—I do not know. As a fact they do comply with it at one end, but we do not know whether they do that because they are bound to do it.

10,810. (*Sir R. Hill.*) But do there not still remain terminal charges of an indefinite character?—I do not think that any charges are of an indefinite character.

10,811. You have no means, have you, of knowing what is included under the head of terminal charges?—The public have no means of knowing.

10,812. If you were to take your goods to the station at the one end of the line, and take them away at the other end, the remaining charge would not be simply the mileage charge, would it?—No.

10,813. It would be the mileage charge plus two terminal charges of unknown amount, would it not?—An amount unknown to us.

10,814. (*Mr. Ayrton.*) You are aware, are you not, that the company in collecting and delivering goods are mere volunteers, and that they are not required to do so by their Acts of Parliament?—Probably not. I should think not.

10,815. Would you require them to undertake this duty, or would you leave the law as it is in that respect?—I do not make any suggestion about that. What we say and what we wish particularly to call the attention of the Commission to is, that put those dead charges and those charges which are incurred equally for long and short distances at what you may, there are yet very great inequalities. As for instance, if you collect a ton of hardware in London and take it to Liverpool and distribute it there, the distance is 200 miles; if you collect a ton of hardware in London, and take it to Wolverhampton and distribute it there, the distance is 123 miles. Now whatever the charges of collecting in London, and distributing in Liverpool and Wolverhampton may be, it is impossible to make it fair, or to make it equal, that the rate to Wolverhampton and the rate to Liverpool should be the same, which it is.

10,816. I am desirous of getting from you an exact definition of your proposal in the 5th clause. I want to know from you exactly the duties that are to be embraced in the station charge over and above the mileage rate. Whether those duties are to be confined to the mere, what I may call, shunting of the goods, and the unloading of them and the charge of the station, or whether the charge is to extend to delivery and collection, as the case may be?—I do not think that the resolution expresses any opinion upon that subject, but simply suggests that whatever the duties performed by the railway company in that way may be, they should be paid for properly, and that the mileage rate should be made more equal.

10,817. When you propose that they should fix "a "proper and sufficient charge for all the expenses "which attach equally to long and short journeys," do you mean the charge is to be confined to the duties which are incumbent upon the railway by law, or whether they are to extend to those which they now voluntarily undertake, and which they are not bound to undertake in collecting and receiving the goods?—I think that they should be properly paid for, whatever duties they perform.

10,818. How would you have Parliament fix a specific charge for a matter which the Act of Parliament in no way gives them power to do, or makes it incumbent upon them to do, and in which therefore they have no monopoly at all?—It is not an essential part of that 5th resolution, that the charge should be fixed by Parliament, but that the railway companies should fix it, and that we should understand it.

10,819. I only want to understand what the resolution means?—The resolution simply means this, that it is desirable and that it would be right that we should know exactly the duties that are performed by

the railway companies in addition to the haulage, and that we should know what is (and it is not impossible to calculate it) a fair charge for the performance of those duties, and that knowing that that charge should be made, so that we may distinguish the charge for haulage from the other charges that are made.

10,820. You mean that when the demand is made upon you it should be made in several separate items, one for the mileage, another for the terminal, and another for the collection and delivery if it is undertaken?—Not necessarily that the charge should be made to us in several separate items, but that at all events it should be published in separate items, so that we might know of what the different items consist.

10,821. You mean that when they give you the rates they should give them to you in separate items?—Yes, or when they publish them in their stations, for instance, they should give them in separate items.

10,822. Do you wish those rates fixed by law also in separate items, or not?—We do not express any opinion upon that. We simply say that it would be desirable that they should make the thing intelligible, but whether by law or by the action of the railway companies we do not say.

10,823. To fix without saying who is to fix, or when they are to be fixed, is hardly a definite idea?—We think it is the duty of the railway companies to fix them.

10,824. Are the Commissioners to understand that you confine your answer to that?—Simply to saying that it should be done.

10,825. You mean that the railway company should fix them, but whether any body should fix them upon the railway companies you are not prepared to say?—We simply say that it should be done. I am not prepared to say how.

10,826. (*Mr. Hamilton.*) Without committing yourself to saying whether the mileage rate should be uniform or not, I understand you, or the Chamber of Commerce which you represent, to desire that the mileage rate in all cases should be separately stated?—Yes; separately stated, not in all invoices, but in all tables.

10,827. (*Sir R. Hill.*) And you do not offer any opinion, as I understand you, as to whether those additional charges, usually called terminal charges, should be determined by Parliament when the Act is passed, or by any other tribunal which Parliament may institute for taking such matters into consideration from time to time?—My private opinion is that Parliament should fix the amount; but I am not instructed by the Chamber of Commerce to express for them any opinion.

10,828. (*Capt. Galton.*) Your main argument is that the rates require revision?—Yes.

10,829. Is it your view that probably they may have been proper rates according to the circumstances when they were fixed some 25 years ago, but that now circumstances have changed?—The rates of which we complain are almost all under, or at all events they are none of them above the rates that are to be charged by the railway companies. What we complain of is this, that whereas the railway companies find that they can carry at very much lower rates than were fixed by Parliament, they give the advantage of those lower rates in some cases, and withhold them in others; that they carry in one case 120 miles, and charge exactly the same as they do in another case where they carry 200 miles, both the rates not being above the maximum allowed by Parliament, but being in point of fact, as we say, unequal.

10,830. (*Mr. Roebuck.*) I do not want you to give any opinion as to what ought to be done.; but I want to learn whether you really understand the proposition that you have put down here in Resolution No. 5. You complain that there is one set of rates from inland towns to London we will say, and another from the seaports to London; the companies make different rates for those two different sets of circumstances. I suppose that they are enabled to do that by a tariff having a maximum, and necessarily having a minimum?—They have no minimum.

10,831. There is necessarily a minimum, because you can charge nothing, and that is a minimum. Is it not the case that the difference that they do make is the result of the tariff of charges fixed by the Act?—I think not.

10,832. Surely if a company charges, we will say 2*d.* a mile from Wolverhampton, and 1*d.* a mile from Liverpool (I am merely putting these as supposititious cases), they may do it by the Act of Parliament, and the powers given them by the Act of Parliament?—They are allowed to do it.

10,833. Then that is a consequence of the powers given to them by the Act of Parliament?—Yes.

10,834. When you say that they should make a "sufficient charge for all the expenses," how would you propose that that tariff should be so altered as to take away from the companies the power of making a different charge from one place to what they do from another?—The exact meaning of this clause of the resolution is that where the same work is done by a company the same price shall be paid for it.

10,835. Does not that resolve itself into a uniform charge?—Yes; over the same line of railway, that is the meaning of this fifth proposition.

10,836. Therefore the proposition of the Wolverhampton Chamber of Commerce is that there shall be a uniform charge?—That is the precise meaning of that proposition no doubt.

10,837. (*Mr. Ayrton.*) Would not the result of that be that there would be no power on the part of the railway company to reduce it?—I explained at the commencement of my evidence that perhaps that states it in a very broad way as a fair thing; but my own opinion is not so much that there should be an absolute uniform charge, as that there should be a very small margin between the highest and the lowest charge.

10,838. With a power to reduce it to a certain limited extent, instead of there being an indefinite power to reduce it to zero?—Precisely.

10,839. (*Sir R. Hill.*) Supposing that the maximum charges of all railways were reduced, then your object would be attained, would it not?—I do not think that our object would be attained, unless there were a certain limit given to both the maximum and the minimum.

10,840. The minimum is not fixed at all?—No.

10,841. Lowering the maximum would diminish the range which is all that I understand you to ask for?—No, it is not so.

10,842. (*Mr. Hamilton.*) In fact I gather it as your opinion that the traders have more interest almost in fixing the minimum than in fixing the maximum?—Almost as much, I think.

10,843. (*Mr. Glyn.*) You mean in certain places?—Yes, in certain places which are far removed from the sea-board.

10,844. (*Mr. Hamilton.*) Then these inequalities arise from the minimum not being fixed rather than from the maximum being too high?—I think quite as much from the one as the other. I should not like exactly to say which is the more potent cause; but I think that the inequalities arise quite as much from there being no minimum.

10,845. (*Sir R. Hill.*) In proposing a minimum to the charges of railway companies, you are expressing, are you not, your own private opinion?—Yes.

10,846. I see nothing in the resolutions of the Chamber of Commerce pointing to the imposition of a minimum charge?—No, there is not.

10,847. (*Capt. Galton.*) Have you considered whether the present classification of goods requires to be revised?—I am not prepared to give any evidence with regard to the classification of goods.

10,848. (*Chairman.*) Is there anything else that you wish to bring before the Commission?—I only wish to say this, that so far as we are able to judge, there appears to be only one principle in the charges

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that are made, and that is low rates where competition, and above all where competition by sea is possible. But we want railways to give the lowest profitable rates of carriage where there is no competition. To do for us what the steamers do already and did before is not as much as we expect from them—we expect the railways, as they have considerable powers given to them by Parliament, to do for us by land what the steamers do by sea.

10,849. (*Mr. Ayrton.*) How can they do that?—By carrying at the lowest rate consistent with a profit.

10,850. The sea being a highway that costs nothing and the railway costing a great deal, how can they carry for you by land as cheaply as other people can carry by sea?—That is not my proposition; it is not that they should carry as cheaply as the steamers do, although in point of fact that is what they do, but that they should carry as cheaply as they can consistently with a profit, which is expressed in the first proposition of the resolutions, that if a high rate and a low rate would give the same profit to the shareholders, we think that it is the duty of the railway company to charge the low rate.

10,851. But a high rate and a low rate cannot give the same profit to the shareholders unless there is an extension of traffic equivalent to the reduction, can it?—Precisely so.

10,852. Is there any reason to suppose that the rates that are charged keep down the production of the country, and that there would be any increase in production in consequence of the reduction in the rates?—I think the probability is, that lower rates would decidedly increase the business of the railway companies.

10,853. I asked you as to the production of the whole country, not as to the production of a particular place, whether the production of the country is kept down at the present time by the high rates, and whether it would increase immediately or very shortly upon a reduction of rates, to such an extent as to compensate the railway companies?—The question, as it appears to me, for the railway companies is, not whether the whole production of the country would be increased, but whether the carriage upon the railways would be increased.

10,854. I ask you whether the production of the inland districts would be increased so much as to compensate the companies for a reduction of their rates?—I think it is probable that if the rates were reduced they would have more to carry.

10,855. (*Mr. Rocbuck.*) Let us take a particular instance. Supposing that the rate for carrying nails all over the country were lowered, do you think that more nails would be made and more nails carried than there are now?—I think it is extremely probable that more nails would be made and carried to London for export than are now made.

10,856. And you think that if that were extended generally to goods, there would be a great increase of production?—I think it is not at all improbable. It would assist us to the extent of the reduction in competing with foreign makers, and to that extent it is quite possible that there might be an increase of production.

10,857. It has been supposed that if the rate of carrying passengers were lowered, the number of passengers would be very much increased, and the same question about goods has been put, whether lowering the rates for carrying goods would increase the quantity of goods carried. Are we to understand it to be your opinion that lowering the rate of carriage would increase the quantity of goods carried so much as to make it equally profitable to carry at a low rate at a high rate?—I think it is extremely probable that it would be so, but I am giving only a probable opinion.

10,858. (*Mr. Glyn.*) But you confined that in your previous answer to the export trade, did you not?—I only mentioned the export trade as being that in which one can see in a moment that there might be an increase.

10,859. (*Mr. Ayrton.*) What per-centage of reduction do you think would have the effect of increasing your export trade from Wolverhampton?—I could not give an answer to that. An answer, if I gave it, to such a question as that, would not be worth anything.

10,860. It would enable anyone to form an opinion, if it were based upon some appreciation of the facts?—It would not, unless my answer had a good foundation for it, and it would have no foundation but guesswork.

10,861. You mean that the answer you have given is not founded upon any consideration of facts, but is a general proposition?—Yes. The first question asked me was a general question—Whether I thought that lower rates would enable us to make a larger production, and to that general question I gave the general answer, that I think it would; but now you ask me a particular question, What proportion of increase do I suppose would be the result, and to that I should certainly answer, that it would be impossible for anyone to say.

10,862. (*Sir R. Hill.*) Have you any doubt that the rates in reality may be so high as really to injure the profits of the railway company?—Yes, I think that they may be.

10,863. They may be too high even for a profit to the company itself?—Yes, it is conceivable.

10,864. On the other hand, I presume you would admit that they may be too low even for a profit?—Precisely.

10,865. And the question is, what point between very high and very low rates would produce the greatest profit?—Precisely.

10,866. But is it not your proposition that, seeing that the public has an interest in low rates rather than in high rates, you think that the companies should by some means or other be induced, or perhaps forced, to carry at the lowest rate that is consistent with present profit?—With a sufficient profit, that is the proposition.

10,867. Have you ever known an instance of a reduction in the price of any commodity, whether nails, or anything else, which has not been followed by an increase in the consumption?—It almost always is followed by an increase in the consumption.

10,868. Have you ever known a single exception to that rule?—I never have.

10,869. Do you believe that there ever was a single exception to that rule?—It could only be in the case of some commodity, the use of which was excessively limited. I believe, stating it broadly, that there never was an exception to it. For instance, look at the reduction in the rates for letters, that was a very great reduction, but in the end it paid.

10,870. (*Mr. Ayrton.*) When you use the phrase that rates may be too high for the profit of the railway company, do you mean that as a general opinion, or do you mean that they are too high, because it is a truism that they may be so, but do you mean that they are too high?—I do not mean to give an opinion upon that. The principal part of my evidence has been to show that there are inequalities, without giving an opinion as to whether 2*d.* per mile or ¾*d.* per mile is the right rate, but that the one or the other must be wrong.

See Memorandum subsequently furnished by the witness, Appendix BO.

The witness withdrew.

Adjourned to Tuesday, the 9th of January 1866.

Tuesday, 9th January 1866.

PRESENT:

The Hon. E. F. Leveson Gower, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
J. A. Roebuck, Esq., M.P.
T. B. Horsfall, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., F.R.S.
E. T. Hamilton, Esq., M.P.
J. R. M'Clean, Esq., (late Pres. Inst. C.E.)
William Pole, Esq., F.R.S., *Secretary.*

The Right Hon. THE EARL OF BELMORE in the Chair.

Mr. John Corbett examined.

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10,871. (*Chairman.*) I understand that you are the owner of the Stoke Works, near Bromsgrove, in Worcestershire?—Yes.

10,872. Are those works contiguous to any railway?—They are contiguous to two railways, the Great Western Railway and the Midland Railway.

10,873. I understand that you have a complaint to make that the charges are not in accordance with the distance?—Yes, in one case only. My works are situated 129 miles from London, and I pay 9*s.* per ton from Stoke Works to Camden Town.

10,874. Will you be kind enough to state of what description your works are?—Salt works; the Cheshire salt works at Winsford and Middlewich are 165½ miles from London, and the rate is 9*s.* 6*d.* per ton. That is the only case I have to state in regard to the rates not being in accordance with the distance, but to me it is rather an important one, inasmuch as the quantity I send is very large, being many thousand tons per annum.

10,875. (*Capt. Galton.*) I understand that you wish that the rate should be invariably a mileage rate according to distance; you state that you complain that the charge for 165 miles is only 9*s.* 6*d.* a ton, whilst the charge for 129 miles is 9*s.* a ton; do you wish your charge to London to be diminished, or the Winsford and London charge to be increased?—I think that mine ought to be diminished. I do not think it is fair for my works. Take, for example, the London trade. I do a very large portion of the London trade, perhaps 75 per cent. of it, and my competitors who are at a distance of 165 miles get to London within 6*d.* a ton the same as I do from Stoke Works to London, which is 129 miles.

10,876. Could they get your salt to London at that price by any other route?—No.

10,877. Not by sea?—Some little comes in by sea, but comparatively very little. It comes in by sea only in the shape of ballast when vessels are coming to London to load out for Calcutta or some other place.

10,878. Supposing that their rate was raised, would they then be enabled to compete by sea?—Yes, some would come in by sea then, but the rate, generally speaking, by sea, has very little to do with it. If a vessel is coming to London from Runcorn or from Liverpool for a cargo, she would have to take in ballast, and she would therefore, in that case, bring salt at a nominal charge.

10,879. Excepting under those circumstances, I presume they could not carry salt by sea?—Except under those circumstances London would be supplied by railway and by canal, not by sea.

10,880. (*Mr. Horsfall.*) Vessels do not very often go from Liverpool to London in ballast, do they?—Very seldom, but occasionally they do.

10,881. (*Mr. Roebuck.*) Could you tell me offhand, taking the 9*s.* charged to yourself and the 9*s.* 6*d.* to other salt works, what is the exact sum which you think you are overcharged?—The exact sum would be the difference of the rate between 165½ miles and 129 miles.

10,882. I am not able to make the calculation, but can you make the calculation so as to state the exact difference?—I have not done so, but I presume it would be something like 2*s.* to 2*s.* 6*d.* a ton.

10,883. (*Sir R. Hill.*) Does not that proceed upon the assumption that the whole charge is a mileage charge?—Yes, certainly.

10,884. Does not each of those charges include certain terminal expenses?—They are both alike in that respect.

10,885. But still a deduction must be made for the terminal charges, must it not, before you can get the mileage rate?—I do not know what terminal charges there can be upon an article like salt, because it is loaded into the trucks of the manufacturer at the works and is unloaded by him on its arrival in London, therefore any terminal charge must be nominal.

10,886. But in London it is not nominal?—I think so.

10,887. Does the charge to London include the delivery of the salt in London?—Not at all; it is merely from station to station.

10,888. (*Mr. Horsfall.*) You do not know at all what the terminal charge is?—I do not.

10,889. It may be 1*d.*, 3*d.*, or 1*s.* for what you know?—It may. I only know the charge from station to station.

10,890. (*Mr. M'Clean.*) What weight of salt do you send by railway?—I send into London about 24,000 tons per annum, and about 16,000 or 17,000 tons of it comes by railway, and the rest by canal.

10,891. How many salt vans do you employ for that purpose for the whole of that traffic?—I have about from 350 to 400 salt vans of my own.

10,892. You state in your preliminary statement that the waggons are much delayed by the various railway companies. What is the estimate of the loss that you annually sustain by demurrage?—Speaking from a rough estimate, the loss to me is something like from 700*l.* to 1,000*l.* per annum on the 400 waggons.

10,893. To what cause do you attribute the great detention of the vans, amounting, as you say, to 50 per cent. over a period of seven years?—It arises from divers causes; in many cases it is from delays at junctions, in other cases from the want of sufficient locomotive power I presume on the part of the railway companies, and another reason I presume is, that the railway companies are not responsible for demurrage on the trucks of the traders, and they give the preference to the trucks of each other, they being responsible for demurrage to each other.

10,894. Do the railway companies give any preference as regards transit to their own waggons over the owners' waggons?—I believe they do.

10,895. Can you state any facts in support of that statement?—Yes; I have not come prepared to give the dates or the exact names, but I have sent my inspector from time to time to see to the forwarding of the vans when they have been delayed, and I have found that the trucks belonging to the railway companies have had a preference given to them.

10,896. Have you any remedy to suggest with a view to the better working of the owners' waggons?—There would be two or three ways of doing it; one would be for the railway companies to find rolling stock for the manufacturers; the other would be to admit them to the clearing house under the ordinary clearing house regulations; and another would be for the receiving railway company to be responsible for the due forwarding and return of the vans or trucks according to the time allowed at the clearing house as between railway companies.

10,897. You think that railway companies should either treat owners' waggons as their own or else

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provide waggons for their customers?—I do, most certainly.

10,898. And would you be prepared to pay the charges for demurrage and delay at stations in case the railway companies provided waggons for your trade?—I would; or what would be better would be to charge the demurrage or siding room to the consignees.

10,899. Would not it be contended that the railway companies cannot mix up their accounts in that way?—It would be almost impracticable for traders to enforce demurrage or siding room, for this reason: the state of competition existing between the different traders, whether you take salt manufacturers or coal proprietors, is such, that if one enforces the demurrage, it is very likely another would not, in order to get away the connexion of the one who did do so; but if the railway companies, being independent between the public and such traders on the railways, were to enforce it, there is no doubt it could be done very readily, and the evil would eventually cure itself.

10,900. Do you get through rates to all the stations to which you send salt?—I do not.

10,901. Have you any statement to make upon that subject?—Only so far as this, that through rates would be a very great convenience to the manufacturers and save them a great deal of trouble, and I think in many cases would be the means of extending the trade, particularly to places where salt or mineral articles are sent for exportation; take, for example, Hull, or Gloucester, or Bristol, or any large export town.

10,902. You think that a uniform rate on all lines for the same article would be advantageous?—I think some exceptions may arise on certain small railways, but I think it would be a matter very easily arranged; it is merely a matter for arrangement.

10,903. Where companies do not give through rates have you to send declarations to each junction?—We have.

10,904. Does that create considerable delay?—It very often does, and inconvenience also.

10,905. (*Chairman.*) I understand you to say that serious loss has been occasioned to you by the mixed gauge, particularly at Gloucester and Bristol?—Yes.

10,906. That loss arises, does it not, from the necessity of unloading your own waggons on the narrow gauge into the broad gauge waggons of the Great Western?—It arises from the broad gauge railways not having sufficient broad gauge waggons to receive the interchange of the traffic on arrival; it arises generally from the want of sufficient rolling stock to accommodate the traffic. I have given some cases in a tabular statement of the number of days that the waggons have been detained.

10,907. Before you give in that statement, I will ask you this, do I rightly understand that at your works at Bromsgrove your salt is loaded invariably into narrow gauge waggons?—That is so; it is entirely a narrow gauge line.

10,908. Therefore, when those cases occur, it is when you want to send salt beyond Gloucester or Bristol over the broad gauge system?—Exactly.

10,909. (*Capt. Galton.*) Are the waggons in which the salt is loaded at Stoke your own waggons or the Company's waggons?—They are sometimes my own waggons and sometimes the waggons of the Midland Company.

10,910. Do you find your rolling stock for the Midland Company or for only the other railways?—I find my own rolling stock for all the railways with the exception of what goes to Gloucester and Bristol, and that exception arises from the fact of the Midland Railway Company having a much larger traffic from Gloucester and Bristol upwards than they have down, and therefore, rather than send their trucks down empty to Gloucester and Bristol they say, We will take your salt. But I have at the present time a very awkward case of demurrage on their trucks. For example, they send their trucks to Gloucester, and they send their trucks to Bristol, the Great Western Company, or the Bristol and Exeter Company, as the case may be, have no broad gauge trucks to receive the freights, and they may be there for different periods from four days up to fourteen or fifteen days waiting for broad gauge trucks, and then it is not only a loss from the goods becoming damaged by being detained so long, but the Midland Company send me in a bill for the demurrage of their trucks, inasmuch as there is no clearing house system between the broad gauge and the narrow gauge. I sent the Great Western Company my account for the demurrage, but they repudiated their liability altogether, and I have never yet tried the matter.

10,911. On the narrow gauge lines you have trucks of your own, but on the broad gauge lines the trucks are found entirely, are they not, by the broad gauge companies?—Exactly so.

10,912. Would it be worth your while to have trucks on the broad gauge lines?—It would not, because the broad gauge forms so small a portion of the railway system, and as the broad gauge has not come to Stoke works and is not nearer than Bristol or Gloucester, you would never see your own trucks and could not repair them and it would be very disadvantageous altogether. I do not think it would answer the purpose of any freighter in our district to have his own trucks on the broad gauge.

10,913. (*Chairman.*) Still as I understand you, when you make use of the broad gauge trucks of the Great Western Company you do not use your own trucks to send your salt to Bristol or Gloucester, but you use the Midland trucks in that case?—Exactly.

10,914. So that when this delay and this demurrage is occasioned it is not when you are using your own trucks but the Midland Company's trucks?—It is in using the trucks of the Midland Company, when they will find them, they generally find them but not always, and then they hold the manufacturer responsible for the demurrage.

10,915. (*Capt. Galton.*) This inconvenience occurs, does it not, in consequence of the break of gauge?—Yes; it occurs in consequence of the break of gauge.

10,916. If there were no break of gauge, then that question could not possibly arise?—It could not possibly arise, because we should send our own trucks through.

10,917. (*Mr. Roebuck.*) I understand that the narrow gauge does not follow the broad gauge throughout the whole system?—No.

10,918. Taking the distance from your works to London, where does that break occur?—There is no break of gauge from our works to London. I am speaking of Gloucester and Bristol.

10,919. Then the narrow gauge attends the broad gauge, does it not, all the way to London?—No; it is narrow gauge only from my works to London, *viâ* Birmingham.

10,920. (*Capt. Galton.*) And *viâ* Oxford?—And *viâ* Oxford to Paddington.

10,921. (*Chairman.*) The narrow gauge exists on the Great Western Railway from Birmingham to London, but not from London in the direction of Bath and Bristol?—No; not west; you get the broad gauge from Gloucester and from Bristol, if I mistake not, to Swindon, or rather to Didcot, and then you get the mixed gauge to London, the broad and the narrow.

10,922. (*Mr. Hamilton.*) Are the Commission to understand from the first paragraph in your preliminary statement that you would think it an important improvement upon the present system, if the charges were made more in accordance with distance?—I think so.

10,923. What advantage would you derive from the rates being so charged?—I should derive the advantage of the difference between 165 miles and 129 miles; that is to say, my freight to London would be so much less, and instead of my competitors in Cheshire being armed with a comparatively low rate according to distance as compared with mine, I should have as low

rates in proportion to London as they, and the same thing would be in their favour in other parts of the country.

10,924. But do not the Cheshire Salt Works send their salt by a cheap conveyance to the River Mersey, and from Liverpool by vessel to all places round the coast?—Yes, they do.

10,925. If the rates were charged according to distance, would you be enabled to compete with the Cheshire Salt Works to towns on the south coast, such as Dover, Margate, Ramsgate, Hastings, Portsmouth?—Yes; if they were charged according to distance.

10,926. Is it not the fact that the railway companies now charge your salt lower mileage rates to those places than to places inland in order to enable you to compete with the Cheshire salt carried coastwise?—If the honourable member means that they charge lower at Bristol or Gloucester than they do to places inland, they do in some cases.

10,927. If you had a uniform mileage rate, you would lose that advantage, would you not?—I think not, because no salt from Cheshire goes by rail to those places on the south coast. We only have to compete with Cheshire salt by sea to places on the south coast.

10,928. (*Capt. Galton.*) What is the charge from Stoke, say to Plymouth or Devonport; is it equal to the London rate?—It is rather more, I think, than the London rate; I am not quite sure; I did not come prepared with all the different rates, although I could have done so.

10,929. Do you recollect what is the rate to Bristol?—The rate from Stoke to Bristol is about 5*s.* by railway; that includes trucks on the Midland line.

10,930. If you found your own trucks what would it be?—The same.

10,931. Do they make no difference when that is the case?—They make no difference, because, as I have stated before, they have an excess of traffic up, compared with what they have down, and therefore if you were to send it in your own trucks the railway company would have to bring those of the traders back empty, and therefore they prefer taking it in their own trucks when they can. The railway company finding trucks applies to the Gloucester and Bristol traffic only.

10,932. (*Mr. Hamilton.*) Would not the effect of the railway companies charging a uniform mileage rate be to give to the Worcestershire salt works the monopoly of the supply of salt to Staffordshire, Derbyshire, London, and the counties in the South Midland District, and to the Cheshire salt the monopoly of the north and north east districts, and a considerable portion of the south coast? No, I think not a monopoly; it would, according to distance, give them respectively certain advantages in certain districts, and naturally so.

10,933. If the railway companies were to charge all salt according to distance, would the public have to pay more or less for the salt in the districts in which the Cheshire and Worcestershire salt compete?—I do not think that there would be much difference.

10,934. (*Capt. Galton.*) Is not the charge for salt pretty nearly uniform over the country?—No; it differs of course according to the cost of freight from the works to its destination.

10,935. For instance, in the most distant markets in England in which it is sold, what would be the difference compared with the price in Birmingham?—We will take an extreme point, say Norwich; the difference would be perhaps about 9*s.* or 10*s.* a ton only; say 10*s.*

10,936. And that would be made up entirely of the carriage?—Yes, entirely of the carriage.

10,937. (*Mr. Hamilton.*) Do you complain of the rate of 9*s.* per ton for salt from Stoke to London?—No, I do not think it is an exorbitant rate, but I complain that it is a higher rate than it ought to be according to the distance.

10,938. (*Mr. Horsfall.*) You complain that the rates are unequal?—Yes, that the rates are unequal.

10,939. (*Mr. Hamilton.*) You say that the rate for salt from Winsford to London, which is a distance of 165 miles, is 9*s.* 6*d.* per ton?—Yes, or about that.

10,940. Are you satisfied that your information is correct?—My information comes from the manufacturers themselves, who pay the rate direct.

10,941. Would you be disposed to doubt the fact if you were told that it is 10*s.* 6*d.* per ton?—Except it came from authority I should.

10,942. But you do not give your information upon authority?—I get my information from the manufacturers.

10,943. Not from inquiry at the railways?—No, from the people who pay the money.

10,944. (*Chairman.*) Can you state off hand the rate per ton per mile which those two sums which you have given would amount to in each case?—In my case it amounts to about $\frac{3}{4}$*d.* per ton per mile; but in the other case to $\frac{1}{2}$*d.* and a fraction.

10,945. (*Mr. Gower.*) How do you account for this difference in the rate charged?—I can only account for it by the Winsford Works being altogether upon the London and North-western Railway, and I suppose that they think it expedient to give perhaps a little lower rate to works that are on their own line. My works are on the Midland and London and North-western. I pass over the Midland line 17 miles, and I pass over the London and North-western line 112 miles.

10,946. (*Mr. M'Clean.*) Do you get a through rate?—Yes, I get a through rate.

10,947. (*Capt. Galton.*) Do you take no salt to London by way of the Great Western line?—None whatever; they only go to Paddington, which is a very bad part of the town and involves a long cartage.

10,948. Do you take any by way of Reading?—Yes, by way of Reading to the Bricklayers' Arms Station.

10,949. Is that for shipping?—No, that is for the town of London.

10,950. That is for the south side of London?—Yes.

10,951. What rate do you pay for that?—That, I believe, is a lower rate than the rate the other way, but it is rather circuitous and the trucks are longer in performing the journey. I believe it is about a few pence less than if it goes to Camden.

10,952. Is it better worth your while to send it by way of the London and North-western line because the trucks are a shorter time away?—Yes, and it is better to send by two or three railways, particularly if the termini of those railways are situated in different parts of the town. For example, the South Eastern does very well for the south side of London and the London and North-western does very well for the neighbourhood of Camden Town and about there; that is one reason, you save in the cartage.

10,953. Does the rate which you quote include any cartage at all?—None whatever, nor any labour whatever.

10,954. Who unloads your salt?—My own agents in London.

10,955. At the railway terminus?—Yes, at the railway terminus.

10,956. And then your agents cart it, do they, over London?—Yes.

10,957. Then there is no terminal charge at all for your salt?—None whatever.

10,958. It is a mere mileage rate?—It is a mere mileage rate; at least there is no terminal charge that I know of. If any terminal charge is included in the 9*s.* it is only known to the railway company; but all that I know is that they take no trouble with the salt; it is put on to their locomotive; it is taken into the siding, and it is unloaded by my men, and as soon as the truck is empty it is taken back.

10,959. (*Mr. Horsfall.*) You do not know that they do not make a terminal charge. Take, for instance, coal.

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There is no trouble in discharging coal, and yet they make a terminal charge ?—I do not know, but I am at a loss to know what the terminal charge would be for ; they do no service for it.

10,960. (*Capt. Galton.*) Have you any foreign trade in salt ?—Yes, I have a large foreign trade to the Baltic.

10,961. Where do you ship from ?—From Gloucester and Bristol.

10,962. Do not you ship from London ?—No.

10,963. Then have you no shipping rate to the port of London ?—Yes, I have a shipping rate to London, and that is something less than the rate to Camden. There is a drawback upon the shipping salt on the production of the bills of lading, or of the captain's certificate that the salt is going to a certain foreign part.

10,964. Do you know what is the reason of that drawback ?—The reason of that drawback is to encourage the shipping trade from London as against Liverpool.

10,965. (*Mr. Hamilton.*) In fact the reduced rate is given you to enable you to ship salt in competition with the Cheshire salt sent from the Mersey ?—Yes, exactly so.

10,966. If a uniform mileage rate were charged, would not that shipping rate to London, to a considerable extent, be stopped ; would not your reduced shipping rate be done away with ?—I think not. I could not object to a shipping rate being granted to the Cheshire people.

10,967. But that would be inconsistent with a uniform mileage rate, would it not ?—Not at all. If a mileage rate were given from Cheshire to London, amounting to so much, and from Stoke works to London, amounting to so much, with an equal drawback upon both for shipping salt, I could not complain.

10,968. But why should the railway company, except for the purpose of encouraging trade from a particular district, give a lower rate in consequence of the peculiar destination of the goods ; why should they give you a lower rate because you are going to ship salt than they would give you if you are going to sell it in London ?—To encourage the export trade.

10,969. (*Mr. M'Clean.*) The railway company gets more money, does it not, by sending to London than by sending to Liverpool ?—Yes ; we do not send to Liverpool at all by rail.

10,970. (*Capt. Galton.*) Do you think it a legitimate mode of charging the rates that the railway company should take into consideration the prices at which an article can be sold at the place at which it is being delivered ?—I think so, because it does not always have reference to any competition in this country ; but in many cases we have to compete with salt manufacturers in a foreign country, and therefore our foreign trade in a great measure would be cut off if we could not deliver it at certain ports as cheaply as the foreign manufactured salts.

10,971. If that is the case, does not the same argument apply to towns in England ?—Certainly.

10,972. Is not it rather against your argument for a uniform mileage rate that it is advantageous to the trade of the country that in the price charged for the carriage a consideration should be given to the price at which the article can be sold in the town at which it is being delivered ?—No, I do not think so, if we are both charged equally.

10,973. Do you mean equal rates or equal sums for the total carriage ?—Equal mileage rates.

10,974. (*Mr. Hamilton.*) Is it not rather inconsistent on your part to ask for a uniform mileage rate which would give you the preference as to the supply of the inland towns as against the Cheshire works in the southern parts of the country, and then to ask for an exception to that uniform mileage rate in order to give you another advantage for shipping purposes ? —I am not asking for any advantage for shipping purposes ; I am merely stating what has been existing for some time, and I believe the same thing has been in existence on other railways, not only with regard to salt, but with regard to many other articles of exportation.

10,975. (*Mr. M'Clean.*) Articles that are required for ballast ?—Yes, that are required for ballast in many cases.

10,976. (*Mr. Hamilton.*) It would appear that under the present system the salt works in your neighbourhood have very nearly the monopoly of the London market, is not that the case ?—I do not know whether you may call it a monopoly ; the Cheshire people have equal access to London and the same rates, notwithstanding their longer distances.

10,977. But did you not just now state the proportion to be 75 per cent. ?—Yes, I suppose it is so ; that is to say, Worcestershire does 75 per cent. of the London trade.

10,978. Then the discrepancy in the rates does not inflict any very great damage upon the trade of Worcestershire ?—It sometimes renders the trade of Worcestershire nearly profitless by competition, that is all ; in fact it sometimes renders it quite profitless.

10,979. Would not the effect of a uniform mileage rate be to drive the Cheshire salt out of the London market ?—Not altogether. I think that the Cheshire works would do, perhaps, as much trade in London as they do now. I attribute the difference in the quantity done to my present agents and myself having been established in London for many years and making the London trade our special study, and opening establishments in different parts of the town, which the Cheshire manufacturers have never thought it worth their while to do ; Liverpool being their shipping port, they have never looked upon London as their port at all.

10,980. What would be the advantage to you if, under the uniform mileage rate which you think ought to be established, your competitors in Cheshire were to do the same proportion of the trade in London that they do now ?—The only way in which I should be prejudiced would be by their rendering the London trade less profitable, and sometimes, as I said before, entirely profitless. I have lost thousands a year in the London trade, in a fight of three or four years running, by the Cheshire people being admitted in at a low rate.

10,981. I understood you to say, that even if the mileage rate were uniform, you think that the Cheshire salt works would have the same proportion of the London trade that they have now ?—I think that they would have a certain proportion of it, and perhaps nearly as much as they have now.

10,982. Then what would you gain by a uniform mileage rate ?—I am not aware that I should gain anything particularly ; but you do not like to see works so much further distant from London bringing in salt at the same rate ; that is my only argument ; if you do not consider it a valid one I have nothing to say.

10,983. Is it not the case that a uniform mileage rate would probably drive the Cheshire salt entirely out of the market, and therefore give you virtually a monopoly of the trade?—No, I do not think it would, because the difference would be so small between the two ; even then, as I said before, they would do a portion of the London trade, and they always would.

10,984. (*Mr. M'Clean.*) Do they raise salt cheaper than you ?—Yes, I think they do ; their coal is cheaper.

10,985. And they are able to compete with you ?—Yes.

10,986. (*Mr. Horsfall.*) Have you ever made any complaint with regard to those unequal rates to the railway companies ?—I have.

10,987. What answer have they made to you ?—The answer has been very indefinite—the answer has been simply a refusal to make any alteration.

10,988. Have you any remedy to suggest when cases of difference arise between the railway companies and the public ?—The only remedy that I could

suggest would be some special court or some special tribunal before which the differences between the public and the railway companies should be brought and adjusted instead of the present uncertain and expensive mode of proceeding.

10,989. (*Mr. Roebuck.*) Do not you think that the differences may arise from these circumstances—supposing the more distant manufacturer says to the railway company, If we have an equal mileage rate we cannot trade say to London, but if you put us on a less mileage rate we can : it would be for the interest of the railway company to say, Very well, we can carry your goods with a profit at that less rate, and therefore we will charge you a less rate than if you were nearer ?—I certainly think so. I am not blaming the railway company.

10,990. If that is the case, if it benefits the manufacturer and benefits the railway company, how can it be considered a misfortune to the public ?—Perhaps in the general sense of the term it is not.

10,991. Then all that you seek is your own private and particular benefit at the expense of the public ?—I take the same view as the public. You must remember that the public is made up of manufacturers and traders, and I believe the general opinion is that there ought to be something like uniformity.

10,992. Will you mark the steps that I took in the questions which I put to you. I ask you if it is not for the benefit of the manufacturer, and you say it is ; I ask is it not for the benefit of the railway company, and you say it is ; and it is for the benefit of the public because they get a larger quantity of salt offered to them ; then all those three parties are benefited, and the only party not benefited is yourself ?—I am not so sure of that.

10,993. Have you not made those admissions to me as I went along ?—I may not look upon it exactly in the same way as you do.

10,994. I see that you do not look upon it in the same way that I do, because I am considering the public and you are considering yourself, but I have now brought you step by step to show that it is for the advantage of the public that that should be done, and I want to know why we or the Government should be called upon in any way to alter that state of things ?—I have always calculated that it was only a matter of equality between manufacturers that the railway companies should carry as nearly as may be at something like equal mileage rates. Of course it is for this Commission and for the Government to judge whether my opinion is right ; I only give my opinion of the state of the facts, and if you differ from me that is the natural consequence of looking at it from another point of view.

10,995. (*Mr. Hamilton.*) In your experience have you ever made an application to a railway company to quote you a special rate in order to enable you to compete with seaborne salt in towns on the south coast ?—I think it is very likely I have done so.

10,996. And has that explanation been entertained ?—I am not sure about its having been entertained, but I think I have made it, in fact I may say I have made such an application.

10,997. Do not you know whether your request has been acceded to or not ?—I know there has been some difficulty about it ; in many cases it has not been acceded to. I think perhaps in one or two cases of little importance, it has been met.

10,998. And I presume one of the arguments which you would make use of in making the application would be that the public would be benefited by the concession ? — No, I have not made use of that argument.

10,999. But that has been the result, has it not ?—It has been merely an attempt on the part of one manufacturer having his works on a railway to get a portion of the trade to a small town on the coast which had been supplied by sea borne salt ; it is merely a question of competition between one manufacturer and another situated in different parts of the country.

11,000. Then it appears to me that by your admissions you have shown that a variable rate is not only the most advantageous to the public but the most advantageous also to different manufacturers if not to an individual manufacturer, because a variable rate enables the Cheshire salt makers to compete with you in London and a variable rate enables you to compete with sea borne salt in the towns on the south coast of England ?—Just so.

11,001. Therefore we may assume, may we not, that that variable rate is for the interests of all parties?—I do not look upon it in that light.

11,002. (*Mr. M'Clean.*) When you speak of a uniform rate, do you object to special contracts being made by railway companies with manufacturers ?—Not at all, for quantity and distance, provided it is open to all others in the same way.

11,003. (*Mr. Gower.*) What distance do you send by canal in any direction ?—The longest distance that I send by canal is from Stoke Works to London, a distance of about 155 miles.

11,004. Is the charge the same by canal as by railway ? — The charge depends upon what part of London the salt goes to. If it is going into the Thames, perhaps it may be more convenient to send by canal ; if it is for the town of London it may be more convenient to send by railway, and the charges are much the same.

11,005. Is the canal which you send by in connexion with a railway ?—The canal is not the property of any railway company.

11,006. Is there an agreement as to rates between the canal and the railway company ?—I am not aware ; not as to salt, I think.

11,007. I suppose you would require the same reduction of rates by the canal as by railway, so as to put you on an equality with Cheshire ?—No, I do not think that the canals would be disposed to make any further reduction ; the canals have made several reductions within the last few years in order to compete with the railways, and I think it is very doubtful whether any further reduction could be made on the canals.

11,008. Then I suppose if a reduction were made on the railway and not on the canal you would entirely withdraw your traffic from the canal ?—Not entirely, because we should not be disposed to take our boats off the canal and put the salt all on the railway, because the canal traffic is useful for certain purposes.

11,009. (*Chairman.*) In fact, the canal traffic would, in some cases, save you the cost of cartage in London ?—It would when you are going alongside vessels in the Thames.

11,010. (*Capt. Galton.*) You have had great experience, have you not, in carriage by canal ?—Yes, I have had a good deal of experience.

11,011. Could you give the Commission an idea of what the cost per ton of conveying goods by canal is, exclusive of tolls ; you have several boats of your own, I think ?—Yes, I have many boats of my own. The tolls from Stoke Works to London by canal, speaking now from memory, but I shall be within a penny, perhaps, are about 4*s.* per ton, and I give to my steerers, I think, 5*s.* per ton.

11,012. Is that for the carriage and everything ?—For carriage and everything, with the exception of boat hire, which you may put at another 9*d.* per ton, or thereabouts.

11,013. That includes the horse and the haulage ?—Yes, everything.

11,014. 5*s.* 9*d.* a ton includes the whole cost of conveying the salt to London ?—Yes, besides the tolls.

11,015. I mean the expense of the haulage and of the boat ?—Yes.

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11,016. (*Mr. M'Clean.*) Is that the long ton?—Yes, that would be the long ton; it would be, perhaps, what we call about 23 cwt. or 24 cwt. to the ton.

11,017. (*Capt. Galton.*) Then it would be less than that for the short ton, the railway ton?—Yes, a little less.

11,018. Could you work shorter distances as economically; for instance, if you were sending to Gloucester?—No; shorter distances could not be worked quite so economically, but if you wish for the comparative charge by canal and railway from Stoke Works to Gloucester, I may state that the charges are about the same as near as may be, and the same to Bristol by the Worcester and Birmingham canal and by the Severn.

11,019. (*Mr. Hamilton.*) But you have a toll-free river, have you not?—No, we have no toll-free river; the Severn has been made a navigation for some years now, and they charge tolls upon it.

11,020. Are the rates on the Severn the same as the canal rates?—I pay upon the Worcester and Birmingham canal from Stoke Works to Worcester 6*d.* per ton, and I believe I pay either 6*d.* or 8*d.* from Worcester on the Severn navigation to Gloucester; they are nearly equal.

11,021. Is the distance the same?—The distance by the Severn, perhaps, would be rather more than from Stoke Works to Worcester.

11,022. How much more?—Perhaps 10 or 15 miles more.

11,023. On a total distance of what?—On a total distance of about 37 miles or 38 miles. I am speaking now from memory, but I am within a mile or two.

11,024. (*Chairman.*) With reference to one of your former answers, I understand you have a tabulated statement which is intended to show that there is not only a great loss occasioned by delay in the delivery of the goods, but a loss by the delay of the trucks containing the goods?—Yes.

11,025. Will you be kind enough to put that table in?

The witness delivered in the following Table:

MEMORANDUM showing the average Time the Vans and Trucks are in Transit to and from Stoke Works and the following places for Six Months to December 1865.

Name of Place.	By which Route sent.	Miles from Stoke Works.	Days in Transit.	Time after allowing two Days for discharging.
Victoria Docks, London	Midland Railway to Birmingham 17 London and North-western to Camden 112 North London to Victoria Docks 9	138	4	2
Camden, London	Midland Railway to Birmingham 17 London and North-western to Camden 112	129	7	5
Bricklayers' Arms, London	Great Western Railway to Reading 94 South Eastern to Bricklayers' Arms 66	160	8	
Norwich	Midland Railway to Peterbro' 130 Great Eastern to Norwich 81	211	10	
Yarmouth	Midland to Peterbro' 130 Great Eastern to Yarmouth 100	230	9	
Hull	Midland to Normanton 121 North-eastern Railway to Hull 47	168	5	
Lincoln	Midland Railway 107	107	7	
Reading	Great Western, narrow gauge 94	94	9	
Brighton	Great Western to Reading 94 South-eastern to Redhill 46 London, Brighton, and South Coast to Brighton		11	
Canterbury	Great Western to Reading 94 South-eastern to Canterbury 106	200	10	
Portsmouth	Great Western to Basingstoke 118 London and South-western to Portsmouth 46	164	8½	

MEMORANDUM showing the Time Salt, forwarded from Stoke Works per Railway Companies Waggons, is in Transit to the under-mentioned Places *viâ* Gloucester and Bristol.

Name of Place.	Route sent.	Miles from Stoke Works	Days in Transit.
Salisbury	Midland Railway to Gloucester 35 Great Western Railway to Salisbury 93 The delay rests with the Great Western, not with the Midland	128	
Cirencester	Midland Railway to Gloucester 35 Great Western to Cirencester 18 The delay rests with the Great Western, not with the Midland	53	
Swindon	Midland Railway to Gloucester 35 Great Western Railway to Swindon 37 The delay rests with the Great Western, not with the Midland	72	
Exeter	Midland Railway to Bristol 72 Bristol and Exeter Railway to Exeter 75¼ The delay rests with the Bristol and Exeter Railway, not with the Midland	147¼	
Coal trucks to and from Stoke Works and Dudley district		25	
Do. do. Derbyshire do.		54	
These include the time in loading and unloading.			

11,026. (*Capt. Galton.*) Referring to this table of delays, do you consider two days a sufficient time for unloading?—Plenty.

11,027. Is more ever taken for unloading your trucks in London?—I should think sometimes more is taken, not only in London, but in other places. In many cases they are unloaded in one day, and I have taken the average, and I think two days a very fair allowance.

11,028. (*Mr. Hamilton.*) Do you receive any report from your consignees as to the promptness with which they take delivery of the cargoes consigned to them?—Yes, in London particularly.

11,029. And you feel that the excess of time is not due to any delay on the part of the consignees?—As a general rule, I do feel so.

11,030. But in this tabulated statement you have laid down the detention almost entirely to the charge of the railway company?—No, I think not.

11,031. You take in your last column two days as the time allowed for discharging, and I understand you to say that the difference between the whole time and those two days you take as the number of days occupied in the transit?—Yes, exactly.

11,032. But a great portion of that difference may arise from the delay of the consignees in unloading the goods sent to them, may it not?—I think not, as a rule; because, as I said before, many trucks are unloaded the first day because the parties are in want of the goods, but I have given them a very fair average. I think two days, on the whole, from my experience of some 15 or 20 years, is a very fair average.

11,033. Has it ever happened that railway companies have made complaints about the delays of consignees in taking delivery of the goods?—Not that I am aware of.

11,034.—They never have reached you?—Not to me; if it has been so they have the remedy in their own hands, by charging siding room to the consignees, and if they would enforce that, I think there is no proprietor of railway waggons but would readily concur in it.

11,035. (*Mr. M'Clean.*) Are you prepared to concur in it?—Yes.

11,036. (*Capt. Galton.*) Does this table show the time that the vans take to go and return to Stoke Works?—Yes.

11,037. It is the average between the particular places mentioned?—Yes, exactly so. This table was made up from what is called the van book, which is kept by a man whose duty it is, and who does scarcely anything else; he registers the vans as they go out, and he registers them as they come in.

11,038. Can you account at all for the reason why the average time of the waggons going to the Victoria Docks, a distance of 138 miles, is only two days, whereas going to Camden Town the average is five days for a distance of 129 miles?—No; I cannot

account for it, except that sometimes they get blocked in at Camden; and in the other cases they sometimes go right through, because they are in larger quantities going down for shipping order to the Victoria Docks.

11,039. Can you account for the length of time that the waggons seem to be going to Lincoln and back, namely, five days?—Not at all, with the exception that they get detained at Nottingham, where there are several junctions, and sometimes at Birmingham.

11,040. (*Mr. Hamilton.*) Let me call your attention to that table which you have handed in; you say that it takes from your works to Reading, nine days, or, allowing two days for discharging, seven days; if you carry your eye up to the third entry you will see that it is stated that it takes eight days to the Bricklayers' Arms, after passing through Reading?—No, that is not the same traffic; the one is to the town of Reading, and the other is passing through Reading *en route* to the Bricklayers' Arms.

11,041. Why should there be any railway delay with regard to the traffic in the town of Reading, if there is no railway delay in the passage through Reading to another place?—That I cannot explain. It often occurs in the case of the Great Western Railway Company, who are very short of locomotive power, that waggons are lying perhaps two or three days or longer than that, at Worcester, *en route* for Oxford, and they may lie again a day or two at Oxford before they get to Reading.

11,042. But surely that would apply to goods going beyond Reading to the Bricklayers' Arms, as much as to goods going to Reading as their destination?—It would, certainly. I can only say that this is taken out from my van book, and it is the average of six months working, and I thought that that was a very fair estimate.

11,043. In the same way in the last line, having shown that the total time in transit, after deducting the two days to Reading, is seven days, you show that for the traffic to Portsmouth, which is considerably beyond Reading, the time occupied is only $6\frac{1}{2}$ days?—Yes; but that goes over a different line of railway; it goes down the South-western.

11,044. It goes by the Great Western, does it not, to Basingstoke, which passes by Reading?—Yes; but it goes by the South-western to Portsmouth, and not by the South-eastern.

11,045. But there is the hitch at Reading, in that case also, is there not?—Yes, I believe that Reading is the great point of detention and always has been. I have, on special cases, sent a man from Stoke Works to Reading to ascertain the cause of the delay there, and it has arisen, in some cases, more particularly a year or two ago, from the South-eastern and the Great Western Companies not being on the best terms with each other, and the delay very often occurs from conflicting arrangements between railway companies.

11,046. That does not quite meet this case, because you show that in a case where a conflict between two railways cannot arise, that is to say, in the direct trade to Reading, the trade stopping at Reading, there is greater detention than in the trade which is shared between those two conflicting companies?—Just so; that appears to be the fact. There are certain comparative statements here, I have no doubt, which appear somewhat inconsistent with each other, but I can only state the fact as to the time when the vans go away and when they come back.

11,047. How were those tables prepared?—They were prepared from what we call the van register, which is kept by a man whose special duty it is to keep it. When the vans go out he enters them, and when they return he enters them. That, I believe, is the usual mode of keeping the register with every manufacturer who owns a large number of vans or trucks.

11,048. (*Capt. Galton.*) What remedy do you think could be applied in order to secure a more rapid return of the vans?—Better working arrangements between the railway companies, and making the railway companies responsible for their affording a return of the trucks within a reasonable time.

11,049. To make them pay, in fact, demurrage for the trucks which are not returned?—Exactly so. As a rule I do not complain of the railway companies, because, considering the power they have, I think they are very moderate, and I am often surprised at their moderation; but that is not a right state of things for the public. I believe that if the railway companies were responsible for the demurrage of the trucks of traders in the same way as they are responsible to each other for demurrage at the clearing house, the transmission, both outward and homeward, would be better than it is.

11,050. If the railway companies were compelled to find you the trucks for working your traffic, just as they find the locomotive engines, would they then, do you think, deliver the goods with greater speed?—I believe that they would.

11,051. You have no instances, have you, of cases where they are delivered more rapidly in the one case than in the other?—Yes, I have. Before I commenced finding my own railway trucks the Midland Railway Company, or the Oxford, Worcester, and Wolverhampton, as the case may be, found the trucks, and there was not the delay then that there is now; in fact the delay has increased, as I said in my preliminary statement, within the last seven years. It takes me at the present time nearly 50 per cent. more stock to move the same amount of traffic that it did seven years ago, clearly showing that either from excess of traffic or from other causes the evil has been increasing.

11,052. And that adds very considerably to your expenses?—Yes, it adds considerably to my expenses.

11,053. (*Mr. Hamilton.*) You only suggest that it arises from the want of locomotive power as a possible explanation, you do not know as a fact that it arises from the want of locomotive power?—I know it as a fact on the Great Western.

11,054. (*Mr. Gower.*) What is the longest detention that you have ever experienced?—I have had salt lying at Gloucester for as much as 17 or 18 days.

11,055. Was there any special circumstance to account for that delay in that instance?—The only special circumstance by which I can account for it would be the want of stock on the part of the Great Western Company to take it on; that is the reason which they themselves assign.

11,056. But that was a very unusual detention, I presume?—It was a very common one at one time; it sometimes lasted for months; railway companies generally give the preference to the forwarding of that traffic which is to them the most remunerative, and salt and coal and iron and different minerals being materials in a different classification, and consequently paying lower tolls, they give the preference to the higher classes of merchandise.

11,057. (*Chairman.*) In your preliminary statement you say that the law between the public and the railway companies is most unsatisfactory and requires some general revision, and you go on to make some further remarks, do you not?—Yes; I am not going into the details of the law with regard to railway companies, I am speaking of course in general terms with regard to the uncertainty and the indefinite state of the law. For example, when you complain to the railway companies of delay, some of them at least say, we are not bound to take your salt or to find trucks for your salt, and when you make claims upon them for delays, they plead non-liability. Then they have the power to vary their tolls from time to time, which appears to be by no fixed rule, except their own interest and convenience.

11,058. (*Mr. Roebuck.*) Do you think it would be an advantage if railways generally were subject to the Carriers Act and were made common carriers?—I do not think so in the present state of the traffic of

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the country; I think it would be next to impossible. I presume the honourable member means that the traders are to find their own locomotives?

11,059. I mean merely this, that they are to be subject to the same rules as a common carrier?—Yes, I do think so; I think that it would be an advantage.

11,060. At the present moment they can refuse to take any goods, can they not?—They can.

11,061. They can put what price they choose upon them, and they are not in any way compelled by law to give you any facilities when you arrive at the end of your journey at the terminus?—I am not sure about their power of putting any charge on, but I know that the maximum charges would be prohibitory, and that they can, if they please, refuse to take a certain class of traffic. For example, they may say to me, We do not carry salt, and we will not take your salt; or they may cease to carry it at any time they please.

11,062. We will suppose that there are three coal mines within a short distance of each other upon a particular line of railway; could not the railway company determine to take the coals of one mine and refuse to take the coals of the others?—I think not, if they are within three or four miles of each other, but I am not quite sure upon that point, I have never tried it; but they could not refuse to take the coals of one party from the same station if they carried for another.

11,063. Do you mean to say that, supposing you are working a coal mine not upon a railway, you could compel that railway to take your coal?—No; I could compel them if they carried coal from the same siding for one of my competitors.

11,064. (*Chairman.*) Could you compel them to carry it upon the same terms?—Yes.

11,065. They might charge you the maximum tolls might they not, if they thought fit?—Not if they charge lower tolls to our competitors, if the circumstances were the same, that is to say, with regard to quantity and distance. I have always considered that quantity and distance ought to form elements in the tolls charged.

11,066. You state that they could not refuse to carry for you if they were carrying for one of your competitors from the same siding. Supposing they were carrying for your competitors at a rate, say, of $\frac{1}{2}d.$ per ton per mile, could not they refuse to carry for you at the same rate, and might not they charge you their maximum rate if you forced them to send your trucks?—No; I apprehend that they could not refuse to carry for me at the same rate provided that I send the same quantity and for a similar distance, under like circumstances. But I have always looked upon what is called the Railway Clauses Consolidation Act as being intended to apply to a different state of things—a state of things which has never been called into operation—because the public under the Railway Clauses Consolidation Act would be their own carriers, which now would be impracticable.

11,067. Have you any other statement that you wish to make to the Commissioners?—There are just a few remarks that I have epitomised here in this paper before me. I say, first, that I would recommend a careful revision and amendment of the law; secondly, moderate maximum tolls on the different classifications of merchandise and minerals, the Board of Trade reserving to itself the power of revision, and the service for such tolls to be clearly defined; thirdly, through rates and unity of action in the interchange of traffic; fourthly, railway companies either to find rolling stock for manufacturers, or to admit the stock of manufacturers to the clearing house on the usual conditions as between railway companies; and, fifthly, some special court of appeal as between the public and railway companies, the decisions of which should be prompt and final.

11,068. (*Capt. Galton.*) You would require railway companies to give demurrage to the traders, would you not?—Yes.

11,069. If always your waggons were admitted to the clearing house you would then be able to get a return of your waggons with less delay, I presume?—Yes, exactly so; all the railway companies would then be responsible for the delay.

The witness delivered in the following statement upon the railway traffic to and from his works:

1st. That the charges are not in accordance with distance.

Salt from Stoke Works to London *vid* Birmingham, per Midland Railway, 17 miles, hence per London and North-western Railway to London, 112 miles; total distance 129 miles; charges 9*s.* per ton.

Salt from Winsford and Middlewich, Cheshire, to London, per London and North-western Railway, 165½ miles: charges 9*s.* 6*d.* per ton.

In both cases the railway waggons are found by the manufacturers, but the quantity sent from Worcestershire to London is very considerably in excess of that sent from Cheshire to London.

2nd. That serious delay occurs in the transmission of goods from place to place, owing to divers causes.

A tabulated statement herewith will show the average time occupied in the transit of salt vans to different towns and stations in England making an allowance of two days for unloading. It will be seen that in many cases it occupies nearly as many days which ought to be only hours. The causes of delay are various, such as conflicting arrangements of the different companies at the junctions of their respective lines; want of sufficient locomotive power to work the traffic, &c.

I forward a large portion of my traffic by water (the old system of canals), and it has frequently occurred that the traffic sent by water arrives sooner than that sent by railway to the same place.

3rd. Serious loss, occasioned by the mixed gauge, particularly at Gloucester and Bristol.

At Gloucester are the narrow gauge of the Midland and the broad gauge of the Great Western and South Wales Railways.

It frequently occurs that large quantities of my goods are kept at Gloucester waiting for the broad gauge trucks of the Great Western; periods from five to ten days, during which time the goods are materially damaged by exposure.

At Bristol the same thing occurs in goods going over the Bristol and Exeter Railway, but not to the same extent as Gloucester.

4th. That great hardship is inflicted on manufacturers and traders, who at great cost find their own railway plant (trucks and vans), by the serious detention which occurs at junctions and other places in transit over the different railways, and for which railway companies state they are not responsible

As a rule railway companies compel extensive salt and coal proprietors to find their own railway stock, but which stock they refuse to admit to the clearing house system, so that, however extensive the claim for demurrage may be against the railway companies, they refuse to allow it or make any compensation. At the present time it takes me 50 per cent. more stock to move the same amount of traffic it did seven years ago, so much has the evil of delay in transit increased.

On reference to the tabulated statement herewith, it will be seen that it is not only a question of loss by delay in delivery of the goods, but loss by delay of the trucks containing the goods, both of which may belong to the trader. As the railway stock of salt and coal proprietors and other traders of the United Kingdom form a most important item of value, it ought to be admitted to the clearing house, or the railway companies made responsible in some other way.

5th. That the present state of the law as between the public and railway companies is most unsatisfactory, and requires general revision and amendment.

It is scarcely necessary to state that at the time Acts of Parliament for the construction of many of our principal railways were obtained the practical application of the law as to their working was little understood. At the present time, in the majority of cases, it might be said, practically speaking, there is no law as between the public and railway companies, inasmuch as the means of evasion are so numerous and so easy that the former are left much at the mercy of the latter. It may not be out of place to cite one example of the powers assumed by a railway company some years ago, and the high handed manner in which they carried them out. These works are situated at the junction of the Midland Railway, and what was at that time the Oxford, Worcester, and Wolverhampton Railway. A dispute arose between the Oxford, Worcester, and Wolverhampton Railway Company and myself as to the tolls they

were by their Act entitled to charge over the branch railway leading to my works. I took counsel's opinion, who confirmed my views of the case. I offered to refer the matter in dispute, but such an amicable mode of settlement did not appear to meet the views of the railway company, and, much to my surprise, they one morning sent a body of men and took up the line, the rails of the permanent way, stopping the traffic to and from the works; they took the opportunity of doing this act at the time the canal was frozen over, so that I had no means of transit, either by rails or water. I could make no legal movement for some time, as it happened to be during the long vacation. I at last moved for a mandamus and took the case to the Court of Chancery; but so soon as they found I was not to be intimidated they gave way, and laid down the line of rails again.

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If I may be permitted to offer an opinion, it has often occurred to me that the present magnitude and national importance of railways demand some special tribunal or court of appeal for the adjustment of differences between the public and the railway companies. I feel strongly that such a court would give great satisfaction to the public.

The witness withdrew.

Adjourned to Thursday next, at 12 o'clock.

Thursday, 11th January 1866.

PRESENT:

THE HON. E. F. LEVESON GOWER, M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
J. R. M'CLEAN, ESQ., PRES. INST., C.E.
WILLIAM POLE, F.R.S., *Secretary.*

THE RIGHT HON. THE EARL OF BELMORE IN THE CHAIR.

[*There not being a quorum present, the following evidence was taken provisionally; it was accepted at the next official meeting of the Commission.*]

Mr. JOHN NURTHALL BROWN examined.

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11,070. (*Chairman.*) I understand that you are the general manager of the Cannock Chase Colliery Company, and of the Lintz Colliery, and a director of the Gloucester Waggon Company, the Patent Shaft and Axletree Company, and of several other companies?—I am.

11,071. Were you formerly general manager of the South Staffordshire Railway?—I was.

11,072. Have you had much experience in the carrying out of traffic on canals and railways?—I have had 30 years experience.

11,073. What are the capabilities of your collieries—The collieries are equal to about 2,000 tons per day, or 12,000 tons per week.

11,074. What weight of coals do you send by railway?—About 5,000 tons per week.

11,075. (*Capt. Galton.*) How does the rest go?—By canal and land carriage.

11,076. (*Chairman.*) On what line of railway is your colliery?—On the South Staffordshire branch of the London and North-western railway.

11,077. Is your coal traffic worked satisfactorily?—No it is not, I am sorry to say.

11,078. In what respect do you find that it is not worked satisfactorily?—The delays are very serious; we never know when a waggon leaves the colliery when it is likely ever to get to its destination, much less to be returned again to the pits; in many cases it is away a fortnight or three weeks.

11,079. (*Capt. Galton.*) Do all the waggons belong to you?—No, we have upwards of 800 of our own, and there are 200 or 300 private traders' waggons in addition.

11,080. (*Chairman.*) Do you sustain a large annual loss by demurrage?—Yes; we do sustain a very large loss by the demurrage of the waggons, which I estimate at at least 3,000*l.*; then there is the loss in the traffic which we cannot calculate, and the damage done to the colliery in keeping the colliery standing for want of trucks.

11,081. (*Capt. Galton.*) Is that sum the amount of the demurrage per annum?—That is the actual cost of the waggons to us per annum; that is to say, the actual dead loss in waggon hire. Then, besides that, there is the loss in keeping the pits standing waiting for trucks, and the loss in trade and profit on the coal. We cannot estimate the damage done to the colliery when the waggons are kept away in that way; it is impossible to do it.

11,082. (*Chairman.*) Are we to understand that the loss which you sustain by demurrage is the sum that you have had to pay to the railway companies for waggons standing on the siding, or is it the loss that you sustain by not being able to use the waggons for the purposes of your trade?—If you take the value of the stock as being worth 70,000*l.*, it is the interest of that money, and the repairs added, less the amount the waggons actually earn.

11,083. (*Capt. Galton.*) Do you mean that if the waggons were returned to you as soon as they were unloaded, without delay, you then would be able to work with a less number of waggons, the difference between the number with which you work and the less number with which you might work being represented by a capital of which the interest is 3,000*l.* per annum?—Yes, precisely; for if you take it that a waggon costs a shilling a day, which is about the average including repairs, that is, 6*s.* per week, and if that truck is kept away three weeks instead of three days, that is 18*s.* on the cost of the waggon.

11,084. And it comes to this, that you must have so many more waggons to work the traffic?—Precisely. But the injury goes further than that, because we never know when we are sending a truck of coals away from the colliery what the waggon hire will cost. We calculate the charge to the customer at 1*s.* a ton, but in many cases it costs us 4*s.*, 5*s.*, and 6*s.* per ton, and instead of getting a profit of 1*s.* a ton on our coal, we are losing sometimes 5*s.* or 6*s.* This occurs when waggons are damaged and kept from home 1, 2, and 3 months.

11,085. How is the 1*s.* a day, the value of the waggon made up?—It is the interest of the money and the wear and tear and the repairs.

11,086. That is on the actual cost of the waggon?—On the cost of the waggon. Taking it that there are 300 working days, that gives 15*l.* per year for a 10 ton truck, and that includes maintenance, depreciation, and everything. There is always 5 to 10 per cent. of the waggons under repairs, so that we cannot get 300 working days on the average. When a waggon is at work it should earn at least 1*s.* per day to cover its cost.

11,087. What is the cost of the waggon?—The first cost would be 75*l.*

11,088. Upon that, of course, you charge interest at so much, say 5 per cent., and the depreciation?—Yes.

11,089. What would the rate of depreciation then be?—From 3*l.* to 4*l.* a year per waggon.

11,090. And the rest, I suppose, 6*l.* or 7*l.* a year, would go in maintenance?—Yes; a 10 ton waggon, if taken upon hire, including maintenance will cost 13*l.* per annum.

11,091. (*Chairman.*) You state that you charge your customers 1*s.* per ton for the waggon hire, but do you calculate that in those cases of demurrage you lose at the rate of 5*s.* per ton or 5*s.* per waggon?

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—Per ton. In many cases the waggons have been kept away from the colliery for a month, and the worth of that waggon would be over 1*l.*

11,092. How many tons will a waggon hold?—Take it that it holds eight tons, that is 2*s.* 6*d.* a ton instead of 1*s.*

11,093. When you spoke of 5*s.* did you mean for each ton?—We have had waggons kept away from the colliery for three months. Supposing that a waggon is away a month, the cost of that waggon to us is 1*l.*; it takes away eight tons of coal, and therefore it costs 2*s.* 6*d.* per ton, and we charge our customer 1*s.* only, and we lose 1*s.* 6*d.* a ton. There is no law binding the railway company to carry those waggons within any given time, and the consequence is that mineral traffic and coal traffic is always put on one side for goods and other traffic where the company are subject to demurrage.

11,094. To what cause do you attribute the great detention of waggons?—To the want of locomotive power and station accommodation. The want of locomotive power, I think, is the great cause; as I have said before all the coal traffic is made to give way for a time for what we term clearing-house traffic, that is to say, waggons subject to the clearing-house regulations and subject to a demurrage of 3*s.* per day. They must travel a given number of miles, and there is only one day allowed for the transit of 120 miles, and for all above that the railway companies charge 3*s.* per day, and our waggons are put on one side, and they may stand there for a month with impunity. I have had numerous letters from various companies giving reasons why the waggons are not taken forward, and they all say that they are short of locomotive power, and that the trains have all been full. That excuse might answer very well for one day, but it should not go on for seven and even 10 days following. If the trains are full on one day, the new traffic next day ought to be made to give way for ours that arrives the day before; but that is not so, they keep on with the clearing-house traffic, and ours stand on one side till it is convenient for them to take it forward.

11,095. Do you find that railway companies give any preference to their own waggons over another company's waggons?—I do not think they do.

11,096. Do you find that railway companies give any preference to their own waggons over private owners' waggons?—Undoubtedly they do.

11,097. When they are carrying the same sort of traffic?—Many of the railway companies do not find waggons for coal and mineral traffic, but where they do I have no doubt that they give the preference to their own stock.

11,098. (*Capt. Galton.*) I presume that that is because they want to work their own stock to the greatest advantage, and if it is stock belonging to another railway company, being subject to the clearing-house regulations, they have to pay a demurrage upon it?—Yes, they are bound to work that stock with regularity or they have to pay the penalty.

11,099. (*Chairman.*) The reason I understand to be this, that when they are working their own waggons, if they do not work the trucks through within a certain time they would be liable to a loss for demurrage; but in the case of your waggons, so far from their having to pay demurrage, they charge the owners?—It is the loss of the owners.

11,100. Can you give the Commission any instances in support of that?—I have numerous instances with which I could furnish the Commission. I could mention the case of a waggon No. 338, which left the colliery on July the 6th and it came back on September 1st.

11,101. From where, and to where did it go?—It went to Bishops Waltham.

11,102. About what distance is Bishops Waltham from you?—It would be about 150 miles.

11,103. (*Capt. Galton.*) Have you a through-rate to Bishops Waltham?—We have. From Wednesbury.

11,104. (*Chairman.*) In that case did the waggon pass over more than one system of railway?—It would pass over three systems.

11,105. (*Capt. Galton.*) Do you know how long it was reaching Bishops Waltham?—No; I find I have not the particulars of that case with me.

11,106. (*Chairman.*) Will you state to the Commissioners any other special case of detention?—There is the case of waggon No. 753, which left the colliery on the 12th September, and it arrived home on the 28th of December.

11,107. (*Capt. Galton.*) Where did that waggon go to?—That waggon went to Reading.*

11,108. Have you a through-rate to Reading?—We have not.

11,109. (*Chairman.*) Over what systems did it pass?—It would pass over the London and North-western and the Great Western systems. There is another case that I could mention, that of waggon No. 739, which left the colliery January the 13th and arrived home again on the 27th of June.

11,110. (*Capt. Galton.*) Where did it go to?—That went to Reading also.†

11,111. Did you find out where the delay occurred in those cases?—In those cases those waggons were damaged in a collision on the Great Western Railway, and were put into a siding and there left, and no notice whatever taken of them.

11,112. Did not they notify to you that they were damaged?—They did not in reasonable time; they allowed them to remain there a considerable time before they notified it to us at all.

11,113. (*Chairman.*) Was that so in the last case?—In both those cases they were damaged. The builder's name is marked upon the waggon, and my name and address are painted on the waggon on each side, so that there was no excuse for not letting me know of it, and there is the Cannock Chase Company's name on the waggon also. But the practice of railway companies with regard to coal waggons is this, if they break the draw-bar or the coupling chain of a waggon in transit, instead of repairing that waggon and taking it on as they would do their own or a waggon subject to the clearing-house regulations, they take it off the train and put it into a siding, and send you a letter to say that it is there.

11,114. (*Capt. Galton.*) What do they do with its loading?—They allow the loading to remain in the truck; they simply write a letter to say that such and such a waggon is standing at such and such a station with a broken draw-bar, they having broken it themselves.

11,115. (*Chairman.*) And then they leave it there till you send for it to have it repaired?—They leave it there till either we send for it and repair it or we authorize the company to repair it and to charge us with the cost. This is continually happening, and the consequence is that our customers are greatly disappointed in many cases, and are obliged to go to other dealers for coal, and when our coal arrives there they do not require it.

11,116. (*Capt. Galton.*) If the waggon were a waggon belonging to another railway company instead of belonging to a private firm, would they in that case repair it themselves?—They would. I think that there is a clause in the general clearing-house regulations (1859) at page 23 referring expressly to that; in fact, articles 95, 96, 97, 98, 99, and 100 all apply to damaged stock. Those articles are as follows:—

"95. So soon as any part of the working stock of one railway passes into the custody and possession of another company, the company so in possession, is responsible for all and every contingency that may arise from the use of such stock while in their possession, except that, if the contingency is clearly traceable to a defect of material or workmanship; the ordinary repair or replacement of such stock is to be at the cost of the owners.

"96. The repairs of stock arising from ordinary wear and tear, is borne on all occasions by the companies owning

* This answer was afterwards altered by the witness to "that "waggon went to Bishop's Waltham *viâ* Reading."

† Afterwards altered to "to Blackwater *viâ* Reading."

the stock; but cases of palpable damage or negligence (such as dropping heavy weights into the waggons and thereby breaking the bottoms, smashing of doors, neglect of greasing, &c., &c.,) and all cases of collision or accident, shall be borne by the company in whose possession the stock may be at the time an accident happens.

"97. A register is kept by the clearing-house numberman at junctions, of such cases or palpable damage, but not of cases of damage arising from ordinary wear and tear.

"98. The clearing-house is not called upon to make any return of damaged stock; but the register of the numbermen is kept at the clearing-house for the purpose of verifying any claim made by one company on another in case of palpable accident. Companies on applying for a return will be furnished with a copy so far as its own stock is concerned.

"99. When a clearing-house numberman reports a vehicle as arriving at his junction in a damaged condition, such report is accepted as conclusive against the company delivering the vehicle at the junction, unless the company can show satisfactorily that it should not be held liable; but it shall be the duty of the numberman, whenever it is in his power to do so, to draw the attention of the chief clerk at the junction to the state of the damaged stock.

"100. Unless the account of the cost of the repairs of damaged stock be sent to the company responsible for the amount, within three months of the date at which the repairs are completed, the claim is forfeited."

11,117. (*Chairman.*) Do you think that if you took legal proceedings against a company for the cost of the damage to your stock caused by collision on their line you would have a legal remedy or not?—I believe we should, but then we should incur their displeasure, and they would throw no end of obstacles in our way afterwards. I have with me the replies that have been given to me by a railway company in answer to my letters complaining of a great many delays that had taken place, amounting to from five to 15 days; there were a great number of them, as many as 20 or 30 waggons. In one case the reply is, "In further reply to your "previous communications respecting the detention of "your waggons in transit, the specific cases you furnished have been thoroughly investigated, and I "find they were attributable to an unusual pressure of "traffic at the time. I trust now that the increased "power and other arrangements have entirely corrected the evil you complained of." That was on the 3rd of March 1865, and we are now in January 1866, and the same thing is going on.

11,118. (*Capt. Galton.*) Did you get similar replies from other companies?—Yes; there is another on December the 2nd, which is nearly nine months after that, from the same company. "In further reply to "your favour of the 18th instant, I regret to find that "a delay in this case did occur in consequence of our "siding at Reading being blocked at the time. I "have taken the matter up with Mr. Stevens, of "Reading, and I trust a further cause for complaint "will not occur."

11,119. (*Chairman*) That would be caused by a blocking up of the siding arising from want of locomotive power to remove the stock?—Yes; I can give an instance of where the waggons were emptied by our customer in due course, but they were not taken away from the station, and in reply to our complaint respecting it they say, "In further reply "to your favour of the 30th ultimo, I communicated "with the superintendent of the district respecting "the delays referred to in your letter, and he informed me that all the trains were so heavily laden "that the drivers refused to take the trucks in "question on, and that he sent a special engine on "the 30th ultimo to take them away." Those waggons had not been taken out of the siding on the 30th though they were emptied on the 23rd.

11,120. The company left them seven days on the siding?—The 23rd, the 24th, and the 27th, were the dates on which they were unloaded.

11,121. If they had had to pay demurrage on those waggons they would, you think, have been taken away before?—They would have been taken away as soon as discharged; there is no doubt of that.

11,122. (*Chairman.*) In this instance were you charged demurrage in consequence of the delay caused by the company's sidings being blocked by their own traffic?—There is no demurrage charged to us.

11,123. Have you any table which you could put in of such cases?—Yes; I have a statement of the working of the waggons from August 1864 to August 1865, showing the principal delays against one company; also showing the number of days that they were delayed, after allowing a reasonable time for travelling and unloading. A column shows the number of days the waggons were on the journey, and also the destination of the truck. I can also give two or three instances over some other lines of railway.

11,124. Could you furnish the Commissioners with a table showing a month's working for each company with whom you do business?—Yes, I will do so (*vide Appendix* BN.).

11,125. Have you any remedy to suggest for the better working of owners' waggons?—I think that waggons should be liable to the clearing-house regulations both in regard to transit and when they are at the stations.

11,126. (*Capt. Galton.*) Would that apply to cases of accidents as well?—Yes.

11,127. Then every accident, except from default of machinery, would be paid for by the company in whose possession the waggon was when the accident occurred?—They do now pay for damages by collisions and those kinds of things; they do not dispute that, but there is delay in getting the waggon home. But the other ordinary breakages, such as breakages of draw-bars, they do not pay, they consider that ordinary wear and tear. That depends very much upon the driver. If he starts roughly, or putting on steam too rapidly, the consequence is that he probably breaks three or four draw-bars, and that I should call the negligence of the company, but they call it ordinary wear and tear, and they make us pay for it, in fact, they make us pay for everything except collisions.

11,128. The only thing that the company pays for in the case of waggons belonging to other railway companies is for defective material?—Yes.

11,129. (*Chairman.*) But in that case how do you stand in a different position from other railway companies, because, according to the clause of the clearing-house regulations which you have put in, it is provided that the cost of repairs of stock arising from ordinary wear and tear is borne on all occasions by the companies owning the stock?—Precisely; if it is ordinary wear and tear they would.

11,130. But do they not consider, in the case of other companies waggons, that the breaking of draw-bars and such like accidents come under the head of ordinary wear and tear?—In that case they are liable to the clearing-house regulations, consequently they repair the draw-bar and send the waggon home. They are liable to pay demurrage, and therefore it would be better worth their while to repair the draw-bar and send it home than be subject to demurrage.

11,131. (*Capt. Galton.*) The demurrage is paid, is it not, whether the waggon is injured or not?—Yes.

11,132. And do you think that by putting the waggons under the clearing-house regulations you would obviate all the difficulties which you have been describing?—I believe we should, both with regard to delays and damaged stock, and all the other things of which we now have to complain.

11,133. And you think that that would meet all the evils which now exist in that respect?—I believe it would.

11,134. (*Chairman.*) In fact, you think that if a railway company were liable to the private owners for demurrage in the same way as they are liable to other railway companies, you would have a remedy for those evils?—I believe that the traffic would be very satisfactorily worked if waggons were liable to the clearing-house regulations. If the traffic is worth having to the railway companies, it certainly must be worth working it well, or it is not worth working it at all,

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and I believe that if they were under penalties to work the traffic well it would be well worked.

11,135. (*Capt. Galton.*) Would you give a railway company the option of refusing to take owner's waggons if they did not choose?—No; I would compel them to take them if the waggons were fit to travel.

11,136. Are not the clearing house regulations made by voluntary agreement between the railway companies; that is to say, all the companies have mutually agreed to put them in force?—Yes.

11,137. And now I understand that your proposal is to make those regulations compulsory upon the railway companies in respect of other parties?—Precisely. I have applied to the clearing-house to have our waggons admitted also; but they say, No, you are not a railway company, and we cannot admit you. I do not see why there should be any difference between a private waggon and a railway company's waggon. The clearing-house is formed under an Act of Parliament, 13th and 14th Vic., cap. 33, 25th June, 1850, and the same rules and regulations might apply to us as well as to all large bodies, running a large quantity of railway stock.

11,138. Are there no railway companies who are not under the clearing-house?—Not one that adopts through-rates and allows its waggons to run on to another system.

11,139. (*Chairman.*) Would you apply this rule to all colliery owners without distinction whether they have a large quantity of rolling stock or not?—Yes, I would apply it to all.

11,140. (*Mr. M'Clean.*) To mineral waggons generally?—To mineral waggons throughout the country.

11,141. (*Chairman.*) Could you give the Commission any idea of the minimum number of railway waggons that a private owner of the smallest colliery would find it worth his while to use in his business?—Of course that must depend in a great measure upon the size of the colliery, but there are private traders who have waggons as low in number as five, and there are colliery owners who have waggons from 100 up to 3,000.

11,142. Would you compel railway companies to admit a trader owning only five waggons to the clearing-house?—Yes; there is no trouble or expense in the matter; there is no extra cost incurred. I think if it is made applicable to one it should be to all.

11,143. (*Mr. M'Clean.*) Do any railway companies and waggons for minerals?—The North-eastern Railway Company find a great many waggons for minerals, and the Great Northern also.

11,144. (*Capt. Galton.*) Is not it the case that the North-eastern Company find the whole of the mineral waggons?—Not the whole of them.

11,145. (*Mr. M'Clean.*) Very nearly all?—Nearly all; but on parties applying to the North-eastern Company for waggons, they sometimes reply that they have not sufficient to carry on the traffic, and the parties must find their own. I have known many applications made to the North-eastern Company lately for waggons, but the trade was so large that they could not supply them, but they find all that they possibly can. The Great Northern Company do find a very large quantity. The London and North-western Company do not find any, and the Midland Company do not find any. The Midland Company has the largest mineral traffic in the kingdom, and they do not find a single truck.

11,146. (*Capt. Galton.*) But would not it be the case that some extra trouble would be caused by the necessity of taking notice of all the owners of waggons?—The parties would be charged with the expense, and charged according to number. If a railway company has ten thousand numbers taken during the month, it pays its proportion according to the expense of keeping the accounts.

11,147. That would necessitate keeping an immense number of separate accounts at the clearing-house, would it not?—It would.

11,148. Would not the result probably be that traders having a very small amount of traffic would find it worth their while then to find their own waggons?—I think not.

11,149. Do you not think that if their waggons were returned speedily it would become better worth the while of private traders to find those waggons?—It probably would increase the number of waggons in the hands of private traders.

11,150. That would again increase the trouble of the accounts?—But they have numbering-men at all the junctions, I do not think that the cost would be any more. It would give a little more trouble in posting the account at the head office in London, but there would be no additional expense at the junctions.

11,151. (*Mr. M'Clean.*) Would you be prepared to pay your portion of the cost?—I should be prepared to pay my portion of the cost.

11,152. (*Capt. Galton.*) You think that no material objection would result from that plan on the score of increased trouble?—I cannot see any.

11,153. (*Chairman.*) Now, as I understand, in the case of a trader sending as small a number as five waggons for a distance of 150 miles, the empty waggons are returned according to the convenience of the company?—Entirely so.

11,154. In the case which you propose of the railway company being liable to demurrage, if they detained the waggons, would you make them send so small a number as five empty waggons back specially?—No, they would come back with the ordinary trains during the day; it would never be necessary to run so small a number as five trucks.

11,155. That is to say, if it was not convenient for them to send those five trucks back to-day, it would not be unfair for the company to pay the owners demurrage for keeping those trucks to suit their convenience till to-morrow?—Not at all unfair; there would never be any necessity to leave so small a number of empty waggons behind as five. It is very necessary that there should be some check or some place where we can apply to know where our waggons are; for instance, there were some waggons went away belonging to the Gloucester Waggon Company six months ago; two of them have been lost entirely; if we could only apply at the clearing-house we should know at once where to find them, but we do not know where they are, and in all probability they will be lost altogether.

11,156. (*Capt. Galton.*) Do any railway companies over whose lines you send waggons find waggons for you?—Not for us, except from our colliery in the north. We have a colliery at Newcastle-on-Tyne, and the railway company find waggons there.

11,157. What difference in charge do the companies make if they find waggons, and if they do not?—According to distance; sometimes one-eighth of a penny, sometimes one-sixteenth, and sometimes a farthing per ton per mile, according to the distance of the mileage.

11,158. The railway companies could, if they chose, find waggons for you instead of admitting your waggons on their line, I presume?—They could.

11,159. Do you think it desirable that they should have the option of finding waggons themselves?—I do, providing they charge a reasonable sum for the use of them.

11,160. Does the sum which you have mentioned, the sixteenth of a penny per ton per mile, pay the proprietor of the waggon?—That would be for distances over 150 miles, and in that case it would pay; distances under 150 miles are an eighth.

11,161. Not under that distance?—Under that distance they would charge one-eighth of a penny.

11,162. And that would pay a good per-centage upon the stock, would it not?—It would.

11,163. (*Chairman.*) In the case of one of your customers neglecting to unload a waggon within a reasonable time after its arrival at the station to which that waggon has been consigned, do the railway companies now charge for station siding room?—In many

cases they do; they charge a shilling a day In many cases they have given notice that they will charge 1*s.* a day for standing room at stations, provided the waggons are not discharged within 24 hours after arrival; but they fail to put the waggon into a position in which the consignee can get at it to discharge it, and in consequence of that they are unable to enforce the charges and they get into confusion, and, in many cases, they have had to withdraw that notice.

11,164. That is to say, it is so hard now, in consequence of the confusion at some of the stations, to tell whether the person to whom the coals have been consigned had or had not an opportunity of getting at the waggons to unload them, that in practice they do not make any charge?—Precisely so.

11,165. (*Capt. Galton.*) The facts which you have been mentioning as to the very great delays which take place in the return of waggons would appear to point out that if the railway companies worked the waggons so as to return them with the greatest speed to the collieries a very much less number of waggons would carry on the trade of the country than are now employed?—That would be the operation. I have no doubt that if we take into consideration the railway companies' own stock and the private owners' own stock it takes nearly 50 per cent. more waggons now to carry on the trade of the country than it did 10 years ago.

11,166. You mean 50 per cent. in proportion to the trade carried?—Yes.

11,167. That is to say that in order to carry 100 tons of goods now it takes 50 per cent. more stock than it used to take?—Yes.

11,168. (*Chairman.*) But 10 years ago there were no clearing-house regulations with regard to owners' waggons any more than there are now?—Not for private stock, but the lines were not so full of traffic 10 years ago as they are now, and the traffic was worked with greater regularity, and then the railway companies were competing and looking out for traffic in every direction, whereas now they are so full that the mineral traffic has to take its chance.

11,169. (*Capt. Galton.*) Do you think that if the railway companies found the whole of the waggons the amount of stock in the country to carry the same traffic could be very materially diminished?—I have no doubt it would, but I question whether the colliery owners would get a fair supply. There is no doubt that if the rolling stock of the country was common stock belonging to the clearing-house and the clearing-house only, a very much less number of waggons would be required to carry on the traffic of the country, but the probability is that the railway companies would not get a fair proportion of them. I am speaking now upon the supposition that the whole stock of the country belongs to the clearing-house, and that the railway companies have to look to the clearing-house for a supply of stock. I say that in that case one-half the waggons would carry on the trade of the country, but in all probability the railway companies and the colliery companies would not get a fair supply of waggons.

11,170. You mean that the clearing-house would stint the supply in order to get the maximum profit upon the number of waggons that they had?—I will give an instance. Supposing there are 200 waggons sent from London to Liverpool with a large quantity of wool or tobacco, or any other consignment; instead of sending those waggons back to London empty, supposing they belonged to two companies, for instance the London and North-western as far as Birmingham, and another company from Birmingham to Liverpool, those waggons under the clearing-house regulations would be sent back as soon as they were emptied; but if they belonged to the clearing-house they would, in all probability, be kept at Liverpool for a return load.

11,171. And, therefore, although the traffic would be carried by a less number of waggons, yet the facilities would be very considerably diminished?—Yes; the waggons would be at a distance of more than 300 miles from the place where they were wanted just at a particular time.

11,172. (*Chairman.*) Would not it come to this, that if the waggons were left at Liverpool for return loads, it would not then be necessary to send so many waggons from the clearing-house to Liverpool to bring the Liverpool traffic to London, or wherever it was to go; but if that system of keeping waggons for return loads did not prevail would not you want an extra number of empty waggons to send over the lines, if they were not kept for return loads?—Yes, but you would have a shorter distance to work them; you might work them from a station perhaps within 10 or 15 miles of the place, instead of running back empty as they now do, say from London to Scotland, London to Aberdeen, or Glasgow, or Edinburgh; and when they required waggons at Glasgow or Liverpool they would get them from some nearer station, perhaps within 20 miles of the place, if there was a common stock.

11,173. Would not that rather tend to economise the stock, and therefore to leave a greater number of empty waggons at the disposal of the clearing-house for the supply of your collieries?—It would leave a greater number of empty waggons at the disposal of the clearing-house, but it would be at the wrong place. I should be afraid that the waggons would be at London when they were required.

11,174. (*Capt. Galton.*) Take the case of empty waggons which are sent to Scotland; if there was a return traffic to Scotland, the railway companies now would not send those waggons empty, would they?—No.

11,175. They do not send empty waggons back to Scotland, do they?—They do not keep them a day. Supposing they know that there would be traffic within two days for Scotland, they do not keep those empty waggons those two days. They send them home on account of their being subject to demurrage. Take a railway like the South Staffordshire railway, which is exporting all its traffic; there are a thousand tons of iron going away from its stations daily, but there is nothing coming back from the ports to those stations, and the consequence is that the traffic is going all in one direction; and I do not know how they would get their supply of waggons if they were not obliged to send them home.

11,176. In that case, under whatever system and wherever the waggons were, would not it then be necessary always to send the empty waggons one way, for if, as in the case of the South Staffordshire Railway, the traffic is entirely outwards, it is an absolute necessity that the waggons should run empty one way, is it not?—Yes, I may remark that there is a large quantity of traffic going from South Staffordshire to Hull for shipment, and when those waggons are discharged at Hull in all probability they might be loaded back to Nottingham or Derby, if it was common stock; but not being common stock they are obliged to send them home empty.

11,177. But still the amount of import to Nottingham and Derby would be nothing, I suppose, in comparison with the amount of export, in bulk at all events, from South Staffordshire?—In many cases it would. Take Burton as an instance. There is an immense quantity of barley carried from Hull to Burton during the season, quite sufficient to load back all the iron waggons that leave Staffordshire, and instead of the waggons returning to Staffordshire empty, they might bring barley back to Burton; but they cannot load them back to Burton now, because they are not common stock; they belong to another company.

11,178. Do you think that that would interfere with the South Staffordshire trade?—I think it would. I think they would not be able to get a supply of waggons.

11,179. Would not that rather lead to the whole of the traffic being worked more under a uniform system rather than that any particular part should be starved?

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—No; I think the various companies would stop the waggons on the route if they were common stock and if they wanted them, and they would take them off at any station if they required them, and not let them go forward to stations at which they were very badly wanted.

11,180. Must you not assume that if they were common stock they would be worked under the directions of some central office which would take care to keep every station properly supplied, as it would know the position of every waggon in the country by telegraph every day?—I do not think that it would be possible to carry that out.

11,181. (*Mr. M'Clean.*) Would it not be impossible to have a common stock unless the whole of the railways were under one management?—Yes, I know that; some stations would run short, and they would not get their supply of trucks. If I was the manager of a railway and I had 1,000 tons of iron going to a port for shipment, and I had not a single waggon on hand to take that 1,000 tons away, if a train of empties came through my station I should stop that train and take them off and fill them with that iron.

11,182. Then the present system is the best you can devise?—No, the other would be the best if it could be carried out; but I do not think that it is practicable; the question is so important that it is worth the experiment.

11,183. (*Chairman.*) Do you get through rates to all the stations to which you send coal?—We do not. The South-eastern Railway Company refuse to make through-rates with the London and North-western Railway Company, and the Great Western Railway Company do not make through-rates for coal with the London and North-western Company, and the South-western Company do not make through-rates excepting in two or three special cases. We have through-rates all the way from the colliery down to Brighton, and all stations on the Brighton line, but we have no through-rates by the Midland Railway down to Gloucester and Bristol.

11,184. (*Capt. Galton.*) Why does the Midland Company refuse to give you through-rates; is it because of their own collieries?—On account of other companies declining to make through-rates with them.

11,185. Does not the London and North-western Company make through-rates with the Midland?—Not in all cases; they do in some cases.

11,186. Do you consider that railway companies should be compelled to give through-rates in every case?—I do.

11,187. (*Chairman.*) When you say that they will not make through-rates, do you mean that each company charges its local rate, or that they will not give you through-booking?—They will neither book through nor make a through-rate; each company charges its local rate, and requires a separate declaration.

11,188. (*Capt. Galton.*) Do you mean that you have to send a declaration to each separate junction?—If a waggon leaves our colliery for Southampton, we should take the London and North-western line to Wednesbury, that would be one charge; then when it got to Wednesbury the Great Western Company would require another declaration, and they would carry it to Basingstoke, that is a second charge; at Basingstoke it would be put into a siding till our declaration arrives, and that would be another charge, so that it is three junctions and three declarations that would be required.

11,189. How do you send your declarations to those distant stations; do you do it by post?—In some cases by post, and in some cases by train.

11,190. (*Chairman.*) The result of that would be, that if your declaration had not arrived, say at Basingstoke, as soon as your trucks, the trucks would be detained there till it did arrive?—It would be so in many cases. Declarations miscarry sometimes, and waggons remain at the junction several days waiting for the declaration, and we know nothing of it till in a week's time they write to us, probably to say that the waggon is standing there, and that they have had no declaration.

11,191. Do they not know where the waggon is consigned to?—Yes, there is a ticket on it bearing the address.

11,192. Do you find that the detention at junctions is very great?—It is very great.

11,193. Can you give any instances of it?—There is very great detention at the Wednesbury junction by the Great Western Company. I have numerous instances which I could mention, and their reply to my complaint has been, that it is for want of locomotive power.

11,194. (*Mr. M'Clean.*) Do you find that there is much detention at Reading?—Very great; there is a very great want of accommodation at Reading; there is not half siding room enough to carry on the traffic of the station.

11,195. (*Capt. Galton.*) Is that on the Great Western station or on the South-eastern station?—On the Great Western. I think I have with me now 300 or 400 cases of delay at Reading within a year.

11,196. (*Chairman.*) Have you a mileage rate for coal in owners' waggons, and does that rate apply throughout England?—We have a mileage rate which is applicable to the London and North-western railway only. First of all we have a minimum charge of 1*s.* for short distances, junction to junction; when unloaded at the station there is 3*d.* extra.

11,197. That 3*d.* extra is a terminal charge, I presume?—Yes, it is a terminal charge. Then for distances under 50 miles the charge is 1*d.* per ton per mile, but there is no less charge than 4*s.* 2*d.* if it runs 60 miles. Then beyond 50 miles up to 100 miles the charge is $\frac{3}{4}d.$ for the whole distance, but as I say there is no less charge than 4*s.* 2*d.* for distances over 50 miles until it amounts to that sum at $\frac{3}{4}d.$ per ton. Then over 100 miles the charge is $\frac{1}{2}d.$ Those rates apply to the London and North-western system only, they do not give through-rates over the other lines, so that, if our traffic goes 200 miles, when we get to Basingstoke for instance, we should be subject then to fall back upon the local charge again, although the coal has come all the way from Staffordshire.

11,198. (*Chairman.*) Is the local charge a fixed charge that the public can always ascertain, or have you to ask for it?—They refuse in many cases to give you a list of the rates, but they quote any rate that you ask for.

11,199. (*Capt. Galton.*) You get a through-rate on the London and South-western from the colliery, do you not?—Yes, to one or two stations only; to Bishops Waltham we have a through-rate from Wednesbury only. We had a deal of trouble in getting that rate, but I obtained it ultimately, and the consequence is that they have had a very large quantity of traffic. The Great Western Company have had a very large traffic, which formerly came through London.

11,200. (*Mr. M'Clean.*) Is it a through-rate from the colliery, or from the Wednesbury station?—From the Wednesbury station only, not from the colliery.

11,201. (*Capt. Galton.*) How do you get to the Wednesbury station?—By the London and North-western Railway.

11,202. (*Chairman.*) Are we to understand you to say that every time you are sending a number of trucks of coal to any other station on the South-western line except Bishops Waltham you have to apply to that company for a rate?—No; we have a list of rates from the South-western, but the South-eastern Company have refused to give us one; but if we name a station to which we wish to send coal they will give us a rate, and the consequence is that if a merchant applies to me for the price of coal at Canterbury, if I have not that rate ready, I should have to apply to the South-eastern Company to obtain it, and it would take perhaps a week to obtain.

11,203. (*Capt. Galton.*) Are you now speaking of

a through-rate from the Wednesbury station, and not from the colliery?—From the colliery.

11,204. Do you consider that it would be desirable that the railway companies should publish their rates?—I do.

11,205. Of course allowing them to make special arrangements for large quantities of traffic?—Precisely.

11,206. Still those special arrangements should be equally published for the knowledge of the district?—Yes, and made applicable to all parties.

11,207. (*Chairman.*) Do you find that railway companies make differential rates in favour of one part of the country as against another part?—In many cases they do.

11,208. (*Capt. Galton.*) Does the Midland Company give you through-rates?—No; our colliery is not on the Midland railway. We deliver first to the London and North-western, and it is the London and North-western Company from whom we should get the rate.

11,209. And can you get a rate on to the Midland line?—No, we do not; we have to send to Birmingham to get the local rate from Birmingham to Gloucester and Bristol: that is the only branch of the Midland system that we send to.

11,210. Do you get favourable rates from the Midland Railway Company?—We do.

11,211. So as to enable you to compete with the coal from their own line?—Their rates are not so favourable as those from Derbyshire and Leicestershire; they there have a low mileage rate on account of the distance through from Derbyshire down to Gloucester, but we delivering our coal at Birmingham are subject to the local rate.

11,212. You cannot deliver coal at Gloucester along the Midland railway at a lower rate than the Derbyshire coal can be delivered?—No; many of the Derbyshire collieries situated 30 miles further from Birmingham than ours, get coal carried at the same price that we do.

11,213. So that both coals come into the market at the same price for carriage?—Precisely; although the one is a greater distance than the other by 30 or 40 miles.

11,214. Do you object to that system?—Yes; I think that there should be an equal mileage rate.

11,215. So as to give each firm or district the advantage of its position?—Yes.

11,216. And the disadvantage of its position?—Yes.

11,217. (*Chairman.*) Are we to understand you to suggest that those Derbyshire people should be charged a higher mileage rate than they are now, or that your mileage rate should be proportionately reduced to what theirs is; to Birmingham, for instance?—What I would wish is that we should be put upon the same mileage terms; that if we send coal 200 miles we should have the same rate, or if we send it 100 miles we should have the same mileage rate that they have.

11,218. (*Capt. Galton.*) For instance, in sending coal to the north-east of England, you would not be able to compete, would you, with the firms which lie nearer the north-east than you do?—We do not send any coal at all to the north-east of England. The Midland Company's Leicestershire and Derbyshire fields supply that district, and we cannot get there at all on any terms.

11,219. (*Chairman.*) Is that on account of the rates charged you by the railway company, or is it from other causes?—In many cases it is on account of the rates; and it is on account of our being a long distance from the place of consumption of the coal. We do not attempt to supply the Midland district at all to the north-east, the only portion of their district that we supply is that between Birmingham and Bristol and the west.

11,220. (*Capt. Galton.*) In that part there is competition against you by the Derbyshire coal?—Yes, because they get a through-rate, whereas we have to pay two local rates.

11,221. The Derbyshire coal owners, therefore, can get a through-rate to Gloucester and Bristol, and compete with you there, whereas you are unable to get a through-rate to Lincoln or Hull to compete with them?—Precisely so; that is the operation of the present system.

11,222. (*Chairman.*) What is the cause that the railway company will not give you a through-rate?—No doubt in the case of the west, the Midland Company wish to keep the traffic upon their own line of railway, and to supply from their own collieries, and they have no desire to see our traffic come on to their railway at Birmingham.

11,223. (*Capt. Galton.*) The coal traffic to Gloucester and Bristol from Derbyshire passes over a greater length of the Midland Railway, does it not, than your coal traffic would?—Yes, 50 miles more.

11,224. But still if they charged you the same price that they charge those Derbyshire coal owners, would not it be better worth their while to take your traffic the shorter distance than to take theirs?—If we were charged the same mileage rate, of course it would be that loss of mileage to the company.

11,225. But as it is you state that you are charged the same price for carriage of your coal to Gloucester that the Derbyshire coal owners are charged from Derbyshire to Gloucester?—Yes; we have to pay the London and North-western Company 15*d.* to Birmingham, which the Midland Company would lose. The London and North-western Company have the pull out of it in that case; but, in the other case, the Midland Company have the pull.

11,226. (*Chairman.*) If it is profitable to the railway companies to carry the midland coal in competition with yours to Gloucester and Bristol, why should not it be equally profitable to the railway companies to make a differential rate in your favour so as to enable you to send coal to Hull and the eastern coast?—It would be profitable to them to allow us to do so, no doubt, but they decline; they prefer having the coal from their own line of railway. If they gave us a through-rate to Lincoln, Derby, and Nottingham, I should expect one to the west also, and it would be prejudicial to them to give us a through-rate to the west, and therefore they ignore the through-rate altogether.

11,227. (*Capt. Galton.*) Your complaint is against the system, and not against any particular railway?—Not at all; it is against the system.

11,228. (*Mr. M'Clean.*) Have you any suggestion to make with respect to improving the traffic arrangements of the carrying trade in general?—Yes, I think with regard to the carrying trade I have; I think that there should be a general classification applicable to all railways. In many cases, now, they have separate classifications for their own lines of railway for what they call local traffic, and I think that there should be through-rates, also, everywhere, and that there should be equal mileage rates for each class of traffic.*

11,229. You mean maximum rates?—Yes.

11,230. (*Capt. Galton.*) There are maximum rates now, are there not?—No, not carrying rates.

11,231. Each Act of Parliament contains, does it not, maximum rates, exclusive of terminals?—Not as carriers. There is nothing binding the railway company to carry, and there are no carriers' rates laid down in any Acts of Parliament, they are all tolls

* The witness subsequently added the following. I would suggest something like the following arrangement:—1st. General classification applicable to all railways. 2nd. Through rates. 3rd. Equal mileage rates for each class of traffic. 4th. Maximum charge for short distances. 5th. Special contracts at any reduced rates, so long as the same are made applicable to all traders in the same district. 6th. Charge for station accommodation to include porterage. 7th. Cartage charges for collection and delivery of goods. 8th. To be under legal obligations to carry all traffic, and to collect and deliver all traffic, except minerals and special articles to be classified.

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which they would charge anyone for the use of their line. There are no fixed charges in any Act of Parliament to bind a company to carry certain articles at a maximum rate.

11,232. At present the maximum charges are exclusive of terminals, are they not ?—Yes, and exclusive of porterage and station accommodation. The tolls set forth in Acts of Parliament include the use of the railway in one case, and in another case the use of the railway and the cost of the waggons and the amount to be charged for locomotive power. There is nothing said about risk, there is nothing said about porterage or loading or unloading, or station accommodation, or the risk of carriage, or collection, or delivery, and various other things, and the consequence is that the companies charge what they please.

11,233. Do you consider that the maximum charge should be specified for all those points by Act of Parliament ?—Yes, I think that there should be a maximum fixed.

11,234. (*Chairman.*) What I understand you to mean is this, that there is no maximum rate to include all those contingencies that you have mentioned ; that there is a maximum rate as regards the haulage, but that they increase that rate indefinitely by raising their terminals to any amount that they think fit ?—Yes ; that the maximum rate is not applicable to parties sending traffic ; it only applies to parties using the railway with their own locomotive engines and so on.

11,235. That is never done, is it ?—In some cases it is, but in very few.

11,236. (*Mr. M'Clean.*) When you propose an equal mileage rate, do you mean inclusive or exclusive of terminals ?—Exclusive of terminals, and that all rates should be calculated upon the shortest railway distance.

11,237. (*Chairman.*) You mean that if you were sending goods from Birmingham to London by the Great Western Railway they should not be entitled to charge you more for the extra mileage than if you were sending them direct by the London and North-western Railway ?—Just so.

11,238. (*Mr. M'Clean.*) Would not that be inconsistent with the mileage rate of which you have spoken ?—No, I think not.

11,239. (*Chairman.*) In fact, you are of opinion that the shortest mileage should govern the rate ?—Precisely. If a company carries traffic 50 miles round the trader has no right to pay for it. This is only with regard to maximum charges ; of course companies may be at liberty to charge less if they please, I only propose to fix the maximum. They may carry for one-half, or one-quarter, if they please, but the maximum should be calculated upon the shortest distance.

11,240. You would allow a railway company to carry in competition with another railway company at a lower rate, so long as neither company exceeded the maximum rate which you would have fixed ?—Yes, I would.

11,241. (*Capt. Galton.*) Just as they do now ?—Just as they do now. Then there should be a minimum charge for short distances, and that no company should be obliged to carry five or six miles without a fixed charge.

11,242. You would leave to the company, would you not, the option which it now possesses of charging a lower fare altogether ; for instance, from Birmingham to London, than it need charge from Watford to London ?—Yes, if they wished it.

11,243. (*Chairman.*) Would you under no circumstances allow a railway company to go below their minimum rate for a short distance if by that means they could get a greater quantity of traffic ?—Yes ; I would allow them to carry for any rate they pleased, fixing the maximum. Supposing traffic is going six miles, and that is goods traffic, I would not compel any railway company to carry a ton of traffic six miles for less than 2*s.* 6*d.* if it is miscellaneous goods traffic, but they may carry it for less if they please.

11,244. You would fix the maximum but not the minimum ?—Precisely. Then with regard to special contracts, I would allow them to make special contracts at any reduced rates so long as the same rates are made applicable to all traders in the same district.

11,245. (*Capt. Galton.*) That would involve the publication of rates or the publication of conditions, would it not ; that is to say, you would make them publish to the whole district the special contracts which they make ?—I do not know that that would be necessary. If I, as a large trader in the South Staffordshire district, supposed for one moment that another colliery was getting its coal carried cheaper than I was getting mine carried, if I applied to the railway company for a rate I should expect to get it, and to be put upon the same terms.

11,246. Unless it was published, how could you be certain of it ?—I could soon discover it. I would leave it to the trade to discover.

11,247. (*Chairman.*) Then it would be necessary in that case to map out the country into a certain number of defined districts, would it not ?—No, I think not.

11,248. Have you any other suggestion to make to the Commission ?—What I have said refers to the mileage only. I think that there should be a charge for station accommodation, including porterage. In many cases large works have their own sidings into the works, and they load the whole of their traffic, and they do everything that is necessary at one end, and deliver it on to the railway in the trucks, and then the railway carries it to the other end, and there they have to unload it and deliver it. In one case they would be allowed the porterage and cartage charges, but at the other end they would not, and I would have the porterage and station accommodation defined, 1*s.* 6*d.* or 2*s.* a ton at each end, whatever may be fixed.

11,249. (*Capt. Galton.*) Would you make that charge universal throughout the country ?—Yes.

11,250. You do not think that the conditions of different stations would be sufficient to warrant a difference in the charge ; for instance, that the charge in London should be greater than the charge at some small country station ?—I would make the maximum applicable to all, and if they found that they could do it for less money at some country stations they should be at liberty to reduce it if they thought proper.

11,251. Would not it be more likely that they would reduce it at a station where there was a large competition, such as Birmingham or South Staffordshire, or London, and that they would charge their highest maximum rates at the small country stations where there was no competition ?—I do not think that there would be much difference in the charge for station accommodation and porterage. I think it is pretty much the same throughout the country. The next suggestion that I would make is with regard to the cartage charged for delivery ; and there London would come in. There should be a fixed charge for cartage throughout the country ; and in special cases like London of course there would be a fixed charge named, say, 5*s.* or 7*s.* 6*d.*, or whatever the case might be. There are only two or three exceptions throughout the country where the charges are heavy, and London is one.

11,252. (*Mr. M'Clean.*) Would Liverpool be one ?—In Liverpool they deliver a great quantity of traffic by barge. The railways run along the quays there, and the cost of delivery in Liverpool is very much less than it is in London.

11,253. (*Capt. Galton.*) But you would have the maximum for all these charges fixed by Act of Parliament ?—Yes, I would.

11,254. And it should be applicable throughout the country ?—Yes ; and then I would suggest that the railway companies should be under legal obligations to carry, to collect and to deliver all goods' traffic ; everything, in fact, except minerals and special articles to be classified,

11,255. (*Mr. M'Clean.*) How could you oblige them to collect?—Goods they do collect now, and there is no difficulty at all in it. If I have a ton of goods to send I give the railway company notice that it is at the works, and they send a waggon for it; they do that now.

11,256. They do that only in places where they have their own waggons?—Yes.

11,257. (*Capt. Galton.*) I presume that you would limit the distance from the station at which they were to collect?—Yes; they have certain limits defined in each town now.

11,258. Would you compel them to start waggons and carts at stations where they do not now possess them?—No; wherever they have a carting establishment they should do it, but where they have not I would not compel them to put them on; in many cases it would not pay; in small country stations, for instance, it would not pay. Railway companies always take care to put on a cartage establishment where it will pay.

11,259. How could you fix that by Act of Parliament; you simply say, do you not, that where they do collect they shall collect within a certain radius, and that they shall do it at certain fixed charges?—Yes; precisely where they have an establishment for that purpose. I do not think that there is any difficulty in that matter.

11,260. (*Chairman.*) You stated in one of your answers that you would except minerals from the compulsory obligation of collection and carriage; are the Commission to understand you to say that you would not compel a railway company to carry minerals?—Not to cart coals, or certain large articles. If, for instance, a man makes a boiler, weighing 20 tons, and he wants it fetched to the railway, I would not compel the railway company to fetch an article of that kind, because they might have to build a separate carriage to convey it; there are several large articles of that description which might be excepted.

11,261. Then would you require that all other articles should be collected excepting those large articles?—Yes.

11,262. Do I rightly understand you to say that you would make it compulsory upon the railway company both to collect and deliver, and carry all articles except minerals?—I think so.

11,263. Would you except minerals from being compulsorily carried on the line?—No, not at all.

11,264. Only from compulsory collection?—From compulsory collection and delivery.

11,265. You would compel them to carry minerals?—Yes, certainly.

11,266. When you used the word carry in connection with delivery and collection, you meant it merely in the limited sense of cartage?—Precisely so; merely as to cartage.

11,267. Have you any other suggestion to make to the Commission?—I think not.

11,268. When you speak of minerals, I assume that you mean what is called in the clearing-house classification the mineral class, including bricks and stone?—Yes, anything that appears in the mineral class in the clearing-house classification.

11,269. In the station to station class?—Yes; precisely.

The witness withdrew.

Mr. Michael Daintry Hollins examined.

11,270. (*Chairman.*) We understand that you are the senior partner in the firms of Minton and Company, china and earthenware manufacturers, and Minton, Hollins, and Company, encaustic tile manufacturers, at Stoke-upon-Trent?—I am.

11,271. Are you also chairman of the Staffordshire Potteries Chamber of Commerce?—I am, and have been since its formation in 1851.

11,272. Of what class of manufacturers does that chamber consist?—Entirely of china and earthenware manufacturers.

11,273. Are you authorized to speak here for the members of the Chamber of Commerce, or do you merely wish to give evidence on your own behalf?—I am here to speak on behalf of the Chamber of Commerce and as representing the district in the Potteries.

11,274. Have you any objection to put the preliminary statement in as the substance of the evidence which you are prepared to give?—None whatever.

The witness delivered in the following statement:

"Minutes of Evidence to be given by Michael Daintry Hollins, Esq. (Chairman of Staffordshire Potteries Chamber of Commerce), before the Royal Commission on Railways.

"Is the senior partner in the firms of Minton and Company, china and earthenware manufacturers, and Minton, Hollins, and Company, encaustic tile manufacturers, both firms carrying on business at Stoke-on-Trent, in the Staffordshire Potteries.

"Is chairman of the Staffordshire Potteries Chamber of Commerce, and has been such since the establishment of the Chamber in 1851.

"The Chamber of Commerce is at present composed exclusively of china and earthenware manufacturers.

"The district of the Staffordshire potteries comprises the towns of Tunstall, Burslem, Hanley, Stoke-on-Trent, Fenton, and Longton, with an aggregate population of about 110,000.

"Has for a great number of years taken a great interest in the question of railway and canal communications for the Potteries, and has repeatedly given evidence before Select Committees of both Houses of Parliament.

"Prior to the formation of the North Staffordshire Railway Company's lines, the Staffordshire Potteries had no railway system nearer than the main line of the London and North-western Railway Company between Stafford and Crewe.

"Nearly all the clays, flints, and other materials used in pottery manufacture are imported into Staffordshire from the south and south-west of England.

"Prior to the formation of the North Staffordshire Railway Company's lines all such materials were brought by sea to Runcorn on the River Mersey, and thence by the canal of the Duke of Bridgewater's trustees to Preston Brook, and thence by the Trent and Mersey Canal to the Potteries.

"The Trent and Mersey Canal system consisted of about 100 miles; from Stoke towards London (*i.e.* to the junction with the Coventry Canal at Fradley near Lichfield,) it extends 30 miles, and from Stoke to Preston Brook (6 miles from Runcorn), it extends 36 miles; it also extends to near Burton-on-Trent.

"In 1845, before applying to Parliament for their railway bill, the North Staffordshire Railway Company agreed to purchase the Trent and Mersey Canal for 1,170,000*l.*; that purchase was sanctioned by Parliament in 1846. The purchase money was nine times the original capital of the Trent and Mersey Canal Company, and nearly three times the actual cost of the canals. The railway company guaranteed a preference dividend of 5 per cent. per annum upon the 1,170,000*l.*, which they have ever since continued to pay. To enable the railway company to earn this large dividend from the canals, they have had to maintain high tolls.

"By means of the purchase of the Trent and Mersey Canal Company by the railway company, the railway and canal communications of the whole district thus became vested in the hands of the railway company, and are still so vested.

"Is of opinion that the amalgamation of railway and canal companies is very prejudicial to the trading interests, and considers that if Government takes upon itself to revise the present railway system, the canal system should be completely detached from the railway system, so that there might be real competition between railway and canal.

"The case of the Staffordshire Potteries district is a strong instance of the evils of this system. Northwards the North Staffordshire Railway Company possesses 36 miles of canal and 15 miles only of railway. Southwards they possess 30 miles of canal, and 18 miles only of railway.

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"Every company having the command of different routes will naturally direct the traffic as far as possible over that route which will give that company the greatest mileage.

"The policy of the North Staffordshire Railway Company has therefore been to force the traffic as far as possible on the canal rather than on the railway.

"A railway company can practically divert traffic to their own route, not necessarily by charging more than, or even as much as, their authorized maximum rates, but by the imposition of terminal charges.

"To question the reasonableness of a terminal charge, a trader is compelled to resort to litigation with the railway company, or he must submit to their dictation. In witness's opinion terminal charges should be fixed by arbitration, and be re-adjusted from time to time upon the requirement of company or trader.

"Owing to the absence of competition between railway and canal in the Staffordshire Potteries the North Staffordshire Railway Company were until quite recently, enabled to maintain against the traders of the district the same tolls as were charged by the canal company nearly 100 years since; that is to say:

Earthenware -	$1\frac{1}{2}d.$ per ton, per mile.
Materials - -	$1d.$ „ „

"The effect was very different where there was real competition between railway and canal. For instance on the route from the Potteries to London the same earthenware, materials, &c., were charged by other companies as follows:—

	Earthenware.	Materials.	
Coventry Canal Company - -	$\frac{1}{2}d.$ - -	$\frac{1}{4}d.$	per ton,
Grand Junction Canal Company	$\frac{1}{2}d.$ - -	$\frac{1}{4}d.$	per mile.

"After repeated oppositions in Parliaments by the manufacturers of the Staffordshire Potteries, the North Staffordshire Railway Company have been compelled to make some reductions in the canal tolls.

"There is a great disparity in the rates charged by various railway companies in the United Kingdom for earthenware, *e.g.*,

	s.	d.	d.	
Staffordshire Potteries to London - - - - -	150 miles	30	0, or $2\frac{2}{6}$	per mile.
Newcastle on Tyne to London	275 „	23	4, or 1	„
Yorkshire to London - - -	170 „	20	0, or $1\frac{7}{17}$	„

"Does not know the rate from Worcester to London, but very little earthenware is sent thence, but principally china.

"The rates quoted are for ware packed in crates, collected and delivered by the railway companies; there are also rates from station to station.

"Is strongly of opinion that every manufacturing district should have two companies to treat with so as to ensure competition, *ie.*, either two independent systems of railway, or one system of railway with unfettered running powers for other companies upon such railway."

11,275. (*Capt. Galton.*) One of the principal points of which you complain in this statement is the high rate which you have to pay in comparison with the rate charged to other districts?—It is, and for a similar class of goods packed and treated in the same way as those which we manufacture.

11,276. Is that entirely in consequence of the charge made by the North Staffordshire Railway Company, or does it arise from the charges made by other companies in connexion with them?—It is almost impossible for us to ascertain that fact beyond a certain point, but we ourselves pay the carriage of our tiles to our different customers. We generally contract for completing a certain work, and I was enabled, through our invoices, to ascertain precisely what the charge made by the North Staffordshire Company was when their own line of rails was concerned, that is to say when they completed the contract upon their own railway, and I was enabled also to carry that out by comparing it when the goods went off their own line a certain number of miles on to another line. I will put in a table which was prepared for this purpose. We, in 1862, 1863, and 1864 promoted a line from the Potteries to Market Drayton in order to give us an independent connexion with the London and North-western and the Great Western railways. We thought by that means that we should be enabled probably to lessen the charges. This table, which I will explain to the Commission, gives first the names of places, the rate per ton, the mileage from Stoke, the North Staffordshire Railway Company's mileage, the rate per mile, and reference to invoices. I authenticated this tabie I may say by the North Staffordshire Company's own invoices. I find by this table that to Congleton the mileage from Stoke is 12 miles, that the rate per ton charged by the North Staffordshire Company is 7*s.* 6*d.* for the whole distance, which gives a rate per mile of $7\frac{1}{2}d.$ per ton; that is solely on the North Staffordshire railway. I may state that that is considerably in excess of the rate authorized by their Act of Parliament as we understand it.

The witness delivered in the following table:

TABLE of RATES for Carriage of Minton's Tiles from Stoke.

Names of Places.	Rate per Ton.	Mileage from Stoke.	N. S. R. Co.'s Mileage.	Rate per Mile.	Reference to Invoices.	Remarks.
	£ s. d.			d.		
Congleton ..	0 7 6	12	12	$7\frac{1}{2}$	31	N. S.R. solely.
Crewe	0 8 4	15	15	$6\frac{4}{5}$	2	Do.
Weston	0 7 6	14	14	$6\frac{1}{2}$	30	Do.
Burton	0 12 6	30	30	5	27	Do.
Macclesfield ..	0 8 4	20	20	5	33	Do.
Leek	0 10 0	24	24	5	25	Do.
Rugeley	0 12 6	23	19	$6\frac{1}{2}$	32	N.S.R. principally.
Chester	0 12 6	37	15	$4\frac{17}{37}$	7	Do.
Derby	0 12 6	37	30	$4\frac{1}{5}$	10	Do.
Manchester ..	0 10 0	38	20	$3\frac{1}{2}$	14	Do.
Nottingham ..	0 15 0	43	30	$3\frac{3}{4}$	11	Do.
Birmingham ..	0 12 6	46	11	$3\frac{1}{2}$	5	Do.
London	1 5 0	146	19	$2\frac{1}{16}$	1	N. S. R. slightly.
Bristol	1 2 1	140	11	$1\frac{13}{16}$	3	Do.
Hull	1 0 0	146	20	$1\frac{4}{5}$	12	Do.
Glasgow	1 15 0	245	15	$1\frac{1}{2}$	13	Do.

11,277. (*Capt. Galton.*) I suppose the North Staffordshire Company would say that a great proportion of that 7*s.* 6*d.* was due for terminal charges?—Yes. I am going to put in the North Staffordshire Company's explanation of this table of mine. I think that the explanation is not satisfactory; but it shows that under the present system the public have no guarantee against the charges that any railway company chooses to make, that is to say, that by the addition of terminal charges the charges per ton per mile may be run up to almost any amount that they think proper. Of course we have no remedy but that of an action at law.

11,278. The limit in the Act of Parliament for terminal charges is, that it shall be a reasonable charge, is it not?—There are very few Acts of Parliament in which the word reasonable I think will be found. I know it is not in the North Staffordshire Company's Act, because the question arose in reference to our toll. The North Staffordshire Company stated that we took power also to make terminal charges, but I pointed out to the counsel at that time that there was a very important word introduced in our terminal clause, which was that it should be reasonable, whereas that word was left out in the North Staffordshire Act; as far as any other Act of Parliament goes I cannot say whether the word is in or not.

11,279. (*Chairman.*) Can you tell what the maximum Parliamentary rate per ton per mile would amount to over that 12 miles which you have given as an instance?—Including the use of carriages and propelling power, the maximum rate is 3*d.* per ton per mile.

11,280. (*Capt. Galton.*) That would be 3*s.* instead of 7*s.* 6*d.*?—Yes.

11,281. The other 4*s.* 6*d.* would be for terminals?—Yes. In carrying this table out I may state that the mileage distances vary from 12 miles to 15 miles, 14 miles, 30 miles, 20 miles, 24 miles, and 23 miles. Those are instances where the traffic is entirely upon the North Staffordshire Company's line, and the mileage rate per ton to those places is $7\frac{1}{2}d.$, $6\frac{2}{3}d.$, $6\frac{1}{2}d.$, $5d.$, $5d.$, $5d.$, and $6\frac{1}{2}d.$

11,282. Supposing you deducted the sum of 4*s.* 6*d.* for terminals from each of those rates, would you not then arrive at a somewhat equal mileage rate?—I will give you the company's explanation of it as soon as I have gone through this table. We then come to where there is a small portion which belongs to what you may term a foreign company, that is to say, Chester. The mileage rate is 37 miles from Stoke to Chester, and the North Staffordshire Company have 15 miles of that.

The next I have taken is Derby, that is 37 miles from Stoke, 30 miles of which belongs to the North Staffordshire Company. Immediately we go to Chester the mileage rate is reduced to $4\frac{1}{18}d.$, to Derby $4\frac{1}{18}d.$ again, and to Manchester $3\frac{1}{6}d.$, and so, as we go on increasing the distance, say to Nottingham, Birmingham, London, Bristol, Hull, and Glasgow, we find the rates as you get a long distance upon the foreign lines reducing in this proportion, $3\frac{2}{3}d.$, $3\frac{1}{4}d.$, $2\frac{1}{18}d.$, $1\frac{2}{3}\frac{6}{8}d.$ $1\frac{2}{3}d.$, and $1\frac{2}{3}d.$ That, as compared with $7\frac{1}{2}d.$, the highest charge made by the North Staffordshire Company's mileage rate, is very considerable.

11,283. (*Capt. Galton.*) Are all those stations to which you get through-rates ?—Yes, all of them.

11,284. You get a through-rate to every station ?—Yes, to every station.

11,285. (*Mr. M'Clean.*) And do those rates include collection and delivery ?—Yes, collection and delivery; it is not delivery beyond probably a mile from the different stations, or so much.

11,286. But they include collection and delivery ?—Yes.

11,287. Have you the rates from station to station without collection and delivery ?—No; those would still be the same. Supposing a place is beyond their delivery, which in most of those instances it is in country places, as the houses where we have to lay floors are very frequently quite beyond their delivery, we have to cart it ourselves, but no difference is made in those cases in the charges.

11,288. Are they damageable goods, and do the company ensure against breakage ?—I do not suppose that we have ever made a claim for damage, and we have been in trade for a great number of years. But with regard to this particular class of goods they are tiles which are not very expensive in themselves, nor are they very easily broken, and they are much more carefully packed than tiles usually are; they are packed in crates and treated very much in the same way as other common earthenware is.

11,289. What is their value per ton ?—I cannot tell the value per ton; I can tell the value per yard. The value per yard averages from 6*s.* to 45*s.* per square yard.

11,290. (*Capt. Galton.*) Is that the value as laid ?—No.

11,291. (*Mr. M'Clean.*) And in case of breakage the railway company, I presume, is responsible ?—Yes, they would be responsible for any very serious damage. I have here an explanation by the North Staffordshire Company of the table which I have just read. They begin with Edinburgh, and they give Glasgow as well. The North Staffordshire terminals are 4*s.*, and other companies' terminals are 4*s.*, making a total terminal of 8*s.*

11,292. (*Chairman.*) Is that 8*s.* the terminal charge for one ton, or for a large number of tons ?—That is for one ton for two terminals, the North Staffordshire Company charging 4*s.* for their terminal, and other companies charging 4*s.* for their terminal, making 8*s.* the amount of mileage to Glasgow in division after the terminals are deducted, leaving 27*s.*, making the rate per ton per mile 1·22*d.*; the North Staffordshire Company's mileage out of the total charge for the transit over their portion of the distance, which is 15 miles, being 1*s.* $6\frac{1}{4}d.$ However they go through those different distances, and in every case they charge 4*s.* as terminals. In some cases the North Staffordshire Company take two, making it 8*s.*, and in one case, namely, to London, the terminals amount to 12*s.* 6*d.*

11,293. (*Mr. M'Clean.*) That is at the two ends ?—Yes, at the two ends.

I will now beg leave to hand in this table :

TABLE OF EXPLANATION given by the North Staffordshire Railway.

	Total Distance. Miles.	N. S. Railway Co.'s Proportion of Distance. Miles.	Rate per Ton for total Distance.	Cartage Terminals, N. S. Company	Cartage Terminals, Other Companies.	Total Terminals.	Amount for Mileage in Division after Terminals deducted.	Rate per Ton per Mile.	N. S. Co.'s mileage Share, including Use of Waggons.
From Stoke to—			*s.* *d.*	*s.* *d.*	*s.* *d.*	*s.* *d.*	*s.* *d.*	*d.*	*s.* *d.*
Edinburgh	260	15	32 6	4 0	4 0	8 0	24 6	1·125	1 $4\frac{3}{4}$
Glasgow	265	15	35 0	4 0	4 0	8 0	27 0	1·22	1 $6\frac{1}{4}$
Hull	146	30	20 0	4 0	4 0	8 0	12 0	1·	2 6
Bristol	140	11	22 1	4 0	4 0	8 0	14 1	1·2	1 1
London	146	19	25 0	4 0	8 9	12 6	12 6	1·07	1 $7\frac{1}{2}$
Birmingham	46	11	12 6	4 0	4 0	8 0	4 6	1·173	1 1
Nottingham	48	30	15 0	4 0	4 0	8 0	7 0	1·75	4 $4\frac{1}{2}$
Manchester	38	20	10 0	4 0	4 0	8 0	2 0	·631	1 $0\frac{1}{2}$
Derby	37	30	12 6	4 0	4 0	8 0	4 6	1·46	3 $7\frac{3}{4}$
Chester	37	15	12 6	4 0	4 0	8 0	4 6	1·46	1 11
Crewe	15	14	8 4	4 0	4 0	8 0	0 4	·25	0 $3\frac{1}{2}$
				N.S. Co.	N.S. Co.				
Norton Bridge	11	11	6 0	4 0	1 6	5 6	0 6	·545	0 6
Weston	14	14	7 6	4 0	1 6	5 6	2 0	1·71	2 0
					N.S. Co.				
Burton	30	29	12 6	4 0	4 0	8 0	4 6	1·78	4 4
				M. Co.	N.S. Co.				
Macclesfield	20	20	8 4	4 0	4 0	8 0	0 4	·2	0 4
Leek	24	24	10 0	4 0	4 0	8 0	2 0	1·	2 0

This table is rather a curiosity in itself. On looking at Macclesfield, which is 20 miles from Stoke, the rate per ton for the total distance is 8*s.* 4*d.*; the two terminals both going into the North Staffordshire Company's pocket amount to 8*s.*; the actual tonnage rate is a decimal of a penny per mile, and the total distance of 20 miles, they tell you here, that they perform for 4*d.* In my opinion, so long as the public are subjected to such an explanation of what the charges of a railway company are, and to a division of this sort, the public have no guarantee as to the rates that they will be charged. This table was made by the traffic manager, and put in to explain a table which I produced before the Committee of the House of Commons and the House of Lords, and there is no doubt as to its authenticity. You will see several instances of the kind that I have mentioned, where the actual labour, the actual haulage, is supposed to be done for little or nothing. You find by this table that the terminal charges always remain the same, but the actual haulage or carriage of goods varies for the same distance, or pretty nearly the same distance. Here, as to Macclesfield, they make out the haulage to be 4*d.* for the 20 miles, whereas to Burton, where the distance is 29 miles upon their railway, they get 4*s.* 4*d.* for haulage, and to Weston, which is 14 miles, they get 2*s.*, whereas to Macclesfield they only show that they get 4*d.*

11,294. (*Capt. Galton.*) Is Macclesfield on their own line ?—Yes; Macclesfield is on their own line. I may take another instance. To Norton Bridge, which is 11 miles, they only get 6*d.*, after deducting their terminal charges. To Crewe, which is 14 miles on their line, after deducting their terminals, they only get $3\frac{1}{2}d.$ for the whole 11 miles.

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11,295. Your argument from this is, that the statement is a purely fictitious one as to the division between terminals and locomotive charges?—I argue from this, that the public have no guarantee by the rates put down in any Act of Parliament, as to what the charges will be per ton per mile; that it is perfectly impossible for me or anyone else to take up an Act of Parliament, or to refer to the tolls which are hung up at their different booking offices, and to be able to say what expense I shall be put to for the haulage of certain goods per ton per mile.

11,296. (*Mr. M'Clean.*) Have you any difficulty in making contracts?—We are obliged before we can make contracts to make a special application to the railway stating the place and all the circumstances of the case.

11,297. (*Capt. Galton.*) Do you consider that to be very detrimental to the trade of the country?—Yes; I should certainly recommend that all terminal charges should be abolished, and that a rate per ton per mile, sufficient to cover them should be instituted instead; there are no terminal expenses upon passengers.

11,298. But would not it be a simpler process that the terminal charge should be fixed, as the maximum mileage charge is at present fixed, by Act of Parliament?—I think it would not be so satisfactory, simply because branch railways would always claim two terminals, or might do so, and the other company might claim two, and if the traffic went upon three lines you might have six terminals.*

11,299. Could you ever have more than two terminals if they were compelled to book through?—Not if they were compelled to book through; but you see they are not all compelled to book through.

11,300. But if you were going to amend an Act of Parliament, do not you think that it would be a more simple process, and a fairer system for the railways to compel through booking, and to limit the charge for terminals rather than to make a fixed mileage charge?—That I should prefer; it would then be equally in the knowledge of all parties contracting.

11,301. What you want to take place is that any person should be able to go and look either at the company's table of rates or at the Act of Parliament, and see what was the maximum sum that he might be called upon to pay before he made the contract?—I do.

11,302. I presume you would not take away from the company the power of charging a less sum than the maximum rate which Parliament had fixed if they chose to do so?—No.

11,303. Do you consider it desirable that a railway company should publish such contracts as it made below its maximum rates, so that all the traders in the district might know them?—I should abolish differential rates. I think that the power which the railway companies have now of charging differential rates is very objectionable.

11,304. In what respect is it objectionable?—Because it has a tendency to take off the direct course traffic, which probably, under other circumstances, would and ought to belong to another railway company. Of course if you instituted a preliminary regulation that all traffic must go by the shortest and most convenient route, the objection that I have stated would not then act so strongly. But still, if a company, as we have known them to do, will book passengers, and I can name one instance from Chester to Shrewsbury, along the London and North-western line, going by Stafford, and then from Stafford to Shrewsbury, and will book them from Shrewsbury for less than they will book passengers to Stafford, it naturally follows that the company must make more profit than they ought to do by the passenger that goes to Stafford, or they would be losing by the passenger that goes to Shrewsbury; and I think it is unjust that when they are losing by that operation, the passenger that goes to Staffordshire should pay for that loss.

11,305. (*Chairman.*) Is it not quite in the power of a passenger going to Stafford, if he is aware that there is such an arrangement, to take a ticket to Shrewsbury, and give it up at Stafford?—No. That was decided in a case that was tried by a gentleman going from Chester, and it was given against him.

11,306. (*Capt. Galton.*) You would object to a company charging between any two places a less sum than it would charge for passing between one of those places and a place intermediate to the two places?—I would.

11,307. If they chose to take a very low fare between any two places you would require that they should carry a passenger between the one place and any intermediate place at a not higher charge?—At a not higher charge. And whatever rate they fixed for certain goods to be carried along any portion of that line, it should be in the power of any other trader to compel them to carry the same goods for him at the same rate.

11,308. (*Chairman.*) For the same distance, or for a shorter distance?—For a shorter distance either.

11,309. Suppose a case of this sort. A company carries goods, say from London to Edinburgh, at a low rate, in order to get traffic competing with the sea route, would you consider it obligatory upon that company to carry to a town within 20 miles of London at the same rate per mile?—Yes, at the same rate per mile.

11,310. The effect of that would be that the companies, not being able to afford to carry for the shorter distance at that low rate, would be obliged to abandon the through traffic to Edinburgh, would it not?—I think not. Perhaps in some cases it might be objectionable, but I think that the arbitrary power given to fix arbitrary rates is so injudicious that it leads to traffic being taken by one railway which legitimately belongs probably to another railway.

11,311. (*Mr. M'Clean.*) In what sense do you mean "legitimately"?—Because it is the most direct route for that traffic to take, and because the other railway companies offer to take it perhaps a greater number of miles round even at a less rate than the first company are disposed to take it, and the traffic is diverted from its legitimate course, and the shareholders of the company of course become losers in consequence, and if the very low rate at which in many cases it is taken, does not pay the company that takes it, why should they at a loss to themselves, or at a very small rate of profit, take away what legitimately belongs to some other company?

11,312. Then are you of opinion that a railway company should always charge its maximum mileage rate to the public?—I would rather that they should be obliged to charge their maximum rates than that they should be allowed to charge differential rates arbitrarily.

11,313. How is the public injured by differential rates?—We will suppose two traders manufacturing the same class of goods.

11,314. In the same district?—No, not in the same district, but in two districts. In the case which I have put in my preliminary statement, that of a manufacturer of earthenware in the Staffordshire Potteries, I am 130 miles from London, and I have to pay 30*s.* for the carriage. Newcastle-upon-Tyne is 275 miles, and they pay 23*s.* for the total distance, and in Yorkshire, which is 170 miles, they pay 20*s.* Supposing that on the railway from Newcastle-upon-Tyne there was a manufacturer situated 100 miles nearer to London than Newcastle-upon-Tyne, but on the same line of railway, and he was to be charged for that 175 23*s.*, I should think that was a great hardship.

11,315. But how is the public injured?—The manufacturer is injured.

11,316. But is the public injured; does not the consumer gain?—The public is injured in this way, that if the manufacturer was charged less, which he ought to be if the charge for the long distance is a fair charge, he would be able, of course, to sell whatever he had to sell at a less rate.

* If terminals are to be a fixed charge, the duties to be performed ought at the same time to be defined.

11,317. Taking the other view, if the maximum rate were charged to both, the public would be excluded from the benefits arising from the competition from Newcastle?—To a certain degree they would.

11,318. So that the injury would be to the public?—To the consumers; but still there would be justice, perhaps, to the manufacturers.

11,319. (*Capt. Galton.*) In the case of the Newcastle traffic, if it had to be charged the maximum rate by the railway company, would it not go by sea; and is not the reason why there is that low charge of 23*s.* from Newcastle to London, because the traffic can go by sea?—No doubt it is; in many instances where you get the competition of railway and canal you get a lower rate.

11,320. And in Staffordshire, where there is no competition, you get a high rate?—We get a high rate. I may state with regard to Staffordshire, that before the Grand Junction Railway, which is now the London and North-western, was finished and opened, the charge for earthenware to London per ton was three guineas; now it is 30*s.* In consequence of the competition between the canals and the railway it was reduced to 35*s.*, and it has lately been reduced to 30*s.* But, on the other hand, to Liverpool the rate remains very nearly the same. I do not know that there has any reduction taken place at all, although we have both railway and canal communication to there.

11,321. But are the railway and the canal communication in competition?—No; the railway and the canal, from the amalgamation of the Trent and Mersey canal with the North Staffordshire Company, are in competition so far as this, that they carry by canal, and, they having 30 miles of canal against only 15 miles of railway, it is their object to keep the traffic upon the canal instead of letting it go on to the railway, and they do this by imposing high tolls up to the junction with the London and North-western railway.

11,322. But so far as I understand the North Staffordshire Company have bought the Trent and Mersey navigation?—Yes.

11,323. It does not matter to them whether they make their profit upon the Trent and Mersey navigation or whether they make it on their own railway; they have to pay 5 per cent. upon the purchase money; is not that it?—They have to pay 5 per cent. upon the purchase money, but it matters to them inasmuch as this, that if the traffic is taken off their canal and put upon their railway, they have only 15 miles of traffic on their railway against 30 on their canal, consequently they lose in the mileage rate and the total amount.

11,324. It is their interest to force the traffic on the longest mileage?—Yes, on to the canal, and they do so. The greatest portion by far, nearly all I may say, of the goods manufactured go by canal to Liverpool, and the materials come by canal to the Potteries, whereas to London nearly all the goods go by railway.

11,325. What remedy would you propose for that state of things; the railway company charge, I presume, something less, not more at all events than their maximum Parliamentary rate?—They bring it up with terminals.

11,326. Are there terminals on the canal?—There are no terminals on the canal.

11,327. The tolls upon the canal are fixed by Act of Parliament, are they not?—Yes, they are fixed by Act of Parliament; but the difference between the railway and the canal is simply this, that I can put my own boat upon the canal, pay their tolls, and use their wharves to a certain extent, without any extra charge. I know exactly on the canal what the cost will be. The North Staffordshire Company, in order to keep their traffic upon their canal, as I said before, charge a high rate on the railway up to its junction at Crewe. The London and North-western Company will bring our clay to Crewe from Birkenhead for 4*s.* I suppose that is a distance of nearly 40 miles, and the North Staffordshire Company charge for the 14 or 15 miles between Crewe and Stoke 3*s.* 4*d.*, making the charge together 7*s.* 4*d.*, which is the same amount that it would be if the trader brought it by the canal. As the conveniences to the traders and the facilities for the transmission of the clay on to their works are better by the canal than by the railway, the consequence is that the traffic is kept upon the canal and does not come to the railway.

11,328. What is the value of a ton of clay?—It varies from 30*s.* to 50*s.* Flints, which are charged at exactly the same rate, do not average more than 21*s.*, delivered in the potteries.

11,329. (*Chairman.*) Assuming that what you suggest were to be carried out, namely, that there should be a uniform mileage rate all over a line of railway: And further assuming the railway from Newcastle to London to be in the hands of a single company, must not that company reduce their rates per mile on the shorter distances to what they now find they can, carrying in competition to the sea route, just afford to charge from Newcastle to London; and in that case would there not be a considerable loss of dividend to the shareholders?—Of course, if it was reduced to too low a standard.

11,330. Supposing that that loss of dividend to the shareholders took place, or that the shareholders in the railway companies anticipated that such a loss of dividend would take place, would it not be likely that they would choose the other alternative of giving up the traffic that they might get by their lower charges for long distances and continue to charge higher rates as they do now for the shorter distances?—I think it is very probable that they would, but I consider that it is unfair that those who from the circumstances of their position are obliged to make use of a short distance of their railway and have it not in their power to make use of the longer, should be made to pay for any loss that may accrue from those that use the long distances.

11,331. Would not the effect of that be this, that at Newcastle the railway company, not being able to afford any longer to carry traffic in competition with the sea route, the whole of it would go by sea, and there would be no competition with the sea route, and the public would be injured by the owners of the vessels carrying that traffic raising their charges?—Yes, that is possible.

11,332. (*Mr. M'Clean.*) You state in your preliminary statement, do you not, that you are of opinion that every manufacturer in a district should have two companies to treat with so as to ensure competition?—Yes, that he should have two companies to ensure competition, or that other companies should have the power of running into the district unfettered.

11,333. What is the object of competition here; is it to ensure low rates?—Not to ensure too low rates, but to keep those rates at a fair and reasonable amount. I have shown, I think, by the table which I have put in, that we are subject to very high rates in comparison to what we are subject to on other lines of railway.

11,334. (*Capt. Galton.*) You have shown that in certain portions of North Staffordshire your own rate is a very low rate where there is no competition, and that on other parts of the line where there is equally no competition the rate is a very high rate?—Yes, a very high rate.

11,335. (*Mr. M'Clean.*) Why should you deprive Newcastle of the benefit which it derives from competition?—It would not be deprived of that benefit by our being charged a fair rate. We are, I consider, as a district, in a better position to deal with London than Newcastle is, inasmuch as we are 100 miles nearer.

11,336. The competition you wish to be for the benefit of the manufacturer, and not of the consumer?—I do not think that it can be for the benefit of the manufacturer without the consumer receiving a certain amount of benefit, because whatever leads to the reduction of the manufacturer's expenses there is no doubt the public sooner or later get the benefit of.

11,337. Is not it so with the Newcastle low rate, that the public get the benefit?—Yes, the public get the benefit of that; not in competition with me, because I cannot compete with them. The pottery district used to furnish all the common goods to London, but owing to the high rates which we pay now and the low rates which the Newcastle manufacturers pay, we cannot in the Potteries compete with those manu-

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facturers; therefore the public does not get the benefit of the competition between the Staffordshire Potteries and the Newcastle Potteries. I have not got the tables with me here, but I put them in evidence before the Committee of the House of Commons. It makes a difference of something like 8 per cent. upon common goods which used to be made and used to go from the Staffordshire Potteries.

11,338. (*Capt. Galton.*) That took up a great part of the profit, I presume?—In some instances, I should say that 8 per cent. is more than the profit of the manufacturer.

11,339. In fact, your complaint now is very much the same that the South Staffordshire ironmasters made a short time ago, namely, that they were charged a higher rate from Birmingham to London for iron than was charged from Middlesborough to London. Are you not aware that they made a representation to the railway companies, and that they have had that rate subsequently modified in consequence?—I am not aware of that. We have got our tolls reduced by our application to Parliament for the line of railway that I have mentioned. On our withdrawing that line the North Staffordshire Railway Company entered into an agreement with us that the tolls on the 1st of January 1868, should be reduced on manufactured goods one third, and upon materials one half, but we got that after three years hard fighting.

11,340. You did not get your railway?—We had to withdraw our railway to get that as a substitute for it, and we were induced to do that in consequence of the position in which we were placed. We had made a certain engineering mistake, not complying with the Standing Orders, and the House of Lords declined to waive them. The House of Commons did waive them, and our Bill was read a third time in the House of Commons, but though we could not proceed further, it was quite evident that the Committee would have passed our Bill, and rejected the North Staffordshire Bill, and the North Staffordshire Directors seeing that to be the case, were induced to offer those terms, and I took those terms in behalf of the district, knowing that we could not proceed further that year.

11,341. (*Mr. Gower.*) How many attempts have you made to introduce a competing line into the Staffordshire Potteries?—Four.

11,342. In what way have those four attempts been defeated?—By the opposition principally, we have been inclined to think, of the landed proprietors in the district.

11,343. How often have you passed the Committee of the House of Commons?—Three times. I may say three times, because virtually last time we should have done so; twice we passed, and twice we appeared before the House of Lords.

11,344. Do you propose to renew the attempt?—No, I think not, at present.

11,345. Supposing any of those lines had been passed, is it your opinion that the grievances of which you complain would have been remedied?—I am quite sure that they would.

11,346. Do you not think that a competing line is the proper remedy for those evils?—I think that in the present position of railways without any sort of control, nothing but a competing line will insure the public the attention and the proper charges which they ought to have.

11,347. (*Capt. Galton.*) You state that railway companies are without any control; what control do you think could be placed over the railways, having due regard to the fact that they are commercial undertakings?—In the first place I think that in considering that subject we have to take this into consideration, that Parliament has virtually granted to certain large companies, you may say certain districts, over which they have a monopoly.

11,348. Is that practically the case?—I think you may take it that it is generally so.

11,349. Has not the London and North-western Railway Company competition at every point almost?—So it may have, but still if any company were to attempt to come before Parliament and say, We are prepared at our own expense and at our own risk to make a line of railway between Liverpool and London, no Parliamentary Committee, I believe, would be ready to grant it. Therefore they are, to a certain extent, under Parliamentary protection; I think that that cannot be disputed. There is a sort of Parliamentary protection which railways at the present time enjoy, and if they enjoy that protection, I think that the Government have a perfect right to say, We must have you under some sort of control.

11,350. (*Chairman.*) But in practice what is there to prevent Parliament granting a new line from Liverpool to London?—Nothing; but we know that it would be perfectly futile for any company to go to Parliament and ask for it.

11,351. Was it not the case last year that, there being already three lines between two of the most important towns in England, Liverpool and Manchester, the Committees of both Houses, after a long inquiry, granted a fourth line?—I think hardly running parallel; they were connecting some of the small manufacturing towns round Manchester; they could hardly run in the same direction in which the first Liverpool line ran, which was almost straight between Liverpool and Manchester, quite irrespective of any manufacturing districts; it did not pass through any manufacturing district, it even avoided all large towns and all large property, going as direct as it could through unimportant places merely to connect Liverpool with Manchester.

11,352. (*Capt. Galton.*) Has not the Midland Railway Company recently obtained an Act for a line from Bedford to London, running almost parallel side by side with the Great Northern Railway?—Yes; but I think that the public were entitled to that, because the Midland Company had no independent means of getting into London.

11,353. Were not they originally formed as a railway not to be connected with London at all?—They were; but when you find that those railways with whom they became connected were unable to render them that accommodation which they were entitled to, (in fact it would have been probably dangerous to the public to have done so,) then I think that Parliament was perfectly justified in saying, You have traffic sufficient to entitle you to a separate and distinct entrance to London from that of the London and North-western Company.

11,354. And are they not equally applying this session for a line parallel to the Lancaster and Carlisle railway, which will take them to Glasgow?—I am not aware of the different lines that were proposed.

11,355. (*Mr. Gower.*) As I understand you, you were defeated in your application to Parliament by the opposition of the landowners and not by the opposition of the North Staffordshire Railway Company?—Certainly, the opposition of the North Staffordshire Company themselves, I believe, had no weight at all; it had certainly none in the House of Commons, and I believe it had very little weight in the House of Lords. There is no doubt Lord Crewe opposed us, giving an alternative line, but he said that if it was brought forward in another year according to the plan which he laid down he should not oppose us. Parliament thought that it was only fair that that should be done, and we were deferred for anther year. Upon that we have had the very same contest in the House of Commons, and we passed that House and came again before the House of Lords, but in avoiding Lord Crewe or in carrying out his suggestion, we had interfered with Mr. Sneyd to a greater extent than we did before, and he was under a contract with the North Staffordshire company to oppose any line which they asked him to do passing through his property. He of course was bound by this deed to do so, and we were again thrown out upon those grounds.

11,356. Then, as I understand you, on the last occasion it was the interest of the North Staffordshire Railway Company that defeated you, through Mr. Sneyd?—Yes, through Mr. Sneyd.

11,357. (*Chairman.*) Assuming that your suggestion was adopted, that uniform mileage rates should be carried out in all parts of the country, would you have the rate according to the number of miles run over each line, or would you have the shorter distance govern the rate; that is to say, that the longer line should only charge the same gross sum as the shorter line. Take, for instance, the lines from Birmingham to London; would you say that the charge from Birmingham to London by way of Oxford and the Great Western line should be the same gross charge as from Birmingham to London by way of Rugby and the London and North-western line?—No, I should make it a mileage rate, that is to say, if it was 150 miles one way and 160 miles another it should be so much per mile per ton, so that the distance would then govern the total charge; otherwise, of course, it would be just the same as we have now; in case of wanting to consign a package anywhere by railway you would have to apply to know what the actual rate of the company would be.

11,358. Then if it were the case that the companies were bound to charge a certain sum per ton per mile according to the number of miles run over, would it not in the case of traffic going from Birmingham to London amount to this, that all the traffic would go over the London and North-western shorter route, and that none of it would go by the longer route by Oxford and the Great Western?—I should think there is no doubt about that.

11,359. Then what becomes of the competition?—The competition would still remain, because it is only the maximum rates that I suggest should be fixed, a uniform maximum rate.

11,360. But that you have fixed now, have you not?—No; the maximum rate is not always the same upon all railways, and what I wish is to include the terminal charges, which I think are a great objection to railways.

11,361. What I understood you in the former part of your evidence to say was this; that in case a railway company for their own profit find it to their advantage very materially to lower their rate from a place at a long distance from London, like Newcastle, they should be bound to carry the shorter distance on their own line at the same rate?—Yes.

11,362. You do not apply that to all lines in the kingdom, do you?—No: each company choosing voluntarily to reduce their maximum rates fixed by their Act of Parliament must not do that as regards one of the trade without doing it in the same way to others. That is not a new law; that is a law which existed until a few years ago upon all canals; no canal company could charge one set of tolls to one trader and another set of tolls to another, whether he went five miles or 20 miles, and I cannot see why it should not be so on a railway.

11,363. (*Capt. Galton.*) But do not canals do it now?—Yes, because there was an Act passed; I believe it was the General Railway Act which gave them the power to do so.

11,364. Is that the extent of the control that you would adopt over railways in order to mitigate the evils which you have been pointing out?—No; in the first place I should put all railways under a Government Board for the general regulation of railways, with power to enforce such regulations as they thought proper.

11,365. To what extent would that board regulate the railways?—I say a Government Board for the general regulation of railways, with power to enforce such regulations as they may think advisable for the public safety and convenience, and to have the entire control over railway traffic generally; all goods and passengers to be forwarded by the nearest and most convenient routes; uniform rates both for goods and passengers to be charged upon all railways; terminal charges to be abolished, and mileage rates fixed to include those; in case of a railway company being called upon to perform any extra duty at a terminus, such duty to be a matter of contract between the parties; differential rates to be done away with, and all railways to be obliged to charge the same rates per mile for all goods and passengers, whether for long or short distances, on their own railways; that railway companies should be compelled to run a certain number of trains per day in connexion with other trains on lines branching out of their line; that is with regard to passenger traffic, and that all railways should be obliged to book through.

11,366. You say that you would abolish terminal charges, and make railway companies carry at a uniform rate per mile, whether for a long distance or a short distance?—Yes, on their own lines.

11,367. We will take the case of traffic which has to go 100 miles, and traffic which has to go 10 miles; would not the cost to the railway company of shunting and making up the train and putting the waggons into the sidings, and everything of that sort, be a much larger proportion of the whole sum paid for the traffic which went the 10 miles, than it would be for the traffic which went the 100 miles?—Yes it would, and probably the suggestion that I made of a fixed terminal might be better, but I think there should never be more than two terminals charged. In the case of a railway branching from another, I think that it should not be considered a terminal.

11,368. Do you consider now that it would be a just thing upon railway companies to subject them to this new control that you are speaking of, without giving them any compensation for it?—I think it would be quite just.

11,369. Although you do not in any way alter the competition to which they are subjected?—I do not think that anything I have named calls upon them to do more than they perhaps contracted to do by their Act of Parliament.

11,370. You would give this Government Board great powers over their tolls, as I gather?—No, not over their tolls.

11,371. Unless they reduce their tolls voluntarily to begin with?—Yes, unless they reduce their tolls voluntarily to begin with.

11,372. You would allow them to charge their maximum tolls if they chose, but if they did not choose to charge their maximum tolls over one portion of their line you would not allow them to charge them over another portion?—Just so.

11,373. (*Chairman.*) And is it to be at their own option whether they can after a time raise those tolls, or would you make this Government Board a sort of referee to decide whether they should have the power of doing so, or not?—No, I do not propose, and I do not think that it would be just to interfere with any powers that are given to them in their Act of Parliament, but as terminals are treated by all the Acts of Parliament in what I call a very indefinite way, and in which it is quite impossible to state whether it is fair for them to charge one sum or another for the duties performed as to terminals, I think it would be quite reasonable that Parliament should at once regulate those charges in any way that they might think advisable.

11,374. (*Capt. Galton.*) And you do not think that it would be advisable that a railway company should charge to a trader who can supply them with a very large amount of traffic, a smaller mileage rate than they charge to a trader who can only send them a very small quantity?—I do not think it is quite fair to the other trader; he has to meet the large trader in competition; he is a small trader, and he trades to the utmost of his means; whereas, the other man has ample power to compete with him, from the very circumstance of his being a large trader, without any

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of the facilities and advantages which a railway company might give him.

11,375. Do not you yourself sell goods to large purchasers at a lower rate than to small purchasers?—No.

11,376. Is not that the custom with a great part of the commercial community?—It may be, but I think to a very small extent; I do not think it is so as a rule.

11,377. (*Mr. Gower.*) Do you think it is fair upon persons who have expended capital in establishing potteries at Newcastle upon the faith of their having only a small rate to pay for the carriage of their goods, that the rates should be raised, so that their business may be greatly injured?—Provided the rates are not raised above what the Act of Parliament allows the railway companies to charge, I do not think there is any hardship upon them. They have only, in all probability, used the railways because the railways have competed and offered them greater facilities than the shipping trade has done.

11,378. (*Capt. Galton.*) They have no guarantee, have they, that the railway company will not charge them their maximum rates?—None whatever.

11,379. And they have established their warehouses and manufactories with the chance of being charged the maximum rate?—Yes, and many of them before railways were made.

11,380. (*Chairman.*) Do you hold the same opinion with regard to uniform rates being charged to passengers as you do with regard to goods?—Yes, exactly the same. I should apply the same principle to the one that I apply to the other.

11,381. I think it is in evidence, that in the neighbourhood of some manufacturing towns, the railway companies charge very low rates for certain short distances. Would you compel them to charge those low rates over the whole of their system because they found that, from the enormous amount of traffic that they had in those particular districts, they could afford to carry at these low rates?—I think that exceptions might be made, and, of course, as far as contract tickets went, they would be, more or less, infringements of any general rule of that kind. But all that would be matter of detail, which would require a very considerable amount of consideration.

11,382. (*Capt. Galton.*) How would you admit any exceptions unless you give power to this Government Board to deal arbitrarily with the tolls?—It might be necessary to give them a certain amount of power of that kind; I do not see any objection to that.

11,383. Would not that be interfering very largely with the railway companies who have invested their money in their undertakings upon the faith of no interference?—But I do not see how they could do that, they could have no guarantee in the matter. I think that the Government would be bound if necessary to pass such regulations as they might deem advisable for the good and convenience and safety of either passengers or goods travelling upon any line.

11,384. (*Chairman.*) Do not you think that it would be almost impossible with regard to passenger fares to apply such a rule as that; though it might be very profitable for a railway company to carry passengers at a very low rate in a very densely populated district, do you think that the rule should be applied to a very thinly peopled agricultural district, where, if they were obliged to carry at those very low rates, they might possibly not be able to cover the working expenses of their trains?—Instances of that sort may arise, but still I should think that there are few railway companies who had not estimated before they even applied for their Act of Parliament what their traffic was likely to be, and had based their charges or their maximum rates upon that.

11,385. But estimates are sometimes wrong, are they not?—Yes, so they are, but I do not propose that the maximum rates of any line should be decreased. The maximum rates should still remain in power in any Act of Parliament that exists at present, but if they charged one party lower upon their line for certain work performed, they must perform the same sort of work for anyone else at the same price.

11,386. Even although it might be very profitable to them to do it in one part and so unprofitable in another portion of their system that they could not cover their working expenses?—Yes, because they have brought it upon themselves by doing it at too low a rate for the other parties. If they kept up their maximum tolls, there is no doubt that if their calculations have been made correctly they could perform the service, if their calculations have not been made correctly still it is the fault of the company and not the fault of the public.

11,387. (*Mr. Gower.*) To go back to the opposition of Mr. Sneyd to your last proposal for a line, can you state whether the fact that that opposition was in consequence of a contract with the North Staffordshire Railway Company was known to the Committee of the House of Lords that rejected the Bill?—I could not state that.

11,388. From your experience of Parliamentary Committees on Railways, should you say that they are actuated by a great variety of principles in the decisions that they come to?—I think there is no doubt about that.

11,389. Do you not think that it would be very desirable that they should have some general principles which they should uniformly adhere to?—I think that the duties at present performed by the different Committees of the House of Commons might be equally well performed by a Government Board, and with far less cost than is at present incurred by the country. In fact, I do not believe that there is any person but those who are intimately acquainted with the affairs of different railway companies, who has any idea what money the larger companies and even many of the smaller ones have expended in railway contests, in what they term "protecting their property." If I am informed correctly, (and it seems to be carried out by the published Reports that I have examined,) all the law expenses incurred in protecting their property against the invasion of another company are charged to capital; upon what principle I certainly do not understand. Of course if that is the case, and we know what enormous sums have been spent, that capital cannot yield any profit, and of course that accounts in some way for the dividends of many companies being so very small, and I think that some means ought to be adopted by which that large expenditure could be saved to the country.

11,390. (*Chairman.*) How would altering the nature of the tribunal before which those cases were to be heard and determined prevent railway companies protecting their interests against invasion?—It is a difficult question to go into, and I do not know that I am prepared to go into it.

11,391. (*Mr. Gower.*) Would not a tribunal where a greater certainty existed as to the decision than exists in the present tribunal, obviate a great deal of litigation?—I think so, and I think that the difficulties might be lessened and the contests shortened very much by some previous inquiry as to the rights of certain opposition, whether it ought to be heard or not. With regard to the opposition which those large railway companies have taken upon themselves to make against small lines, which have been projected for the accommodation perhaps of some local district where they thought it might injure them, I think that they ought not to be heard in such cases.

11,392. (*Capt. Galton.*) Would you exclude all opposition by existing companies to new companies, on the ground of competition?—No, I should not exclude all opposition, if they could show some real and clear grounds beyond the simple ground that the new company would probably abstract from them some of their traffic.

11,393. Do you believe that any tribunal short of

the highest tribunal of appeal would satisfy those large railway companies, if they were excluded ?—I dare say they would make a very strong objection to it.

11,394. Is not it so material a part of the inquiry, that it would be necessary that their arguments on their claim to be heard, should be decided upon by the same tribunal that decided upon the case itself ?—No; I think that certain rules might be laid down by which certain oppositions should be allowed, and in other cases should not be allowed; in fact, to a certain extent, that is the case now, and I think that it might probably be carried further than it is. I do not know the exact extent to which it goes.

11,395. (*Chairman.*) Would you, in constituting this court which you propose, allow any appeal from it, in case either party were dissatisfied with its decision ?—That, again, would be a matter of detail for consideration. I should myself not be inclined to allow it, as it would rather lead to the expenditure of public money in an objectionable way.

11,396. Do you think that Parliament is likely to delegate its authority to another tribunal ?—Is your Lordship speaking now of the Committee which I propose for the general management of railways ?

11,397. I am speaking of the Committee which you propose in place of the Committees of the Houses of Parliament ?—That is another matter which I am hardly able to deal with; probably Parliament might not be willing to do so.

11,398. Is there any other matter which you wish to lay before the Commission ?—I have a table showing the tolls charged by the various canal companies between London and the Staffordshire Potteries. The object of that table is to show that while the canal companies to the south have reduced their tolls largely owing to the competition of the London and North-western railway, the Trent and Mersey Canal Company have not reduced theirs.

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The witness delivered in the following table:

Table showing the Tolls charged by the various Canal Companies between London and the Staffordshire Potteries

Name of Company.	Route.	Miles.	Rate per ton per Mile. Flints, &c.	Rate per ton per Mile. Earthenware.
			d.	*d.*
North Staffordshire Railway Company.	Stoke to Fradley -	30½	1	1½
Coventry Canal Company.	Fradley to Whittington Brook.	5½	½	½
Birmingham - -	Whittington Brook to Fazeley.	5½	1	1
Coventry - - -	Fazeley to Longford -	22½	½	½
Oxford - - - -	Longford to Braunston	24	5/12ths of 1*d.*	5/12ths of 1*d.*
Grand Junction - -	Braunston to Paddington.	101	¾	½
	Total distance -	188½	Miles.	

	Flints, &c.	Earthenware.
Thus, the Grand Junction Canal Company, for 101 miles, take only per ton - - - -	*s. d.* 2 1¼	*s. d.* 4 2½
While the North Staffordshire Railway Company, for 30½ miles, take - - - -	2 6½	3 9¾

Applying these figures to a boat load of flints, &c., the rates work out thus:—

	£	*s.*	*d.*
Present tolls, per boat load of 20 tons -	6	10	5
But if charged throughout at the North Staffordshire Railway Company's rates, would be - - - - - - -	15	14	4½
Whereas, if charged throughout at the Grand Junction Canal Company's rates, would be only - - - - - - -	3	18	7

N.B.—The above Table is based on the rates charged previous to the reduction made in November 1862. Since that month, the North Staffordshire Railway Company have reduced their canal tolls between London and the Potteries 33⅓ per cent.; but the Grand Junction and Coventry Canal Companies have also (notwithstanding their previous low tolls) reduced their tolls 33⅓ per cent.

The witness withdrew.

Adjourned.

Tuesday, 13th February 1866.

PRESENT:

The Right Hon. The Earl of Belmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
The Right Hon. Robert Lowe, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M.P.
Robert Dalglish, Esq., M.P.
Geo. Carr Glyn, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., F.R.S.
E. T. Hamilton, Esq., M.P.
J. R. M'Clean, Esq., Pres. Inst. C.E.
William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

William Cawkwell, Esq., examined.

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11,399. (*Chairman.*) You are general manager of the London and North-western Railway ?—I am.

11,400. You are able to supply the Commission with information, both as to the principle and the details of the system on which the traffic of that railway is carried on ?—Yes, I think I am prepared to do that.

11,401. Have you had an opportunity of looking at the evidence which has been given before the Commission by the witnesses from Liverpool and other towns ?—I have.

11,402. Will you be so good as to furnish the Commission with any explanations which you may think proper to give, first, with respect to Mr. Clark's evidence from Liverpool. The general nature, I believe, of the complaints is that Liverpool is unfairly burdened with charges as compared with other towns ?—Yes, I take that to be the purport of Mr. Clark's evidence, that is, he considers that the rates and charges from Liverpool are higher per mile than from any other places that he names, and perhaps it would be as well if your Grace would permit me to follow the order in which I have put them down in this printed form which I have before me, and I will give any further explanations that may be necessary, and answer any questions as the examination proceeds. First of all, Mr. Clark states that the rates from Liverpool to places inland are higher than from the eastern ports inland, and he instances chemicals from Liverpool to Hull as being charged 15*s.* per ton, whereas from Newcastle to Hull the charge is only 8*s.* That, no doubt, arises from the fact of there being an open sea competition between Newcastle and Hull, and if the railway companies are to carry the traffic at all, they must carry at or near the same prices as those at which the article is carried by sea. That causes the extremely low rate between Newcastle and Hull, but still the rate from Liverpool to Hull is not at all an unreasonable rate. Then he instanced timber from Liverpool to Preston and from Fleetwood to Preston. That arises in a similar way, namely, that Fleetwood is a new port, and a trade has been endeavoured to be created there. It was found that unless the Preston portion of the cargo was taken at a very low price the vessels could not be induced to come into Fleetwood; therefore, for a certain portion

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of the cargo which goes to Preston, the companies take it at a very low price, the remainder of the cargo going forward to the different towns upon the line, to Blackburn, Bolton, Manchester, and any other places upon the railway; but that is the reason why there is so low a rate between Preston and Fleetwood, the navigation being entirely free.

11,403. (*Capt. Galton.*) Where does the timber come from?—It is foreign timber, American timber, or from any other ports brought into Fleetwood.

11,404. Are the shipping rates higher from America to Fleetwood than they would be from America to Liverpool?—I should think they are about the same. I do not know of my own knowledge, but I should think they are much the same.

11,405. What is the exact object of putting a low rate on the timber from Fleetwood; is it to induce the vessels to go there?—It is to induce the vessels to go to Fleetwood.

11,406. (*Mr. Horsfall.*) Why should the London and North-western as a railway company desire to induce vessels to come to Fleetwood?—They have a railway to Fleetwood, they have spent money in forming a port there, and of course they are anxious to get traffic.

11,407. (*Lord Stanley.*) You admit the principle that where there is competition you will carry at the lowest rate which is compatible with making any profit, and where there is no competition you will carry at the highest rate that is compatible with not driving off the traffic?—No doubt. In fact companies hold themselves quite justified in some cases in reducing their rates to meet competition, and in other cases they get what will fully develop the traffic.

11,408. (*Capt. Galton.*) Is not the result of that to the public that the people who live in towns where there is no competition have to pay high in order to enable the company to carry almost unremunerative traffic between places between which there is competition?—I know very few places where there is not competition of some kind or other, but it does this,—it enables the public to buy in a great many markets, whereas the other principle would confine them to one particular market, that is to say, the producing district would have a certain circuit round it which would be a sort of protected ground, and have to be supplied from one particular market, and others would be shut out.

11,409. (*Lord Stanley.*) Your argument is that instead of creating inequalities of advantage by that variety of rates, you rather tend to lower the natural inequalities existing between one place and another?—Quite so; that is the case.

11,410. (*Earl of Belmore.*) In point of fact, would a company under any circumstances carry traffic at an actual loss?—No; I do not think they would unless they were getting a greater gain some other way. For instance, the rate between Fleetwood and Preston is a very low rate indeed, and it is a question whether they get any profit out of it, but then they get a profit out of the other portion of the cargo which goes to other places.

11,411. (*Capt. Galton.*) Do they get a profit out of the dock dues at Fleetwood?—Yes, they get the charges upon the shipping there.

11,412. The shipping charges go to the London and North-western Company, do they?—To the London and North-western and the Lancashire and Yorkshire Companies. The London and North-western Company are owners of one-third of the Preston and Wyre Railway and Port.

11,413. And therefore the object of charging a low rate on the timber is to obtain shipping dues and interest upon the money which they have spent on the docks?—It is to increase the traffic of the port. Their main object is to obtain the carriage of traffic upon their railway.

11,414. (*Mr. Horsfall.*) Has the railway company erected any warehouses at Fleetwood?—No; there is a shed upon the wharf, and there is a small wooden warehouse which was erected there for salt.

11,415. Is there any charge made for the use of that shed or warehouse?—No, nothing; in fact the warehouse is not used now. It was a failure with the salt traffic, and I believe it is not used at all now. The other is a mere open shed over the rails on the wharf.

11,416. (*Mr. Glyn.*) Are the Committee to understand you to say, in point of fact, that the general application of this principle would always tend to the advantage of the consumer?—Yes; I say it is a great public advantage, and that if the railway companies were to adopt the other principle of charging a mileage rate they would shut out all competition, and that would create a very large increase, not only in the price of carriage, but also in the price of the articles themselves, because it would shut out competition in trade as well as in railway carriage.

11,417. (*Mr. Horsfall.*) Then are we to gather from what you say that you are anxious to promote competition?—I do not know that we are anxious to promote competition any further than is necessary for the benefit of the traffic.

11,418. And for the benefit of the public?—The public are benefited by it.

11,419. (*Mr. Leveson Gower.*) I suppose where there is no competition your rates are limited by a consideration of the possibility of future competition?—Quite so; and no railway company can impose very high rates upon the traffic to any place where there is trade, because if they did it would only lead to a competing railway being made; it would lead to competition if they were to attempt such a thing, and it is almost impossible to do it, because there is competition now to almost all the principal places in the kingdom.

11,420. (*Capt. Galton.*) You do charge your maximum rates in some places, do you not?—Yes; we charge our maximum rates in some places and on some articles.

11,421. (*Mr. Glyn.*) Generally speaking, since the railways have been opened there has been a tendency, has there not, to reduction periodically down to the present time?—Yes; no doubt the tendency is to reduce the rates, and not to advance them.

11,422. (*Mr. Horsfall.*) Has there been any material reduction of rates between Liverpool and Manchester?—There has not been any material reduction excepting in grain.

11,423. And that recently?—Last January.

11,424. (*Chairman.*) Will you now proceed to the next point, with respect to sugar, and give what explanation you think necessary to the Commission?—Mr. Clark states that sugar from Liverpool to Sheffield is charged 20*s.* per ton, and from Hull to Sheffield 13*s.* 6*d.* The same reason again applies there—the water competition has caused the lower rate. I believe that the rate of 20*s.* from Liverpool to Sheffield has been reduced; at the time that that evidence was given it was 20*s.*, but it is 15*s.* now.

11,425. (*Mr. Horsfall.*) What is the water competition to which you refer between Hull and Sheffield?—It is the river Humber and the river Trent; it is a free navigation more than half way. I think they only pay dues for some 34 or 35 miles on the canal, and those are low.

11,426. (*Capt. Galton.*) From Bristol to Burton there is a free navigation, is there not?—Yes; from Bristol in the direction of Burton, and the South Staffordshire district generally.

11,427. What water competition is there?—There is the Severn, which is a free navigation as far as Stourport, and from Stourport there are very low canal dues.

11,428. You mean on the Staffordshire canals?—Yes; and the navigation is practically free up to Stourport, which is very near to South Staffordshire.

11,429. (*Chairman.*) A complaint was also made as to salt not being carried by the London and North-western Company at all, the whole of it being taken to Liverpool by the Weaver navigation, what explanation have you to offer on that point?—With regard to salt, we quote a rate for salt from Winsford to Liverpool of 3*s.* 3*d.* per ton. I think that the distance is about

36 or 38 miles. The rate by water is 3*s*. There are about 600,000 tons of salt a year conveyed between Winsford and Northwich and Liverpool, and the shipping portion of it all goes by water, because it is taken by the boat alongside the vessel, and they discharge from the canal flat into the ship. If we take it by rail, it has either to be carted from our station through the town of Liverpool, or we can take it down to some of the docks over the dock railways. But for taking it there we have to pay 6*d*. per ton upon the salt, however short a distance it goes upon that dock railway; and then there is no convenience made at Liverpool for putting it into the vessel, and the consequence is that it goes entirely by water.

11,430. (*Mr. Glyn.*) To whom do you pay the 6*d*. per ton?—To the Liverpool Dock Board, who charge us that 6*d*. per ton for merely crossing their rails. We have just made a new station at the northern end of Liverpool at a very large cost; and in order to get to the timber yards and places upon the docks we have to cross their line of railway, and they charge us 6*d*. per ton for doing that.

11,431. (*Chairman.*) Why are not the same considerations applied to other traffic as well as to salt; why is it confined to the salt trade alone, that it is more convenient to take it by canal than by rail?—The same thing applies to coals or anything in large quantities where the carriage and labour form a material part of the cost; 6*d*. per ton added to our 3*s*. 3*d*. for salt would it make it 9*d*. more than the canal dues, and then there is the great additional cost of labour by conveying it from the dock rails to the vessel, whereas they can put the lighter alongside, and lift it into the ship at once.

11,432. Do you carry no heavy description of goods into Liverpool for export?—We do not carry any coals or salt. The dock committee did make some accommodation for the shipment of coals in connexion with the Lancashire and Yorkshire Railway; but that has been used to a very small extent.

11,433. (*Mr. Horsfall.*) Has any representation been made to the dock company relative to the charge of 6*d*.?—Yes.

11,434. With what success?—The answer was that they charged to everybody 6*d*. per ton, and that they had the dock rails to maintain.

11,435. Sixpence per ton for simply crossing the line?—Yes; whatever distance the traffic goes they charge the same. If it goes from end to end they charge the same; but our traffic never travels far upon their railway. It never travels more than, perhaps, a quarter of a mile or half a mile, except the timber which comes from the north end to our Waterloo station, and will now come principally to the North Dock station.

11,436. But the charge is a uniform one, whether you simply cross the line or whether you go along the docks for two miles?—Yes, that charge of 6*d*. will extend from something like a mile or a mile and a half to the mere crossing.

11,437. (*Mr. Glyn.*) Has there been any application to Parliament on the part of the railway companies to lay down their own rails to the wharf side?—I think not to my knowledge. There is no charge made at Birkenhead, and there is no charge made at Hull. The railway companies there can put their waggons on the dock rails, and they do do so, and discharge their goods into sheds which are made over the dock rails, and the goods remain there till they are taken into the vessel.

11,438. (*Capt. Galton.*) There is one question in connexion with salt which I wish to ask you. I am not sure whether you have seen the evidence of Mr. Corbett. He told the Commissioners that you or the Midland Company charged him 9*s*. per ton to go to London, and from Winsford, which was 105 miles, being 36 miles further, you charged 9*s*. 6*d*. per ton?—I think that Mr. Corbett's works are upon the Great Western Railway, or the Midland Railway, near Worcester.

11,439. They are at Stoke, on the Midland Railway, near Bromsgrove. Have you seen his evidence?—I have not seen that evidence of his at all. But no doubt it is caused by some such circumstance as I stated before, that if the Winsford people are to ship salt at all, they cannot pay above a certain rate for its carriage to London; and so long as a Winsford man is not charged a less gross rate than Mr. Corbett is charged, I do not see what Mr. Corbett has to complain of, because he has only to meet the Winsford man on the same terms. I do not know what the rates are.

11,440. 9*s*. and 9*s*. 6*d*., the one being 6*d*. more than the other?—I was not aware of that; but I am merely speaking as to the principle.

11,441. Your principle is, that upon particular classes of traffic you only charge such a rate as will enable the goods to compete in a particular market?—Precisely. If you charge more, you stop the traffic altogether.

11,442. (*Chairman.*) Will you proceed to the next point?—Then as to the complaint of want of accommodation for coal traffic, the facts are that the local coal owners have yards in Crown-street at the termination of the line of railway. Most of the coal proprietors or coal dealers have yards of their own, and the traffic has no doubt outgrown the accommodation; and the difficulty is, where to provide fresh accommodation. The parties cannot extend their premises, and the company have no additional land that they can appropriate to it. We have just purchased a considerable plot of land near to our Edgehill station, which we are now laying out for additional accommodation. We have also made a new line of railway, a branch from Edgehill down to the north end of Liverpool, and upon that line of railway we have purchased very considerable pieces of land where the main roads cross the railway, and we intend to provide accommodation for coal traffic there. That will very considerably relieve Crown-street, because a good deal of the traffic that at present goes to Crown-street is carted into that neighbourhood. We had a meeting with the coal proprietors, that is to say, our chairman met them some time ago. They wanted the company to buy a particular piece of land at Liverpool, which was a very expensive piece, and I believe the owner of it would not sell it for the purpose; but even if he would, it would have cost a very large sum of money to have made a connexion with it. The company offered to purchase any suitable land that could be purchased about the neighbourhood if the coal proprietors would guarantee to the company such an increase of traffic as would pay them something like a fair return for the outlay, but they declined to do that. We are, however, adding largely to the present accommodation to meet the requirements of the trade, and doing the best we can. As I have stated before, we have purchased at a very large cost a considerable piece of land at Edgehill, the nearest place at which we could get any to Crown-street, and we are making additional accommodation upon the new branch line.

11,443. (*Mr. Horsfall.*) Are the coal owners aware of that additional accommodation which you are providing for them?—It was pointed out to them at the time the chairman met them at Liverpool.

11,444. I think that you have recently raised the terminal charge upon coal, have you not?—No.

11,445. Will you just look at that (*handing a letter to the witness*)?

That letter is as follows:—"Mineral Traffic. Super-
" intendent's Office, Preston Station, November 22nd,
" 1865. Gentlemen,—I beg to inform you that on
" and after the 1st December next, the rate for coal
" and slack from your collieries to Crown-street
" station, Liverpool, will be, coal, 1*s*. 6½*d*., slack,
" 1*s*. 4¼*d*. per ton. In addition to the above rate, a
" charge of 3*d*. per ton will be made upon all coal
" unloaded on this company's wharf, as for use of
" such wharf."—

It is not an advance, and I will explain how it is. We made the same charge before in a different form; we made a charge for wharfage, and a charge which was at one time called tunnel rent, which was for bringing the coals from an old tunnel, which was formerly the Crown-street tunnel, and it was for taking the coals

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from there to the yards of private owners. A question was raised when we were in Parliament last year as to what the tunnel rent was. It was, in fact, an improper term used, and now it is all charged under the head of wharfage: but it is no increase of price at all, the same charge is made, only it is put under a different head.

11,446. Is it not desirable that that should be explained a little more to the coal owners?—The coal owners know it perfectly well.

11,447. I received a note from a coal owner in which he still complains on that subject?—That may be, but we agreed with the coal owners. We had a meeting with them, and they agreed to pay us one penny per ton for drawing coal to their yards.

11,448. (*Chairman.*) It has been stated that Liverpool has lost a portion of the French trade in consequence of the high railway rates charged from Yorkshire to Liverpool, can you explain that?—That is not the reason of the trade falling off. I think the witness does not say that the trade has fallen off, but that it has not increased. But the reason is, that since the time he speaks of there have been communications made between London and France, and also between Grimsby and Hull and France, that did not exist at that time. For instance, there is now a daily communication by the South-eastern; another by the London, Chatham, and Dover; another by the London, Brighton, and South Coast; another by the South-western; and there are, I believe, daily steamers from the Thames to the French ports, and I think three days a week there is a direct steam communication between the Thames and Paris. The Liverpool communication consists of about six steamers per month to Havre, about three per month to Bordeaux, and an occasional steamer to Rouen and Nantes. I believe that is about the extent of the communication from Liverpool. Therefore it cannot be expected that the traffic will increase against the improved communication by other routes, and the arrangements that have been made between the French railways and the companies south of the Thames for the cheaper transit of goods from London to the Continent.

Then, with regard to the 10 per cent. clause in the Liverpool and Manchester Act, which Mr. Clarke speaks of, that provision was repealed by the Amalgamation Act of 1846; but even if it was not repealed it never could be complied with, because the line is now so completely altered, and the additional money that has been spent upon it is so great in amount, that it would not pay 10 per cent. upon the present expenditure.

11,449. (*Mr. Horsfall.*) On the present cost you mean?—Precisely; it would not pay it on the present cost. Since the line came into our hands we have spent, I believe, one million and three-quarters upon stations in Liverpool.

11,450. (*Capt. Galton.*) Has any separate account been kept of that expenditure?—Up to a certain period railway companies did not keep separate accounts of stations and lines. We have for some years kept a separate account, but not for the whole period.

11,451. (*Mr. Horsfall.*) Has not that expenditure been consequent on the amalgamation of the Liverpool and Manchester with the London and North-western and other companies?—It has been consequent on the increased traffic of the port, arising from connexion with other railways no doubt; but if the other railways had remained independent, the expenses must necessarily have been incurred if the traffic had been accommodated by the Liverpool and Manchester Company.

11,452. You speak of its being occasioned by the increase of traffic; there is no doubt that the traffic of Liverpool has increased three-fold since that line was constructed; consequently the dividend, instead of being 10 per cent., would have been something like 20 or 30 per cent., would it not?—I do not think it would ever have paid a company owning a line only from Liverpool to Manchester to have spent the money which the London and North-western Company have spent at Liverpool and on their entrances into Liverpool and Manchester. For instance, in London traffic they have an interest all the way to London; but if the Liverpool and Manchester Company had remained independent, they would only have had their interest in it as far as Newton Junction, a distance of about 14 or 15 miles, in lieu of their interest in about 200 miles. Therefore the London and North-western Company have spent a much larger sum than the Liverpool and Manchester Company, if they had remained independent, would have been warranted in spending, and that, no doubt, would have led to making more lines into Liverpool in lieu of the London and North-western using the present line, and then the traffic upon it would not have increased so much.

11,453. But, as regards the public, the benefit of that 10 per cent. clause has been evaded, has it not?—We say that it never would have arisen, because if they had only the small capital which they had formerly, they could not earn 10 per cent.

11,454. If the line had remained separate, the dividend, instead of being 10 per cent., would in all probability have been 20 per cent. had it not been for the protection given to the public under the Act of Parliament?—I think not.

11,455. (*Mr. Glyn.*) In point of fact you found that as your traffic with Liverpool increased you had to find new station accommodation?—Yes. I say that unless we had spent the money we could not have had the traffic.

11,456. (*Chairman.*) Do you state positively as a fact that that provision was repealed by the Amalgamation Act of 1846?—It was.

11,457. There were some complaints made by Mr. Clarke with regard to the terminal charges in Liverpool, as compared with the cost of cartage. Can you give any explanation upon that point?—First, with regard to the cost of cartage, he says that the cost of cartage in Liverpool averages about 10*d.* per ton. I may say that the Liverpool cartage is regulated by the Liverpool Corporation—I do not know by what portion of it,—but they fix the cartages according to a table of distances, as 600 yards' distance, 1,200 yards' distance, and 1,800 yards' distance, and they regulate the charge to be made for the cartage of traffic in Liverpool by a scale for different articles and manufactured goods, as 1*s.* 2*d.* for a distance of 600 yards, 1*s.* 5*d.* for 1,200 yards, 1*s.* 7½*d.* for 1,800 yards, and so on for different descriptions of traffic. We cannot cart at anything like 10*d.* per ton, nor can we hire at that price.

11,458. (*Mr. Horsfall.*) You are quite correct in saying that there is a table published by the corporation, but that is the maximum rate, upon the same principle as the maximum rate is fixed by the railway company, but I believe there is no instance where the carters charge an amount equal to that rate, and if I recollect Mr. Clark's evidence without referring to it, he stated that he was prepared, and that other parties were prepared, to cart the goods at that rate, and cart them with a profit?—The London and North-western Company do very little cartage themselves. We keep a few carts for the delivery of what we call town traffic, that is, traffic for the shops and private establishments, some little of that kind of traffic is carted by us, but the rest is either carted by the consignees, or, if we are requested to do it, we hire the cartage. I have endeavoured to ascertain really what is paid in Liverpool by other parties than railway companies, because that is, perhaps, the best criterion, and we applied to a few parties in Liverpool upon the subject. For instance, John Trippett and Brother, shipping and commission agents; we asked them what they paid, and they said, "Being large employers of carts, we pay "1*s.* 6*d.* per ton for the cartage of our goods, far and "near, and believe it is as low as it can possibly be "done at." We applied to Mr. Joseph Rees, and he stated, "I beg to state that 1*s.* 6*d.* per ton is the lowest "paying rate for cartage, far and near, in Liverpool. "Being the owner of 57 cart-horses, and attending to "the business personally, I am satisfied nothing less

"will pay." Then we applied to the British and Foreign Steam Navigation Company, and they say, "I find that this company have been paying for the "cartage of their goods from the Huskisson dock, west "side and south side of branch to the railway stations "or any other part of Liverpool, 2*s.* per ton weight, "and on all goods for export lifted and delivered at "any place in Liverpool at the rate of about 1*s.* 3*d.* "per ton weight. For machinery we pay 2*s.* per ton "weight." We applied to the Liverpool, New York, and Philadelphia Steamship Company on the subject, and received the following reply:—"In answer to your "inquiry, I estimate that our cartage from your "Waterloo station to our berths, Huskisson docks, "costs us at the rate of about 1*s.* 9*d.* per ton of 20 "cwt." Then Messrs. Platt and Company, of Castle Street, state, "Our average cost for the cartage of "our goods is about 1*s.* 10*d.* to 1*s.* 11*d.* per ton "weight." They all say the same thing. Those are people who are employing a very large number of carts and doing a great deal of cartage, and that is what they say they are paying. I can only say that it quite accords with what we pay, and I cannot understand how Mr. Clark can do it at 10*d.* a ton.

11,459. Those gentlemen do not tell you what discount they get out of those charges, do they?—They were asked what they actually paid, and it is what we actually pay, we get no discount.

11,460. Do they tell you whether they get any and what discount off their bills?—No, their answer is what I have read, and I presume that is the cost of cartage.

11,461. You have not compared it with the book of rates of which you spoke just now?—It is lower than the book of rates certainly.

11,462. Perhaps you are not aware of a custom which exists in Liverpool of putting down certain charges, but of taking off a considerable discount where there is a large bill?—That does not alter the rate, it only gives a profit to the broker in Liverpool, who gets it out of the cartage, the public pay the rates I have stated, and that is what we pay for any cartage done in Liverpool. We do not get any discount.

11,463. I do not look upon that as an answer to Mr. Clark's statement that you could do it at 10*d.* a ton with a profit, although others pay more I have no doubt?—We cannot hire cartage at anything like that price in Liverpool. We have a very large amount of cartage ourselves, we deliver Staffordshire iron, which is a heavy article and perhaps the cheapest carted article that you could have, and we allow 1*s.* a ton if the parties cart it away from the station, but we can get nobody to take it away. If it is going a very short distance, just across the road into the dock, they will take it at 1*s.*, but we have to hire nearly the whole of it, and pay 1*s.* 4*d.* a ton for it. That is in the case of iron going in very heavy quantities direct from the station and all delivered at one spot, it is not taken to two or three different places, and we cannot haul it for less than 1*s.* 4*d.*

11,464. (*Mr. Glyn.*) Individuals may do their own cartage, may they not?—They may.

11,465. And if they could do it cheaper they would?—Yes; in Liverpool it is not the custom for the companies to cart.

11,466. (*Chairman.*) Have not you some remarks to make with regard to the complaint about the rates for corn?—With regard to the complaint about the rates for corn, I may state that a deputation from the corn trade sought an interview with the London and North-western Company about those rates, and the other companies as well were represented—the Lancashire and Yorkshire, the Manchester, Sheffield, and Lincolnshire, and the Bridgwater trustees. We had several interviews with the deputation, and they stated what alterations they wanted made in the rates. Amongst other things they wished to have a separate rate where the grain was not warehoused. It had always been the custom before to warehouse the grain for an indefinite period in Manchester. The companies were not disinclined to meet the views of the corn trade; but it was found that the Manchester people who received the grain differed materially from the Liverpool corn merchants in their views, and we suggested that the Liverpool and Manchester corn merchants should meet together and see if they could agree among themselves what was best for the trade; because, after all, it was a mere question of which was most convenient for the traffic. In the event it was reduced, but it was quite against the opinion of the Manchester people; and I now hold in my hand a letter from the Manchester corn merchants, addressed to the London and North-western Company, dated the 28th April, 1862, when the discussion was going on, in which they say:—"We understand that a "body of gentlemen connected with the corn trade in "Liverpool, known as the Liverpool Corn Association, "are applying to you to reduce the rates of carriage on "grain, flour, and meal from Liverpool to Manchester, "and other places in the interior, and suggesting that "warehouse rents be charged at such places as an equi- "valent. We have to represent to you that such a "proceeding, if assented to by you, would be greatly "prejudicial to our interests, as we know from long "experience that the charge for warehouse rent is a "very objectionable one, and a serious obstruction to "business. We are the parties who pay the carriage, "and we are satisfied with the present charges and "system as a whole, and would deprecate any change "which should subject us to a rent charge. We there- "fore respectfully beg that no alteration may be made "in the present mode, by which the rate of carriage "covers a moderate accommodation for rent and other "charges, and thus serves the general convenience of "the trade, besides the advantage of having settled "rates, instead of various and fluctuating charges, and "the avoidance of an obnoxious impost in the shape "of rent." They objected to the warehouse charge because it fluctuated according to the time the grain remained in the warehouse.

11,467. (*Capt. Galton.*) Does not the warehouse charge favour some individuals at the expense of others?—This is signed by all the principal corn merchants in Manchester, who were the parties who really paid the rate; but that shows the difference of opinion among the traders themselves with regard to the rates. The Liverpool people are complaining of the rates being high, whereas the Manchester people are perfectly satisfied and do not want any alteration made, and they protest against an alteration.

11,468. (*Mr. Horsfall.*) Those Manchester people are the parties who pay the rates?—Yes; they are.

11,469. Can you conceive any reason for a man desiring to pay 8*s.* 4*d.* in preference to 5*s.* for the transmission of his corn?—Upon the whole, I dare say, they had an advantage under the other system, because so large a portion of the corn is warehoused; that by paying upon the average they consider they are better off than by paying a warehouse rent, fluctuating according to the time the grain may remain in the building.

11,470. (*Capt. Galton.*) Does all the grain, which those people are speaking of that goes to Manchester, come from Liverpool?—It is solely from Liverpool; the traffic in question was grain from Liverpool to Manchester and the surrounding towns.

11,471. (*Mr. Horsfall.*) But in fact it is not a lower rate for carriage from Liverpool to which they objected, but to the system of charge for warehousing?—The Manchester people stated they were satisfied with the system and also the charges, and the Liverpool people were dissatisfied with them.

11,472. If you put it to the Manchester people, irrespective of warehouses, whether they would prefer paying 8*s.* 4*d.* or 5*s.*, what do you think would be their answer?—Of course there could be no question about that. But this merely refers to the two systems, the one advocated in Liverpool and the other in Manchester, and the men who paid the charge were satisfied with what we were charging, whereas the men at Liverpool, who did not pay the charge, were the objectors.

11,473. (*Chairman.*) But you have made, have you

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not, to a certain extent a concession to the views of the Liverpool merchants?—Yes, we have.

11,474. Have there been any remonstrances from the Manchester dealers in consequence?—No; but I dare say they would rather go back to the old principle.

11,475. (*Earl of Belmore.*) Would all the corn go through the hands of the Manchester dealers, whether it was warehoused or not?—I should think nine-tenths would go through the hands of those gentlemen.

11,476. Then it was not the warehousing that they complained of, but in point of fact the complaint made would be that, instead of the corn going through their hands, it would go directly into the hands of the consumer?—I do not think it would make any difference in that respect. I believe it suited the practice of their trade better, that is to say, they had it in one charge, and they knew what the grain cost them including the warehouse charge, at present it is a fluctuating charge and they do not know what it is to be. I may state that before this Commission sat, or before we knew of it, we had considered the question of the general Liverpool and Manchester rates, and we had represented to some other companies the desirability of making some changes. That has been deferred principally owing to the sitting of this Commission, because none of the companies liked to make changes which they might be charged with making because this Commission was sitting. But the London and North-western Company have pressed the matter upon the other companies carrying between Liverpool and Manchester, in fact we have given them notice that we should go to arbitration if they do not agree to make an arrangement with us with regard to lowering those rates.

11,477. (*Chairman.*) Do you desire to see the rates reduced between Liverpool and Manchester generally?—We wish them to be revised. Then I think Mr. Clark made some statement as to the low rates made from other ports as against Liverpool, and in estimating those rates he has deducted a terminal of 2*s.* per ton, in order to reduce it to a mileage, so as to show the mileage from Liverpool against the mileage from other places. I think in the Appendix he gives a table of that kind. There were a number of tables handed in by him. There is one with regard to timber and deals, and in which the mileage is given. Perhaps I may be allowed to hand in one of these tables, which I have had prepared so that the Commission may see how the matter really stands in that respect (*delivering in the same, see Tables* 1, 2, *and* 3).

TABLE 1.

RAILWAY RATES of CARRIAGE to and from Liverpool as compared with other Places.
TIMBER AND DEALS.—S. to S.

STATIONS. From	STATIONS. To	Distance as per Report to Royal Commission.	L. & N. W. Distance.	Rates as per Report to Royal Commission. Ton.	Rates as per Report to Royal Commission. Per Ton per Mile.	Rate as per L. & N. W. Company. Ton.	Rate as per L. & N. W. Company. Per Ton per Mile, less 3*s.* Terminals.
				s. d.	*d.*		*d*
Bristol - -	Burton - -	125	120	12 0	$1\frac{1}{6}$	L. & N. W. do not carry.	0·74
„ - -	Salop - -	105	117	12 6	$1\frac{5}{16}$	—	0·97

TABLE 2.

COMPARATIVE STATEMENT of RATES of CARRIAGE to and from Liverpool with other Places.
TIMBER AND DEALS.—S. to S.

STATIONS. From	STATIONS. To	Distance as per Report to Royal Commission.	L. & N. W. Distance.	Rates as per Report to Royal Commission. Ton.	Rates as per Report to Royal Commission. Per Ton per Mile.	Rate as per L. & N. W. Company. Ton.	Rate as per L. & N. W. Company. Per Ton per Mile.
				s. d.	*d.*	*s. d.*	*d.*
Fleetwood - -	Bacup - -	50	—	12 0	$2\frac{11}{12}$	L. & N. W. do not carry.	2·16
„ - -	Bury - -	46	—	8 4	$2\frac{1}{2\,3}$	Do.	1·38
„ - -	Manchester - -	$50\frac{1}{2}$	52	8 0	$1\frac{15}{16}$	—	1·15
„ - -	Preston - -	20	—	2 2	$1\frac{3}{10}$	3 4	0·20
„ - -	Rochdale - -	52	53	11 0	$2\frac{1}{2}$	L. & N. W. do not carry. Special Class.	1·81
Grimsby - -	Dewsbury - -	79	83	9 0	$1\frac{4}{11}$	9 2	0·89
„ - -	Halifax - -	61	—	10 6	$2\frac{1}{15}$	L. & N. W. do not carry.	1·47
„ - -	Leeds - -	70	—	7 6	$1\frac{2}{7}$	Do.	0·77
„ - -	Stockport - -	121	112	12 6	$1\frac{1}{4}$	—	1·01
„ - -	Manchester - -	110	110	12 6	$1\frac{2}{5}$	—	1·03
Gloucester - -	Salop - -	71	80	10 10	$1\frac{6}{7}$	10 0	1·05
Hull - - -	Ashton - -	90	84	12 6	$1\frac{2}{3}$	L. & N. W. do not carry.	1·35
„ - - -	Burton-on-Trent -	122	122	9 8	$0\frac{9}{10}$	Do.	0·65
„ - - -	Birmingham -	134	153	14 2	$1\frac{1}{4}$	—	0·87
„ - - -	Dewsbury - -	64	60	9 0	$1\frac{2}{3}$	9 2	1·23
„ - - -	Manchester - -	99	91	12 6	$1\frac{1}{2}$	—	1·25
„ - - -	Saddleworth -	80	77	12 6	$1\frac{7}{8}$	—	1·48
„ - - -	Salop - -	141	149	16 6	$1\frac{2}{5}$	15 0	0·96

Station to station terminals are calculated at 1*s.* 6*d.* each end.

NOTE.—Where no figures are inserted in the London and North-western column the rates agree with those of the Liverpool Chamber of Commerce.

TABLE 3.

RAILWAY RATES of CARRIAGE to and from Liverpool as compared with other Places.

TIMBER AND DEALS.—S. to S.

STATIONS. From	STATIONS. To	Distance as per Report to Royal Commission.	L. & N. W. Distance.	Rates as per Report to Royal Commission. Ton.	Rates as per Report to Royal Commission. Per Ton per Mile, less 3*s.* Terminals.	Rates as per L. & N. W. Company. Ton.	Rates as per L. & N. W. Company. Per Ton per Mile, less 3*s.* Terminals.
		Miles.	Miles.	*s. d.*	*d.*	*s. d.*	*d.*
Hartlepool - -	Ashton - -	98	108	12 6	$1\frac{4}{7}$	L. & N. W. do not carry.	1·05
„ - -	Burton - -	154	157	10 10	$0\frac{8}{9}$	Do.	0·59
„ - -	Birmingham -	180	188	14 2	$0\frac{17}{18}$	—	0·71
„ - -	Dewsbury - -	80	—	9 0	$1\frac{1}{3}$	9 2	1·0
„ - -	Manchester - -	103	114	12 6	$1\frac{6}{13}$	—	1·0
Newport (Mon.) -	Salop - -	75	92	10 0	$1\frac{9}{16}$	10 10	1·02
Sunderland - -	Burton - -	—	—	—	—	L. & N. W. do not carry.	0·45
„ - -	Birmingham -	208	206	14 2	$0\frac{13}{16}$	20 0	0·99
„ - -	Dewsbury - -	—	—	—	—	Nil.	—
„ - -	Manchester - -	161	133	12 6	$0\frac{7}{8}$	—	0·85

Station to station terminals are calculated at 1*s.* 6*d.* at each end.

NOTE.—Where no figures are inserted in the London and North-western column the rates agree with those of the Liverpool Chamber of Commerce.

This table shows first the distances. There are some errors in the distances in Mr. Clark's table, and those are corrected in the second column. Then there are the rates as reported to the Royal Commission, with the rate per ton that Mr. Clark makes it, that is deducting a terminal of 1*s.* per ton, but that 1*s.* per ton is not anything like what it costs us in Liverpool.

11,478. The total rate, the lump rate, is generally, I suppose, about correct?—Yes, only Mr. Clark makes his tables out to show a great inequality of mileage between different places, and of course the less he takes off for terminal the greater the discrepancy of the mileage rates. He has taken off 2*s.* per ton, 1*s.* at each end, whereas it costs us a very great deal more than that for the terminal services at Liverpool.

11,479. Is 1*s.* not sufficient at either Liverpool or Manchester?—No; our calculations are based upon 1*s.* 6*d.* at each end, but that does not at all represent what it costs us.

11,480. (*Mr. Horsfall.*) I see in this table there are several blanks, what does that mean?—Those are cases where there is no difference between Mr. Clark and us. In some places they are wrong in their rates per ton, and in the last column but one we correct their rates. Where there are blanks Mr. Clark is right in his rates, we merely put in the figures where the rates are wrong. At Liverpool we have to pay 6*d.* per ton toll for the passage of this timber to begin with along the dock railway; it costs us 15*d.* per ton for bringing it to our station, and then there are all the station expenses upon it when it gets there, and the cost is so great that the other railway companies allow us an extra terminal at Liverpool on this traffic. Instead of the usual allowance of 1*s.* 6*d.* per ton between company and company, we are allowed 3*s.* per ton upon this traffic at Liverpool.

11,481. (*Mr. Glyn.*) That is paid by the other companies?—Yes, that is a rate paid by them in consideration of the great expense that we go to. Therefore 1*s.* per ton at each end does not at all represent the cost, and even this table does not represent the cost to us, because we merely deduct the 1*s.* 6*d.* at each end.

11,482. (*Chairman.*) This table only refers to timber?—Only to timber.

11,483. (*Mr. Horsfall.*) Are those rates the same as when Mr. Clark gave his evidence in every instance?—I believe they are. I am not aware of any alterations having been made in the timber rates. Where they have been altered since, I believe we have always made a remark either in the body of the table along with the figures or as a foot note. There is one alteration here, I see, in the Birmingham rate. You will find that this rate was revised in August 1865. I do not know whether that was before Mr. Clark gave his evidence or not. Where there has been any alteration since we have stated it in the paper. For instance, the distance to Salop they had reckoned by the Birkenhead route. If they do that they must take the crossing of the Mersey into consideration. I consider that taking it across the Mersey is an additional charge, which may be estimated as a very considerable addition to the mileage. We have taken it of course by the London and North-western route, by the railway by which we carry it.

11,484. You estimate the crossing of the Mersey as equal to a pontage of 20 miles?—If it is done so it would be equal to that, but we have taken it as the actual distance by our own route. The rate to Derby was reduced from 13*s.* 4*d.* to 12*s.* 6*d.* in November 1865, but when any change has been made since this evidence was given we have noted it here. The other tables which I have here refer to the same thing; they are all with regard to timber and deal rates, and the same remarks apply to all those timber and deal rates.

11,485. (*Chairman.*) What you mean to state is, that the tables put in by Mr. Clark gave a very partial view of the matter, and that other tables might have been drawn up which would have shown how Liverpool was as much benefited as Mr. Clark made out that it was injured?—Considering the great cost to the companies in Liverpool, I believe that Liverpool is in a very favourable position with regard to those timber rates. If you take Hull, which is compared with Liverpool, the railways there go into the timber yards, and they can get the timber on to the railway at a very small cost indeed; they have no dock charges to pay, and they are in a very much more favourable position than we are in at Liverpool, which is a very expensive town indeed to work.

11,486. Do you propose to put those tables in?—Yes (*see previous tables*).

11,487. Have you any tables relating to the corn trade?—Yes; I will hand one in afterwards with regard to the corn trade, which is, I think, referred to in Mr. Paterson's evidence. I will now go on to the next paragraph, which will raise the question of grain. I had better state at present that the lowest terminal

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that can be considered as the cost at Liverpool for heavy traffic of that kind would be 2*s.* a ton instead of 1*s.*; but on the average it costs us a very great deal more. Then on the same ground I will hand in a table which will show that the company carry corn from Liverpool to the places specially named by the corn trade at rates varying from 0·79*d.* to 2·05*d.* per ton per mile; the rate to Manchester, the principal place in the district, being 1·37*d.* per ton per mile, and these rates will compare favourably with the rates of other carriers in the country. Here is a table of corn rates which gives the mileage rate at which we carry after deducting the 3*s.*, which is not the full terminal after all (*delivering in the same*).

TABLE 4.

ASSOCIATION of the LIVERPOOL CORN TRADE.

STATIONS. From	STATIONS. To	Distance as per Report to Royal Commission.	L. & N. W. Distance.	Present Rate as per Report to Royal Commission.	Present Rate as per L. & N. W. Company.	Rate per Mile as per Report to Royal Commission, 2*s.* per Ton off.	Rate per Mile as per L. & N. W. Company.
		Miles.	Miles.	*s.* *d.*	*s.* *d.*		*d.*
Liverpool	Manchester	32	33	8 4	6 8	$2\frac{87}{100}$	1·36
„	Bolton	28	29½	8 4	—	$2\frac{71}{100}$	2·13
„	Preston	28	28	6 3	—	$1\frac{82}{100}$	1·3
„	Wakefield	71	72	11 8	13 4	$1\frac{63}{100}$	1·47
„	Derby*	95	94	15 0	12 6	$1\frac{64}{100}$	1·53
„	Sheffield	74	74	12 6	—	$1\frac{70}{100}$	1·54
„	Leeds	74	75	11 8	— C. and D. on Canal.	$1\frac{56}{100}$	1·38
„	Birmingham*	98	98	12 6	†10 10	$1\frac{28}{100}$	1·16
Hull	Manchester	82	91	12 6	—	$1\frac{50}{100}$	1·25
Goole	„	74	—	11 3	12 6	$1\frac{50}{100}$	1·54
Morecambe	Leeds	68	—	11 8	No rates.‡	$1\frac{70}{100}$	1·52
„	Manchester	56	58	8 4	„	$1\frac{36}{100}$	1·10
Fleetwood	„	50	52	7 4	—	$1\frac{25}{100}$	1·04
„	Bolton	40	—	8 4	No rates.‡	$1\frac{90}{100}$	1·60
„	Leeds	80	95	11 8	„	$1\frac{95}{100}$	1·90
West Hartlepool	Manchester	113	114	12 6	—	$1\frac{12}{100}$	1·0
„	Birmingham	187	188	13 4	—	$0\frac{79}{100}$	0·65
Cardiff	„	109	109	9 6	10 0	$0\frac{82}{100}$	0·77
London	„	111	111	13 10	—	$1\frac{28}{100}$	1·17
„	Manchester	187	188	18 4	—	$1\frac{05}{100}$	0·98
Grimsby	„	111	110	12 6	—	$1\frac{13}{100}$	1·03
„	Birmingham	135	139	13 4	—	1	0·91
Hull	„	135	204	13 4	—	1	0·91

The station to station terminals are taken as 1*s.* 6*d.* at each end.

* This rate was revised on November 10th, 1865.

† Rates issued 1st January 1865 and August 1865.

	O. Sacks. *s.* *d.*	C. Sacks. *s.* *d.*
If removed from the carrier's warehouse within 24 hours	6 8	7 4
If not removed within 24 hours, but within 2 calendar months	7 6	8 2
If not removed within 2 calendar months	8 4	9 0

† GRAIN—LONDON AND BIRMINGHAM.

Collected by barge in London, and delivered in Birmingham. If collected by cart in London, 1*s.* 8*d.* per ton extra. The station to station terminals are 1*s.* 6*d.* at each end, and collected and delivered 1*s.* extra at each end.

‡ The London and North-western Company do not carry between these Stations.

NOTE.—Where no figures are inserted in the London and North-western column the rates agree with those of the Association.

11,488. You deduct here 3*s.* as a terminal?—Yes; 1*s.* 6*d.* at each end. We have taken 1*s.* 6*d.* because that is a general arrangement amongst the companies; we allow each other 1*s.* 6*d.* per ton in settlement, but that is more a matter for convenience of account, because if one company pays more in one instance it receives it in another, it does not at all represent what it costs, but merely a sum fixed for the settlement of accounts between one company and another.

11,489. Have you prepared a table showing numerous cases in which the rates generally are in favour of Liverpool as compared with other places?—Yes.

11,490. Will you put that table in?—Yes (*delivering in the same*).

TABLE 5.

The following Table shows that low Rates have been made in favour of Liverpool for a large portion of the Traffic, without which many Articles of importance to Merchants and Shipowners would have left Liverpool altogether.

EXAMPLES of present LIVERPOOL RATES.

To	Commodity.	Rate.	Distance.	Net Rate, less Terminals.	Per Ton per Mile.
		s. *d.*	Miles.	*s.* *d.*	*d.*
London	Palm and cocoa-nut oil	20 0	200	7 6	0·45
	Shipping goods to and from London to all parts of North America, Spain, Mediterranean, West India, and the Pacific Ocean, and Australia.	25 0	—	—	—
	Preserved provisions	25 0	200	12 6	0·75
	Wool	25 0	200	12 6	0·75
Dundee	Jute, 5 ton lots	16 0 S. to S.	292	13 0	0·53
	Bales and cases for America	32 6	292	27 0	1·10
Norwich	Grain	20 0 S. to S.	252	17 0	0·80
Yarmouth	Grain	20 0 „	270	17 0	0·75
Beccles	Grain	20 0 „	283	17 0	0·72
Ipswich	Grain	20 0 „	259	17 0	0·78
Colchester	Grain	20 0 „	255	17 0	0·80
Chelmsford	Grain	20 0 „	234	17 0	0·87
Whitehaven	Grain	10 10 „	126	7 10	0·74
	Bacon and hams	13 4 „	126	10 4	0·98
Annan	Grain, &c.	10 10 „	136	7 10	0·69
Dumfries	Grain, &c.	12 6 „	151	9 6	0·75
*Burslem	Undamageable iron	7 6 „	56	4 6	0·96
Aberdeen	Cotton, flax, and hemp	30 0	360	24 6	0·81
	Jute	23 4 S. to S.	360	20 4	0·67
Southampton	Cotton	25 0 „	237	22 0	1·11
Plymouth	Salt provisions: butter, bacon (not hams), vinegar, Valonia tallow, rice, rosin, soap, sugar, oil in casks.	27 6 „	316	24 6	0·93
Penzance	Do.	35 0 „	396	32 0	0·96
Birmingham	Grain	10 10 C. & D. on Canal	98	7 0	0·71
Wolverhampton	Undamageable iron	10 0 „ „	84	4 6	0·64
Bedford	Oilcake, 3 ton lots	15 0 S. to S.	168	12 0	0·85
	Soot, 4 ton lots	13 4 „	168	10 4	0·73
Hitchin	Oilcake, 3 ton lots	15 0 „	183	12 0	0·78
	Soot, 4 ton lots	13 4 „	183	10 4	0·67
Huntingdon	Oilcake, 10 ton lots	11 8 S. to S.	187	8 8	0·55
	Soot, 2 ton lots	13 4 „	187	10 4	0·66
Sandy	Oilcake, 3 ton lots	15 0 „	177	12 0	0·81
	Soot, 4 ton lots	13 4 „	177	10 4	0·70
St. Neots	Oilcake, 5 ton lots	12 6 „	183	9 6	0·62
	Soot, 2 ton lots	13 4 „	183	10 4	0·68
Stamford	Oilcake, 3 ton lots	11 8 „	157	8 2	0·66
	Soot, 2 ton lots	13 4 „	157	10 4	0·78
Peterboro'	Oilcake, 5 ton lots	10 0 „	170	7 0	0·49
Retford	Oilcake, 20 ton lots	12 6 „	97	9 6	1·17
Lincoln	Oilcake, 50 ton lots	12 6 „	116	9 6	0·98
	Sugar and soap	17 6	116	12 0	1·24
Newcastle-on-Tyne	Grain	15 0 S. to S.	173	12 0	0·83
Gateshead	Soap in 2 ton lots	16 8	169	11 2	0·79
South Shields	Salt provisions	20 0	169	14 6	1·03
Sunderland	Salt provisions	20 0 „	167	14 6	1·04
Washington	Salt provisions	20 0 „	161	14 6	1·08
Stockton-on-Tees	Iron rails and ships' plates	12 6 S. to S.	136	9 6	0·83
Middlesboro'			140	9 6	0·81
Tredegar Junction	Undamageable iron	10 0 „	170	7 0	0·49
	Do. do. in 10 ton lots, including delivery by barge to ship.	10 0	170	6 0	0·42
Rhymney Junction	Undamageable iron	10 0	171	7 0	0·43
	Do. do. in 10 ton lots, including delivery by barge to ship.	10 0	171	6 0	0·42
Rhymney	Grain and flour	15 0 S. to S.	179	12 0	0·80
	Do. do. including delivery to ship in 10 ton lots.	15 0 „	179	11 0	0·73
Blaina	Grain and flour	15 0 „	174	12 0	0·82
	Do. do. including delivery to ship in 10 ton lots.	15 0 „	174	11 0	0·75
Ebbw Vale	Grain and flour	15 0 „	166	12 0	0·86
	Do. do. including delivery to ship in 10 ton lots.	15 0 „	166	11 0	0·79
Newport, Mon.	Undamageable iron	10 0 „	168	7 0	0·50
	Do. do. including delivery to ship in 10 ton lots.	10 0 „	168	6 0	0·42
	Grain and flour	12 6 „	168	9 6	0·67
	Do. do. including delivery to ship in 10 ton lots.	12 6 „	168	8 6	0·60
	Tin ingots	15 0 „	168	12 0	0·85
	Do. including delivery to ship by barge, 10 ton lots.	15 0 „	168	11 0	0·78
Newport, Mon.	Nails	12 6 S. to S.	168	9 6	0·67
	Do. including delivery to ship in 10 ton lots	12 6	168	8 6	0·60

* This rate was reduced to 7*s.* 6*d.* in August 1865.

Except where otherwise stated, the rates include collection and delivery.

At Liverpool the public perform their own cartage, except on London traffic, which is collected and delivered at both ends by the Company.

N.B.—From rates, including delivery alongside, 4*s.* per ton has been deducted for terminals.

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Examples of present Liverpool Rates—*continued.*

To	Commodity.	Rate.	Distance.	Net Rate, less Terminals.	Per Ton per Mile.
		s. *d.*	Miles.	*s.* *d.*	*d.*
Quaker's Yard - -	Undamageable iron - - - - -	10 0 S. to S. - -	176	7 0	0·47
	Do. do. delivered to ship by barge, 10 ton lots.	10 0 - - -	176	6 0	0·40
Merthyr - - -	Undamageable iron - - - - -	10 10 S. to S. - -	182	7 10	0·51
	Do. do. delivered to ship, 10 ton lots	10 10 - - -	182	6 10	0·45
Aberdare - - -	Undamageable iron - - - - -	10 10 S. to S. - -	170	7 10	0·55
	Do. do. delivered to ship in 10 ton lots	10 10 - - -	170	6 10	0·48
Cardiff - - -	Undamageable iron - - - - -	10 10 S. to S. - -	188	7 10	0·50
	Do. do. delivered to ship, 10 ton lots	10 10 - - -	188	6 10	0·43
	Tin ingots - - - - -	17 6 S. to S. - -	188	14 6	0·92
Manchester - -	Butter and eggs in boxes. Bacon and other salt provisions.	10 0 „ - -	32	7 0	2·62
	Grain removed immediately - - -	6 8 „ - -	32	3 8	1·37
	If warehoused 2 months - - -	7 6 „ - -	32	—	—
	Do. above 2 months - - -	8 4 „ - -	32	—	—
	Seeds for crushing - - - -	7 6 - - -	32	2 0	·75
	Sugar for refining - - - -	7 6 - - -	32	2 0	—
	Manchester manufactures in bales, cases, trusses, and packs.	8 0 Collected -	32	2 6	0·93
	Timber - - - - - - -	10 0 S. to S. - -	75	7 0	1·12
	Grain - - - - - - -	11 8 „ - -	75	7 8	1·22
	Linseed cake - - - - -	12 6 „ - -	75	9 6	1·52
	Rice, undressed - - - - -	12 6 „ - -	75	9 6	1·52
	Wheels and axles - - - -	12 6 „ - -	75	9 6	1·52
	Seeds - - - - - - -	15 0 „ - -	75	9 6	1·52
	Timber and deals - - - -	10 0 „ - -	72	7 0	1·16
	Grain - - - - - - -	10 10 Collected -	72	6 10	1·13
	Rice - - - - - - -	11 8 S. to S. - -	72	8 8	1·44
	Wheels and axles - - - -	12 6 „ - -	72	9 6	1·58
Huddersfield - -	Timber - - - - - -	9 0 „ - -	58	6 0	1·24
	Sanitary tubes - - - - -	8 4 „ - -	58	5 4	1·10
Hull - - - -	Grain and flour - - - - -	12 6 „ - -	124	9 6	0·91
	Madder - - - - - -	16 8 - - -	124	11 2	1·08
	Damageable iron - - - - -	15 0 - - -	124	9 6	0·91
	Rice - - - - - - -	15 0 - - -	124	9 6	0·91
	Mahogany - - - - - -	15 0 - - -	124	9 6	0·91
	Coffee - - - - - - -	16 8 - - -	124	11 2	1·08
	Flax - - - - - - -	16 8 - - -	124	11 2	1·08
	Cotton, press-packed - - - -	15 0 - - -	124	9 6	0·91
	Earthenware - - - - -	15 0 - - -	124	9 6	0·91
	Machinery - - - - - -	20 0 - - -	124	14 6	1·40
	Sugar - - - - - - -	20 0 - - -	124	14 6	1·40
	Wines and spirits, in casks - - -	20 0 - - -	124	14 6	1·40
	Bales, boxes, and cases of manufactured goods -	18 4 - - -	124	12 10	1·24
	Guano - - - - - - -	12 6 S. to S. - -	124	9 6	0·91

N.B.—Terminal deductions as follows:—

Carted traffic { Liverpool and London - - - - 4*s.* 0*d.* and 8*s.* 6*d.* = 12*s.* 6*d.*
Liverpool and other places - - - 1*s.* 6*d.* and 4*s.* 0*d.* = 5*s.* 6*d.*

Station to station traffic, 1*s.* 6*d.* Liverpool, and 1*s.* 6*d.* country.
When barged, 1*s.* per ton extra.

11,491. Can you explain some of the facts that that table would prove?—The table will show it best. In the first place we make low rates from Liverpool for a variety of goods which arrive there by ship; for instance, palm oil, cocoa-nut oil, and shipping goods to and from London to all parts of North America, Spain, the Mediterranean, the West Indies, the Pacific Ocean, and Australia. The rate for preserved provisions and Australian wool has also recently been extended to American goods from London to Liverpool. That was done in order to encourage the shipment of American traffic at Liverpool instead of Southampton and other places in the south. A low rate for Australian wool was made in the same way, in order that the wool might come to Liverpool in Liverpool ships, and be carried to London at a cheap rate, because it has to come to London for the wool sales, the wool sales being held in London. If that low rate had not been made the traffic would have all come direct to London, and it is on the representation of the Liverpool ship owners that those rates have been reduced, to encourage that traffic to come to Liverpool, in the same way that they complain of our doing to other ports. In the same way there is a rate for jute to Dundee, for bales and cases from Dundee to Liverpool, for shipment to America. Then you will see a number of low rates for grain to different places in the midland counties, cotton to Southampton, and salt provisions to Plymouth; and, on the other side, there are special rates for oil-cake, which is an article manufactured in Liverpool. The manufacturers wanted low rates from Liverpool to the agricultural districts, in order that they might send their oil-cake there, and we made low rates for them. There is a very large shipment of iron from South Wales, which was being shipped from the South Wales ports, and since the railway was opened they have asked us to make low rates for this iron to come to Liverpool, in order that it might be shipped at Liverpool, and we have made very low rates for them. The same remarks apply to a great variety of articles which we are carrying to Liverpool, in order that the traffic might be carried by vessels trading to and from Liverpool. We are carrying them to Liverpool at lower rates considerably than the rates which they have accused us of charging to and from other ports as against Liverpool; and it has this effect, that the parties in South Wales can either take advantage of vessels going from the ports in their own districts, or if they can ship it cheaper by way of Liverpool (and, no doubt, they can send it much more frequently, and perhaps by a better class of vessels), they have the advantage of sending it to Liverpool instead of being confined to their own ports, as they were previously.

11,492. (*Mr. Glyn.*) The iron trade has the advantage in freight owing to the competition between the vessels?—Yes.

11,493. (*Mr. Horsfall.*) I collect from what you state that your opinion is that the advantages which

you give to Liverpool are greater than the disadvantages under which she labours under your present system?—I say distinctly that the advantages which we have given to Liverpool in these respects are very great indeed; and I do not see that Liverpool is at a disadvantage by the cases which they have brought against us, for on looking over the rates that they have produced, the majority of them are not higher in the gross than the rates charged from other ports. They have reduced them to a mileage, and they complain that our mileage charge is lower, but if the gross charge is not lower (and in most cases it is higher), the Liverpool people surely are not damaged by the fact that they have to meet their competitors in the market on equal terms, but in the majority of cases, as I have said, the Liverpool gross rates are lower.

11,494. Going upon the mileage rate, they are considerably higher, are they not?—Our mileage rates in the cases that they have selected are higher, but if they had given you all the rates from Liverpool, for instance, if they had put this list in, they would not appear higher, but lower upon the mileage rates; but they have selected examples to suit their case. I do not blame them for that, they have selected those cases that they considered best for their argument.

11,495. (*Mr. Hamilton.*) Is that document to which you are now referring one that can be accessible to the public generally?—The cases in this table are extracted from our rate books.

11,496. It is not accessible to the public on ordinary occasions?—No.

11,497. Any person wishing to know the different rates of the London and North-western Company could not get it in that tabular form?—No.

11,498. (*Mr. Glyn.*) They could get it upon inquiry, could they not?—Yes; I have taken these out of our Liverpool rate book to show some instances of our charging low rates from Liverpool.

11,499. But it is all included in the rate book?—It is all included in the rate book, but not in this form; it is reduced here to mileages, but is not so in our rate book.

11,500. (*Chairman.*) Do you wish to make any other remarks with reference to the charges made against the London and North-western Company connected with their Liverpool rates. Are the answers that you give to the other charges of the same character, or is there anything special in any other of the complaints which have been made that appears to you to require a special answer?—There was a good deal said about timber. I should just like to show that in our rates for timber we carry a very great deal more than 20 cwt. of timber per ton; we carry timber at the weight at which it is sold, and not at the actual weight. Mr. Chaloner, one of the largest timber brokers in Liverpool, makes a great point in his advertisements that Liverpool is particularly favoured in the measurement of its timber as against other places, and that the buyers have a decided advantage in coming there in consequence of that circumstance. Here is one of his advertisements, in which he says:—"This cargo, on "account of its excellent quality and large size, has "been divided into 316 lots, containing 807 logs, "measuring 287,169 feet sale against 431,524 feet ac-"tual." We carry the 431,524 feet and are only paid for 287,169 feet.

11,501. Is that Mr. Chaloner's circular?—Yes, it is one of his circulars. He gives the weights. For instance, here he gives the extreme contents and the sale contents. There are 461 extreme contents and 328 sale contents, 806 extreme contents and 563 sale contents, 744 extreme contents and 526 sale contents, and Mr. Chaloner, in some of his circulars, calls particular attention to the advantage which Liverpool has over other ports in the circumstance that the measurements are different, and therefore the buyer gets more for his money, and gets more carried than is carried from other ports for the same weight charged.

11,502. (*Mr. Horsfall.*) I presume you do not see all Mr. Chaloner's circulars?—No.

11,503. Did you see one a short time ago, in which he congratulated the public on the completion of the Manchester, Sheffield, and Lincolnshire Railway, owing to the high charges of the London and North-western Company?—Yes; I know that Mr. Chaloner very often makes remarks about railway companies in his circulars. I am only explaining the facts which his own circular states, and I say that in some of them he calls particular attention to the fact of the measurement at Liverpool being more favourable than at other ports, and that buyers coming there get an advantage.

11,504. But you did not see the one in which he calls attention to the high rates of the London and North-western Company?—I have seen Mr. Chaloner's circular calling attention to the high rates charged at Liverpool; but I say that he is mistaken in his comparison, because if he compares the gross rates in one place against another they are not unfavourable to Liverpool.

11,505. (*Chairman.*) Do you not weigh timber yourselves?—No; the sender sends a consignment note stating the measurement weight. It is measured, I believe, by the public officer in Liverpool, and the consignment is sent to us stating the measurement weight, and we charge by that measurement weight.

11,506. (*Mr. Glyn.*) Do you know how that custom has arisen in Liverpool which makes it so different from other ports?—It is the peculiar mode of measuring I believe. In some ports they measure round the balk, and in others they do it by the calipers, so that if the sides are flat the measurement is greater by the girth; and then in the measurement of deals at Liverpool, I believe if the deal is $3\frac{1}{2}$ inches it is charged $3\frac{1}{2}$ inches, but if it is anything below $3\frac{1}{2}$ inches it is charged 3 inches, so that all that is thrown in; and it is the same in the carriage, we only get paid for the weight which is measured for sale.

11,507. (*Chairman.*) I see in this table which you have put in there is a much larger difference between the gross weight and the net weight in the case of goods to and from London than any other places, and that the London terminal is much higher than in any other town?—Yes; the London terminals are very much higher than they are in the country, the cartage is higher and labourage is higher, and in the arrangements between companies in the settlement of accounts, as I explained before, we have an allowance in London of 8*s.* 6*d.* against 4*s.* in the country, and in calculating these tables we have taken those terminals for the sake of calculation.

Then with regard to Australian wool, we carry that, as I have explained, at 25*s.* per ton, which is a very low rate indeed, and we collect the sea freight on the wool in London and pay it to the parties in Liverpool, we have to incur banker's commission, and whatever risks there may be attending the collection. That is a duty beyond what railway companies ordinarily incur, but it is part of our carrying duties. In the same way, in discharging a ship we send men down to the ship's side to take account of the articles there as they are unloaded, and we send the goods up to our warehouse in Liverpool, where they frequently are deposited before they are sent away, and kept there for a considerable time, and when they are ordered to go away we have to select them and to despatch them. All that is additional expense to us beyond the ordinary costs. Altogether Liverpool is a most expensive place to work in the carrying trade. I think I have already explained that we make the same low rates for a variety of articles; silk, oil, wool, and other articles from the Mediterranean, Australia, &c., are carried at very low rates. They are expensive things, and very liable to damage, but the rate is made low in order to induce the traffic to come to Liverpool, because it has to come to London eventually, and if a higher charge were made by the railway company it could not come by the Liverpool ships, it would come direct to London, and the Liverpool people would not see it at all.

11,508. (*Mr. Horsfall.*) The railway carriage is a very small per-centage of the value of the Australian wool, is it not?—No doubt. It is not a large amount

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upon the per-centage of the wool, but that is not the point; it is the cost between Australia and London direct as against Australia and London by way of Liverpool. If a high rate were charged between Liverpool and London the wool would not come to Liverpool at all, but would come in a direct ship from Australia to London; and it is on that representation by the Liverpool shipowners that we reduced the rate, in order that they might carry it by way of Liverpool. A great many of those rates have been lowered in the same way, in consequence of representations from the Liverpool shippers, that certain traffic could be obtained if lower rates were made, and pressing us to do it; and we have endeavoured to meet them as far as we could, as we do in all cases. Then we have made, as I explained before, low rates for oil-cake, which is an article manufactured there. We have made low rates for the South Midland district and between Liverpool and South Wales, in order to increase the traffic, in iron and different articles.

Something was said by some of the witnesses about our carrying between Ireland and England by way of Holyhead. We do carry by way of Holyhead; we have our own steamers between Holyhead and Dublin sanctioned by Parliament, and that line has been opened as the most direct route between England and Ireland. We do not prevent traffic coming by way of Liverpool, but we make the same rates by way of Liverpool as we do by way of Holyhead. Therefore the steamers plying between Dublin and Liverpool have the same opportunity of carrying traffic. We accept their goods at Liverpool, and we divide the through rate between them and us. But the Holyhead route is the most expeditious and the best route, and therefore we do not see that there should be a charge made against us for opening that route.

11,509. (*Chairman.*) Do you bring goods into Liverpool by Holyhead?—No. If they are tendered to us of course we carry them, but we do not seek for the traffic between Dublin and Liverpool.

11,510. Is not this your general principle, that from Ireland to any part of England you charge the same, whether it comes by Holyhead or by Liverpool?—Yes. Whatever rate we fix by way of Holyhead, which is our route, we adopt the same viâ Liverpool, and we carry in connexion with the City of Dublin Company and with the screw steamers between Liverpool and Dublin.

11,511. (*Mr. Horsfall.*) Do you not carry goods free from Holyhead to Holywell?—No, certainly not; I am not aware that we carry goods free anywhere.

11,512. I mean under the Irish arrangement?—That is an arrangement with the City of Dublin Company for a division of the traffic; they have their share of the traffic; in fact, we divide it with them; and in order to estimate the sea distance it is taken on our line as far as Holywell, as against the throughout sea route between Dublin and Liverpool. That is to make the two lengths the same.

11,513. Without any charge on the part of your company between Holyhead and Holywell?—It is merely a division of the through rate.

11,514. But that is the fact, is it not?—No, I do not see that it is; it is merely for the sake of calculation; we charge a rate throughout from Dublin wherever the traffic is going to.

11,515. (*Mr. Glyn.*) It is really the fact as representing a greater number of miles, but you would not book to Holywell for nothing?—No.

11,516. (*Mr. Horsfall.*) Then on the through traffic you get nothing by carrying from Holyhead to Holywell?—We charge just the same as upon any other portion of our railway, but, as I have explained before, we have an arrangement with the City of Dublin Company for dividing the receipts, and if we carry more than our proportion there is no doubt that they get their mileage to Holywell upon the excess carried by us.

11,517. (*Chairman.*) You mean that they deduct it from your general mileage rate?—Exactly. It is merely giving them our mileage up to Holywell upon the excess that we carry above the proper amount, but we get back our working expenses upon such excess.

11,518. (*Earl of Belmore.*) It is merely carrying from Chester to Holyhead at the same gross rate as to Holywell?—It is not even that. It was an agreement made in favour of the City of Dublin Company that if we compete with them, and if we take more than our proportion, we pay them as if they had carried the full quantity.

11,519. (*Chairman.*) Is it a fact that you do carry more than your proportion?—I think there is not much in that. The arrangement was made to act fairly as far as possible, and I believe that there is not much balance paid on either side. Then we have spent a very large amount of money at Liverpool on the stations, as I stated before. We have now three stations; we have the Waterloo station, and the Wapping station, and we have the North Dock station nearly finished. So that we shall have three expensive stations upon the line of the docks. That has cost the London and North-western Railway Company a very large amount of money, and all that tends to lessen the cost of cartage in Liverpool, because the traffic can be delivered at either one station or the other. Of course merchants will not take traffic past one station to another to pay a long length of cartage.

11,520. (*Mr. Glyn.*) But in some cases you will have to pay 6*d.* to the dock trustees?—If we send traffic over their rails then we have to pay 6*d.* if it goes ever so short a distance. For instance, our Wapping station is opposite to some of the principal docks in Liverpool. If we send any traffic down to Wapping to be shipped at Liverpool, and if we send it 100 yards on the dock rails to get it into the dockyard we pay the 6*d.*

11,521. All railway traffic is subject to that charge, is it not?—Yes; the same at Waterloo, which is opposite the Brunswick dock; if it goes across the rails into that dock we pay 6*d.* there, and at the north end, where the timber traffic is, we have to cross the rails to get into the different depôts, and we pay 6*d.* there. In addition to that we pay the timber merchant 1*s.* per ton for bringing the timber to our depôts.

11,522. (*Mr. Hamilton.*) On what ground do they exact the 6*d.* for crossing the rails?—In order to get across from our station to the timber depôt we had to cross the dock railway, and to do that had to curve our line into the dock railway, and then immediately curve out again on the other side, and for that short distance of about 100 yards we were charged 6*d.* per ton.

11,523. (*Mr. Horsfall.*) That of course you get from the parties sending the goods?—No, indeed we do not; we pay it ourselves.

11,524. You make it up in the terminal charges, do you not?—It is a part of our terminal cost; but we do not get anything extra in Liverpool, which we ought to get in consideration of those high charges.

11,525. (*Mr. Glyn.*) You do not distinctly make it a part of your terminal charge?—No.

11,526. (*Chairman.*) Will you complete your answer with regard to the Liverpool complaints?—With regard to the cost of handling the timber at Liverpool, I think I have pretty well explained that it is greater than that in the eastern ports, with which they compare us. At Liverpool the timber has to be hauled along the dock rails at a cost of 1*s.* 3*d.* to 1*s.* 6*d.* per ton and the toll of 6*d.* per ton, and that is all incurred before it reaches our station. At the other places referred to by Mr. Halhead, who gave evidence about timber, namely, Hull, Bristol, and Gloucester, the same expenses are not incurred. At Gloucester I believe the waggons go into the different timber yards, where the timber merchants load it themselves, and there is no cost, except the haulage back again into the station. Then, with regard to the unequal rates, West Hartlepool was mentioned, and there is no doubt that if the same mileage rates had been charged from West Hartlepool as from Hull, West Hartlepool never could have been made a port, because the rates would have been so much higher than they are that the Hull

steamers would have prevented the steamers to Hartlepool ever being made remunerative, and it is only by meeting it in the way of charging a less mileage rate from the one than the other that the port can be kept open.

11,527. (*Capt. Galton.*) What is the advantage of making Hartlepool a port for the London and North-western railway?—It is a great advantage to the public, because a great part of the country is served from Hartlepool better than from Hull.

11,528. You mean the country near Hartlepool?—Yes, and at a large distance also.

11,529. (*Chairman.*) Has the London and North-western Railway Company any interest in West Hartlepool?—None.

11,530. (*Lord Stanley.*) You put it in this way, that if you choose to reduce your rates very low, or even to incur a temporary loss for the sake of developing traffic, which in future will be valuable, you have a right to do so, even though that may be inconvenient to some other parties who find new competitors brought into the field?—Yes; but I do not think it true that the other parties have any ground for complaint, because, as I said before, it is the gross rate that they have to deal with, not the mileage rate that the railway company charges.

11,531. (*Mr. Horsfall.*) Have not the Parliamentary Committee of Railway Companies, of which I believe you are a member, considered a proposal to submit terminal charges to arbitration under the direction of the Board of Trade, and decided upon opposing that proposal?—No; there is no Parliamentary Committee of Railways to begin with that I know of.

11,532. Will you just look at that circular (*handing a paper to the witness*), it says, "The Parliamentary "Committee of Railway Companies discussed the pro- "visions of the Bill with the Board of Trade," and so on?—I am no member of the Parliamentary Committee.

11,533. Is the chairman of your company?—There was some committee of chairmen last year.

11,534. Did they or did they not decide upon opposing the principle which I have just stated?—I do not know what the Bill was to which you refer.

11,535. This refers to the Railway Clauses Bill?—Yes; but I do not know what that Bill was.

11,536. The object of it was for very general purposes, but there was a clause proposed to the effect that when differences arose between the forwarder of goods and the railway company, an application should be made by the party complaining to the Board of Trade, who should have the power of appointing an arbitrator to decide between the company and the forwarder of the goods, and that was the clause which the railway company resisted?—I have no doubt they would resist it. That was really putting into the hands of the Board of Trade the power to deal with questions which are now settled by the companies' own Acts. They have certain powers given to them by their Acts of Parliament, and if the proposal was to make them subject to some arbitrator to be appointed by the Board of Trade, I dare say that the railway companies would oppose it.

11,537. Are you aware that the Legislature has already sanctioned that principle in one of the North Staffordshire Acts?—I do not know that it has, but it must have been under some very peculiar circumstances. I suppose with the consent of the North Staffordshire Company.

11,538. This is the clause from that Act, which I will read to you, "Besides the rates per mile, which "the company are authorized to charge for the con- "veyance of goods or minerals on the railways or "canals, they may charge for such terminal services "as are performed by them such reasonable sum only "as may be from time to time agreed upon between the "company and the person sending or receiving goods, "minerals, or other articles of traffic, or, failing agree- "ment, as may be settled by arbitration under the "Railway Companies Arbitration Act, 1859." Do you see anything objectional in that clause?—Yes, I think it is objectionable, because I do not know what may have been the particular circumstances under which the North Staffordshire Company agree to that, or the Committee put it upon the North Staffordshire Company, but as a rule I think it is objectionable. The railway companies have made their lines on the faith of certain powers granted by Parliament, and I think that it would be unfair to them to deprive them of those powers. The Act provides maximum rates, which they cannot exceed, and there is a general clause that when the company act as carriers and perform certain duties as carriers they can charge a reasonable sum, and if they charge an unreasonable sum there is the means of bringing the company before a court, and you can take the matter into the County Court; or there is Mr. Cardwell's Act, which I know provides for it being settled in the Court of Common Pleas, and by a very summary process, and that is really the remedy, if companies exceed their powers, but so long as they do not, I do not see why it should be left to the Board of Trade to say whether the company should exercise those powers which are conferred upon them by the Act of Parliament.

11,539. But if the Act specified a maximum rate for carriage, why should it not fix a maximum rate of terminal charge, for the word "reasonable" being applied to terminal charges, who is the proper party to decide whether the charge is reasonable or not?—Hitherto it has been a reasonable terminal, and I do not know that the companies would object to the maximum terminal being fixed the same as the maximum rate, provided that the maximum was a fair one. If they exceed a reasonable charge they can be taken into court, and it is not an uncommon thing that a company should have their rates appealed against in that way.

11,540. Do you think it would be fair or reasonable that a trader with a capital of a few hundred pounds, objecting that your charges are unreasonable, should have to take the case into court at very great cost to himself, or else not have a remedy?—I do not think it is a very expensive process to begin with; but an association like the Liverpool association, who can go to the expense of opposing companies in Parliament, could surely equally go to the cost of trying the case in court, because that would not be an expensive thing.

11,541. I am not speaking of a company or an association, but I am speaking of a private individual trader, with a capital of a few hundred pounds, or even a few thousand pounds; do you think it right and fair that he should be put to the cost of contesting the point with a railway company worth its millions of money, in a court in which they have the power of appeal when that decision was given against them?—I think that the means of redress are ample. I do not think it is a hardship, because it can be tried very cheaply, and can be taken to the County Court, where the cost is very little; and I have known a company taken into the County Court for an overcharge of 3*d.*, and the question was tried in the County Court.

11,542. (*Capt. Galton.*) What was that case?—It was a case at Oldham.

11,543. Was it for the conveyance of goods or passengers?—It was for the conveyance of some goods, and they took the company into the court for 3*d.*

11,544. (*Mr. Horsfall.*) Are you aware that you can only go into the court for sums under a certain amount, 50*l.* or 100*l.*?—It is limited to 50*l.*, and it is very seldom that an overcharge amounts to 50*l.*

11,545. (*Chairman.*) Has the reasonableness or the unreasonableness of terminal charges ever been questioned in a court of law?—Yes, it has been; I have known several instances of their being questioned and tried.

11,546. (*Capt. Galton.*) But you have no objection to a maximum terminal charge being fixed by Parliament, in the same way that a maximum rate is?—No; I do not think that railway companies would object to the maximum terminal being fixed in the same way as

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the maximum toll, provided, as I said before, that the maximum was a fair one.

11,547. (*Mr. Glyn.*) In fact has it not been a matter of negotiation that such a maximum should be fixed, was not the matter before the chairmen of committees some years ago, when there was an intention of introducing a clause to that effect?—That was in 1861. The question was raised, and the chairman of committees and Lord Redesdale, and I think some chairmen of the House of Lords, also met and heard evidence upon it. The railway companies made their statement, and eventually it had arrived almost at a settlement, the chairmen of committees were willing to give a certain maximum as a terminal, and the railway companies had, I believe, consented with the exception of one or two. It was almost agreed to, and then there arose a question about the terminals on coals. There was a terminal fixed for minerals, and the coal owners objected to being subject to that terminal on the coal traffic, and some of the companies objected to anything less upon the coal, and it went off upon that, all the other points were agreed to.

11,548. Leaving the amount of the maximum to be fixed, but it was not finally settled?—No, it was not finally settled. There was a maximum named by the chairman of committees.

11,549. It approached very near to a settlement, did it not?—Yes. I believe if the coal question had not arisen it would have come to an arrangement; there was not much difference between the railway companies and the chairmen of committees.

11,550. (*Chairman.*) Was it proposed that there should be a uniform terminal all over the country for the same description of goods?—It was to be a uniform terminal for the country, and another for London for general traffic, and another for mineral traffic.

11,551. (*Mr. Horsfall.*) Why would you have a separate terminal for London?—Because it is dearer to do the work in London. I am not sure whether London was made an exception to the general terminals or not; I think perhaps it was not. The question was raised, and I almost think it was conceded eventually by the railway companies to make it one general station terminal, the cartage and wharfage being still left to be a reasonable charge; that was where the companies' warehouses and wharves were used beyond a certain period, and where the company carted and performed other services outside the station.

11,552. (*Capt. Galton.*) That you would always leave to be a separate charge?—It must be so, because it varies with the locality; and I do not think that the companies would object to settle now upon some similar basis to that; they do not wish to have any vexed questions with their customers.

11,553. (*Mr. Horsfall.*) You think that they would prefer that to its remaining as at present "a reasonable "charge" with the power of appeal to the Board of Trade to appoint an arbitrator in case of difference?—I think it would be preferable to have something settled rather than to have an appeal on all occasions to any authority of that kind.

11,554. Then I apprehend you would have no objection to the rates of carriage being published, and the rate of terminal charge being published?—They would be so then, there would be a maximum rate and a maximum terminal.

11,555. But it would not necessarily be published, would it?—It would become part of the companies' Acts then, the same as the toll clauses are now. There would be a maximum for the terminal service, therefore it would be well known what the maximum gross charge could be.

11,556. Referring again to this circular put forward on behalf of the chairmen of the different railway companies, their committee allege here that the matter at issue as regards terminal charges involves a revenue of certainly more than 2,000,000*l.* a year. Does this sum represent the terminal charges on all traffic or upon goods and minerals only?—I do not know, but I should think that it cannot represent the terminal charge on all the railways; that must be far beyond 2,000,000*l.*; I should think that on the London and North-western line alone it must be 1,000,000*l.* a year or near upon it. I am speaking of course without figures, but it must be a very large amount.

11,557. They further allege that the expenses of a certain company, with relation to stations and all matters that are covered by terminal charges, exceeded 159,000*l.* for the half year ending the 31st of December 1860; was the London and North-western the company referred to?—I do not know; it could not be the London and North-western, I think, because the London and North-western charge would have been more than that.

11,558. (*Mr. Glyn.*) Mr. Thompson, the member for Whitby, was the chairman of that committee, was he not?—Yes, he was.

11,559. (*Mr. Horsfall.*) The extent of your line is now 1,209 miles, is it not?—It is 1,270 miles.

11,560. (*Lord Stanley.*) That includes, I suppose, all the dependent lines—the whole system?—It is the London and North-western line and the lines leased by that company.

11,561. But there are one or two cases in which I think you have a joint ownership in certain lines with other companies, do you include those lines?—We are joint owners, with the Great Western Company, of the Birkenhead, the Shrewsbury and Hereford, and some other lines in connexion with them, and where that is the case we only reckon half the mileage, so that it makes the mileage correct. I may state that the London and North-western Company have spent on station accommodation alone since 1849 nearly 2,500,000*l.*

11,562. (*Mr. Horsfall.*) The expenditure upon your lines in 1863 is set forth as follows, in a return to Parliament:—Maintenance and renewal of way 421,863*l.*; locomotive power, 672,294*l.*; repairs and renewal of carriages and waggons, 180,656*l.*; rates and taxes, 88,534*l.*; Government duty, 71,224*l.*; compensation for personal injury, 20,000*l.*; compensation for damage and loss of goods, 24,118*l.*; legal and Parliamentary expenses, 52,905*l.*; traffic charges, coaching, and merchandise, 750,752*l.*; miscellaneous expenditure, 131,064*l.*; under which of those heads do you include terminal charges?—They are included under a good many of those heads; there are the goods expenses, the permanent way, and a variety of other departments forming part of the terminal expenses.

11,563. Can you state the per-centage of terminal charges of each amount applicable to goods and to passengers?—No, I cannot. I may state that the London and North-western Company has 445 miles of sidings upon its system. At Camden alone we have 14½ miles of sidings. The cost of stations and sidings and the work done in them is a very serious item to railway companies. We have above 20 miles of sidings at Liverpool. The whole are not yet completed, but we are just completing some at Edgehill now, and when those are completed we shall have about 21 miles of sidings at Liverpool alone.

11,564. (*Chairman.*) Do you conceive that the remuneration for that outlay only comes back to you by the terminal charges?—Certainly; the outlay and expenses I have named are altogether in the goods department, and are independent of the sidings that are necessary for the passenger traffic.

11,565. (*Mr. Horsfall.*) The average length of carriage upon the London and North-western Railway Company's line is returned by you, I believe, as 32 miles?—I do not remember. I think we give it in some of our returns.

11,566. On all other railways in England and Wales the average is 33 miles, is it not?—I do not know. I have not gone into those figures. I dare say I can tell you what our average goods mileage is.

11,567. What is it as regards minerals?—I have not got that here.

11,568. (*Lord Stanley.*) What is the amount of the capital of the London and North-western Railway Company?—44,000,000*l.* is the capital, 8,000,000*l.* of which is for station accommodation. We keep a separate account of the cost of the maintenance of all our

principal stations, and we find that amounts to 29,000*l.* a year. That does not include some of the smaller stations.

11,569. (*Chairman.*) That I presume is included under the head of permanent way ?—It is.

11,570. (*Mr. Horsfall.*) Supposing all goods to be delivered at and taken from your stations by the owners at their own cost, would not an average charge of 6*d.* per ton at each end cover the actual terminal charges on goods, and 1*d.* on minerals ?—No, certainly not.

11,571. Would 8*d.* per ton ?—No. I think the expenses would be increased rather than decreased by it, and for this reason : Take London. Our present practice is to take first the trains which bring the most important traffic. For instance, a train from Manchester and a train from Nottingham and those places whence traffic is sent for the wholesale warehouses and shops, which requires very prompt delivery ; those goods are put into the warehouse in the morning, and are loaded into the vans, and the vans are sent out into the city for delivery ; the empty waggons are then put on one side, and we take in another set of trains next in importance and they are dealt with in the same way. By that means all the waggons at our stations during the morning get cleared and are ready for loading again at night. If the public carted their own traffic away we should have a number of carts coming in the morning, each wanting goods from a different truck. We should have to get in a truck for one man and take a truss or two out of it and put the truck back again, and get another in for somebody else, and get a crate or something out of that and a few parcels from another. We should never get our waggons unloaded during the day ; the stations would be blocked with half-loaded waggons being taken in and out of the warehouse and kept there all through the day. It is not possible that we could take goods of that kind out of all the waggons into the warehouse, because if we did that then as great a difficulty would arise. If a cart came for a particular article perhaps it might be at the very bottom of a pile of goods, and before you come to that one you must turn the whole over for it. A company could not conduct its business on that system. The same remark would apply to other stations in a less degree, but at our large stations it would not be possible to get through the business upon such a principle.

11,572. (*Mr. Glyn.*) In point of fact, the large houses in London require the delivery of their goods in the least possible time ?—They do. We have vans waiting and a staff of men very early in the morning. We have empty vans ready, and a selection is made, as I said before, of the Manchester goods and the Nottingham goods which require the most prompt delivery. They are loaded into vans and despatched at once, and the vans that contain the goods that are taken out of those trucks which are not wanted for such prompt delivery, such as for private residences for instance, are kept on one side, and those that require the earliest delivery are despatched first. That is a matter of the greatest importance, because if we do not get to the warehouse before 9 o'clock or some hour fixed by the merchant, he will not take in the goods at all; indeed he cannot, because he wants the goods to be unpacked and put out for sale for the day ; and if he cannot have them in before that time he cannot take them at all, and we should have to take them back again to the station. But if the goods were taken away by the public they would cart those which would pay them best, and the remainder they would leave to the company to cart. There would just be a selection made of that traffic which would pay the best, which would be fetched away by the public, and that which would not pay would be left to the company. Then we could not collect our goods in the same way ; if we were merely to collect and not to deliver, the cost of collection in London, if we had to do it without the balance of loading outwards, would be so great that the expense to the public would be far greater than it is now.

11,573. (*Mr. Horsfall.*) When you were on a former occasion before the Commission a memorandum was put into your hand alleging that 12 witnesses and agents who had come from Liverpool to oppose an "omnibus" bill of your company's had paid 42*l.* for conveyance 4,800 miles, and that had they lived in Belfast you would have conveyed them 8,400 miles, and charged 30*l.* ; can you explain that ?—That is just another case of competition. That includes a sea journey to begin with ; it includes the mileage between Belfast and Fleetwood by steamer ; it was not from Liverpool. The one is the railway charge throughout, and the other is the charge made between Belfast and London, including the passage across in the steamer from Belfast to Fleetwood, and the rates from Belfast are low in consequence of competition ; but the Liverpool rates are not higher than other rates in the same neighbourhood. Take Manchester and such places, Liverpool is in no worse position than the other Lancashire towns.

11,574. Do you not think that the effect of a system of amalgamating various schemes into what are called Omnibus Bills is to make it much more troublesome and costly for traders and landowners to state any grievances which they may have to Parliamentary committees ?—No, I do not see that it does ; I should think that it would rather tend to save them trouble, because if they get the one Bill they get all the small matters of the company at once ; whereas if they were put in separate Bills they might very easily be overlooked. A particular thing might be included in one Bill which the party interested might not get, but by an Omnibus Bill they have before them at once all the small matters that the company are going for. Large matters, of course, are usually taken in separate Bills ; but if they had to pay the expense upon separate Bills for small matters the Parliamentary cost would be something enormous.

11,575. (*Mr. Glyn.*) Would it not often happen that different matters which are included in the Omnibus Bill would be sent to separate groups, and in that case it would be much more expensive to the parties to oppose ?—Yes.

11,576. (*Mr. Horsfall.*) Can you suggest to the Commission a classification of goods such as is in use in the railway clearing houses, and a graduated scale of distance applicable to all goods, minerals, and cattle traffic which would be fair and reasonable over the whole kingdom, and upon which the opinion of the trading interests could be taken ?—I think it would be a very difficult thing, that is as I understand it, to make an inflexible rate to apply all over the kingdom.

11,577. (*Capt. Galton.*) Is it not rather to make an inflexible classification ?—No, it is a rate, as I understand it to be put by the honourable member.

11,578. (*Mr. Horsfall.*) My question had reference to the classification of goods ?—I do not think that there would be a great difficulty in fixing a general classification. The railway classification is intended to be as general as it can be, of course it is capable of improvement, but I do not think that it would be for the benefit of the traders that companies should not be allowed to alter from one class to another, because if so a company could not quote a reduced rate if the traffic is large. Take the cases that occur at Liverpool, where we have made special rates to take the traffic to Liverpool for shipment, if we were not allowed to move some goods of a higher class to a lower class, we could not meet those special cases.

11,579. (*Capt. Galton.*) If you made a special rate why could it matter which class you put the goods into ?—Then you must make a special rate and take the article out of the class. For instance, if you placed iron in a particular class, and you wished to reduce the rate from South Wales to Liverpool on that iron for the purpose of shipment, you must either take it out of the class and make a special article of it altogether for that particular purpose, or else put it into a lower class where there was a lower rate charged. You could not for the sake of reducing the rate on iron go and reduce the whole class, therefore you must make it special by taking it out of the class altogether or move it into a lower class.

11,580. (*Lord Stanley.*) Does not that entirely do away with your idea of the possibility of a general

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classification, because if any article which railway companies and traders think convenient may be taken out of the class to which it belongs clearly, your general classification exists only in name?—That is so as far as the actual practice goes. We are obliged to make those exceptions sometimes to meet the particular circumstances of trade. I would mention a case which occurred at Coventry and Nuneaton: When the Coventry ribbon trade failed in consequence of the alteration caused by the treaty with France, some parties came to us who were desirous of establishing a cotton factory at Coventry and another at Nuneaton, and they wanted a special rate made for cotton from Liverpool and also for yarn back to Manchester when it was spun. We made special rates for them, and they have built cotton factories at both those places, whereas if we had been compelled to keep those goods in a particular classification and to reduce the whole of the Lancashire cotton rates to the same mileage that we charged to Coventry, we could not have afforded to do it, because it would have involved a loss upon the whole of our Lancashire trade merely to make a low rate to Coventry. Therefore we were obliged to make the Coventry rate a less mileage than from Liverpool to Manchester and other places.

11,581. (*Mr. Glyn.*) You made a special rate for that traffic?—Yes; and the same with the yarn back again.

11,582. (*Capt. Galton.*) But without being prohibited with regard to making articles special when it suited your purpose, do you think it would be advantageous to the public that the classification of goods so far as the maximum rates are concerned in the Act of Parliament should be uniform over the whole country?—It would be applying the tolls in the Act of Parliament to the railway classification in some form or other.

11,583. Is it not the case that every Act of Parliament now has a classification?—They have a classification, but not to the extent of the railway classification.

11,584. Is it not the result of the classification in separate Acts that it is utterly impossible to compare what the maximum tolls upon the different railways are?—In the case of some articles it is so. A great many articles are not enumerated in the toll classes.

11,585. Is it not the case that what is put in one class in one Act is put in another class in another Act?—Yes; and very likely that is done to meet the trade of a particular district. For instance, a line traversing a great iron producing district may be required to have a low rate for that particular article, but, generally speaking, the classification is the same on all lines.

11,586. (*Mr. Glyn.*) Do not you think that from the experience which has been now acquired from a good many years working of railways a new table of classification might be prepared with advantage both to the public and to the companies?—I think it would be quite possible to revise the railway classification in a way that the tolls might be applied to it in lieu of the toll clause in the Act of Parliament, the railway classification being revised, and the tolls being so applied that the railway companies should have something like the maximum rates that they now have.

11,587. (*Capt. Galton.*) Practically you would, I presume, take the clearing house classification with a modification?—I would take the present clearing house classification modified and so arranged as to make it as generally applicable as possible.

11,588. (*Mr. Hamilton.*) Are the Commission to understand you to say that you would not like to have the classification made binding on the companies by Act of Parliament?—It might be made binding as a maximum the same as the toll clause is now. A maximum toll should be applied to railway classification in lieu of the table at present in the Acts of Parliament. The companies then would have the power of charging less but not more

11,589. (*Capt. Galton.*) In fact you would leave them as they are as to their power of reducing their maximum?—Yes.

11,590. You would fix the maximum according to a modified classification of the clearing house scale?—Yes, I do not think that railway companies would object to that being done. It appears to me to be a fair settlement of the question.

11,591. (*Chairman.*) Do I rightly understand you to say that you think there ought to be some classification applicable to the whole country, or that there are particular cases in which deviations from the classification in use would be justified by the circumstances of particular districts?—I think that a classification might be made applicable to the whole country.

11,592. Did not you state that there were cases in which you thought that a different classification would be justified by the circumstances of the country?—I was going to observe that I think you might make it applicable to the whole country as a maximum, leaving it to the railway companies to charge less than that maximum if they thought proper.

11,593. (*Capt. Galton.*) The South Staffordshire people, in the remarks which they made before the Commissioners, suggested that a rates office should be established in order to publish the rates that were made in each district, do you think that that would be possible or advantageous?—I do not think there would be any advantage in that.

11,594. The object as we gathered was that any trader then should be able to know what rate was being charged to any other trader?—I really do not see the advantage of that. It would be a very great difficulty with the companies, because rates are continually being altered, and must be so from time to time to meet the traders, and I do not see the advantage to them in publishing rates other than those concerning their own goods.

11,595. Upon the alteration of rates are they altered to all traders of a like trade?—Yes.

11,596. Or does any trader ever get a special rate for himself without its being communicated to other traders?—It is a very rare thing if it is so; as a rule we do not give special rates of that kind; at any rate if we make a particular special rate for a particular class of goods or for a particular article, it is applied to all traders at the same place. We have one or two special rates of that kind, but they are to meet competition; that is to say, they are to meet similar arrangements by other carriers. The water carriers, for instance, between Liverpool and Manchester have one or two special rates, and we have to do the same. If they carry traffic at a particular rate we must carry it at the same rate.

11,597. (*Lord Stanley.*) Do you make special rates for individuals?—We have made special rates for individuals; but I do not know of more than two or three on the whole of our system. The London and North-western Company have set their faces against it.

11,598. Are they given upon the ground that those individuals bring a larger traffic upon the railway than any other?—Yes; it is so. A case that strikes me at present is that of a drysalter in Manchester, who deals very largely in dye woods; that house has always had a special rate for dye woods, and it is about one of the only cases that I know of; there are one or two others in the same district, but they are very few.

11,599. (*Mr. Glyn.*) They first had a special rate with the canal, had they not, and then with the railway company?—Yes.

11,600. (*Mr. Horsfall.*) Have you not a special rate with regard to Bass and Co.?—No. We have an agreement with Messrs. Allsopp, the brewers, but that is applicable to all the rest of the trade at Burton.

11,601. It is a special rate, is it not?—It was an agreement with Messrs. Alsopps to carry their traffic at certain rates; but we have thrown it open to the whole of the trade at Burton; and we charge everybody at the same price. It is a special rate.

11,602. (*Capt. Galton.*) Do all the railway companies that you are aware of act in the same way as far

as your experience goes?—I think it is very general now not to make special rates except for an article, not for persons.

11,603. (*Mr. Glyn.*) What notice do you give of any change of rates to the traders in a district?—The general rule is a month's notice. Notices are given to the end of the last day of the month, if it is the 2nd or 3rd of the month, we give it to the end of the month; but as a rule we consider a month's notice the general thing.

11,604. How do you make the change known?—By circulars to our customers. We know them by their having accounts in our books, and we send out circulars to them, or else if it is a general alteration, for instance, when we alter the rates between Liverpool and Manchester, if it involves a good many alterations, we give notice in the papers, by putting an advertisement in to say that on a certain day the rates will be altered between Liverpool and Manchester, and that particulars may be obtained at the different offices of the company and the carriers; I believe that that is the almost universal practice amongst railway companies.

11,605. (*Capt. Galton.*) Do you always give a month's notice if you raise the rates?—Yes; not if we lower the rates.

11,606. (*Mr. Glyn.*) I presume that you would not charge the large customers, with whom you had made an agreement, any increased rate?—No, if we did they would not pay it. They know the custom as well as we do.

11,607. (*Mr. Horsfall.*) With regard to passenger traffic, would any great increase arise in passengers from a large reduction in the ordinary passenger fares?—That would entirely depend upon circumstances.

11,608. You have seen a proposal to charge 3*d.* for first-class, 2*d.* for second-class, and 1*d.* for third-class per ticket as a station charge, and thereafter 1*d.* first-class, $\frac{3}{4}d.$ second-class, and $\frac{1}{2}d.$ third-class per mile by all ordinary trains, with a proportionate increase for express speed, would such a reduction materially increase the amount of passenger traffic?—No, I do not think it would materially increase it. I can quite conceive that if any one company made a reduction like that to large towns, say between Manchester and London, or elsewhere, it would increase the traffic there between those towns for a considerable time, and that it would draw traffic away from adjoining places where the same reduction had not been made. But if it was made over the whole country, and therefore traffic was not drawn out of its ordinary course by a reduction of that kind (which it always has been when those low rates have been made), I do not think it would very largely increase the traffic.

11,609. (*Mr. Glyn.*) You had an example of the operation of that sort of reduction, had you not, in the competition between the Great Northern and the London and North-western some years ago from Manchester to London?—Yes.

11,610. If I remember rightly it drew a very large amount of traffic from off the other lines to the point at Manchester?—That was a case in point. A passenger from Huddersfield came to Manchester to go to London, and he even came from Leeds, and from a greater distance than that, and so from all the East Lancashire district, the traffic within a certain circuit was all drawn to Manchester, and was considered as Manchester traffic, but it was not so, for a great deal of it was traffic belonging to other towns, and if there had been a similar reduction made to other places, the increase would not have been anything like what it was between Manchester and London.

11,611. (*Mr. Gower.*) Has every change in the rates to be authorized by the board of directors?—No, not on all occasions. Of course we submit to the directors the alterations that are made for their sanction.

11,612. But it is in your discretion to alter the rates?—Yes, we reporting to the directors what has been done.

11,613. (*Mr. Glyn.*) You would not carry out any great change, would you, without reporting it to the committee of directors?—No. Any alteration that we make goes monthly before the directors, and if it is anything serious, their special attention is called to it, and the matter is explained. Of course it is all subject to the sanction of the directors, and if they choose to reject it they can do so.

11,614. (*Chairman.*) Have you ever made any experiments on a considerable scale as to the effect of the reduction of passenger fares?—Another company that I was formerly with did try the experiment, but they discontinued it because they found that it did not answer, and it was in a very populous district too; it was in a district very favourable for the trial.

11,615. (*Capt. Galton.*) Between what towns was it?—It was in the Lancashire and Yorkshire district.

11,616. What sort of a reduction did they make, do you remember?—They made a very considerable reduction.

11,617. In third-class fares?—They ran, if I remember rightly, third class by almost every train at the Parliamentary fare.

11,618. Do you think that by affording more facilities than you do for third-class traffic in the way either of a larger number of trains or return tickets, or other methods, you would get a large increase in that traffic?—No, I do not think we should. I think that railway companies now increase the traffic whenever they can, and that they give facilities whenever they find that it will increase the traffic, their object being to increase their receipts as much as possible.

11,619. Do you think it would be advantageous to the companies to reduce the fares and not have excursion trains, which has been suggested very often?—I myself am not favourable to low excursion fares.

11,620. You would have no excursion trains?—Yes, I would have excursion trains at very moderate fares at proper times, at holiday times and those times; but I do not think that much good is done by making excursion trains so numerous and frequent. I think it is an inducement for a great many people to take advantage of them and take long journeys, which they can very badly afford to do; the labouring classes spend a great deal of money in that way sometimes which would be better spent at home.

11,621. (*Mr. Glyn.*) Does not it also interfere with your general receipts by the ordinary trains?—Yes.

11,622. (*Capt. Galton.*) Is it not the case that many people who are coming up to London wait for excursion trains and come by them rather than by the ordinary trains?—Yes, that is the case by the present system. We run excursion trains between Manchester and London perhaps three or four times a month, or sometimes once a week, for a certain period of the year, and a great many of the regular passengers so arrange as to come up by those trains.

11,623. Do not you run excursions almost every Monday from Birmingham to London?—No, not every Monday; but in some cases we do run weekly trains.

11,624. (*Mr. Glyn.*) That is during the summer, I presume?—During the autumn.

11,625. (*Mr. Horsfall.*) How do you regulate your charges by those excursion trains?—We have a scale of charges.

11,626. Is it so much per head?—So much per mile for each passenger.

11,627. (*Chairman.*) Are your fares uniform over your whole system, or are they lower in a populous district compared with what they are in a thinly peopled district?—They are pretty uniform. In some particular cases we charge a little lower fares, but generally speaking they are of a very uniform character over the London and North-western system.

11,628. (*Capt. Galton.*) Do you consider the excursion traffic a very profitable traffic?—No, I do not.

11,629. After paying for the train and everything you do not clear much?—I think that if companies took the whole circumstances into consideration they would find that they are not profitable. There is a great deal of empty running to begin with, then you have your carriages to collect together and take to the place where the trains go from, and then you have to

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take them back empty when you have taken the excursion passengers, and to bring them again to fetch the passengers back, so that all circumstances being taken into consideration I do not think that there is much profit gained out of excursion traffic.

11,630. The excursion traffic which pays is that which runs from the Lancashire and Yorkshire district to the sea coast for the day and back, is it not?—Yes, where you take them there and back in the same day it pays the best. But where you take them and give them four or five days or a week, and have to run your trains twice over, the receipts are eaten up by the working expenses.

11,631. (*Mr. Hamilton.*) Why do you do it if that is the case?—It has become the custom amongst railway companies, and one does it because another does it I believe; I do not think it is on account of the profit.

11,632. (*Mr. Horsfall.*) I think that you did not state what the mileage rate of your excursion traffic was?—It varies according to circumstances; it varies according to the nature of the traffic, whether it is one day or three days or seven days, and the number of passengers that are likely to go.

11,633. (*Chairman.*) Are your rates usually adopted upon a general system, or do you look at each individual case separately?—We do adopt something like a principle, but in carrying it out we look at the circumstances of the case.

11,634. Do you consider uniformity to be the general principle, and deviations from it to be exceptional, or is it the principle, to adopt different rates in almost every different case?—Uniformity is perhaps the principle, or an attempt at uniformity as far as we can; but after we have once got rates into operation we always find that we have to make a great many alterations, and to make special rates so as to meet the circumstances of the district after the system has worked for a while.

11,635. In fact uniformity exists to a very small extent in the charges for goods on your line?—Yes, where the traffic is large that is so, but where the traffic is small there is something more approaching to uniformity, because there is not the same objection to the rates.

11,636. (*Earl of Belmore.*) With regard to passenger fares, would you charge the same rate per mile for a short distance, say of 25 or 30 miles, as you would for a distance of 100 miles?—Generally speaking passenger fares are upon the mileage principle, but the ordinary parliamentary tolls for passengers for long distances are varied in the same way that the goods rates are.

11,637. (*Chairman.*) Are you of opinion that equal mileage rates would be very injurious to the public?—I am decidedly of that opinion. If you were to attempt to enforce uniform mileage rates the public would suffer very much. Take the article of coals to London for instance, at present London is supplied with coals from the Midland district, and it is supplied from our Wigan district, and it comes from the North-eastern district to a very considerable extent, and from Derbyshire, and from the other coal producing districts. If you were to adopt uniform rates the north country coal by railway would be entirely shut out, it could not come in at all, and the supply of London would depend upon the nearer collieries, that is to say, the Midland and perhaps Wigan coal might come in, but it is very doubtful whether it could if it were a precise mileage charge. As soon as the railway companies had advanced their rates from the north of course the steamers would do the same, and you would have higher sea freights, and the price of coal in London would be very considerably advanced.

11,638. (*Capt. Galton.*) Before we had the railways into London carrying coals in very large quantities, the rates were very much higher than they are now, were they not?—Yes, the cost was very much higher. There is the Great Western Railway, who are now bringing coals from South Wales to London at a very low price, and their traffic is very much increasing and likely to become a very important traffic, but if they were to be obliged to reduce all their coal rates to the price they are carrying that traffic to London they could not afford to do it. Therefore London would be deprived of the competition of the Great Western for the coal traffic to London.

11,639. Will you explain why they can afford to carry the coal to London at that cheap rate?—If it leaves them any profit at all they will carry it.

11,640. Is it necessary that they should have the coals in large train loads and over long distances of line?—Yes, that traffic always comes in full train loads, as much as an engine can draw in fact.

11,641. Have you any competition now with any company for coal traffic except that sort of competition which you are describing, namely, the competition between districts; is there any company which carries from the same colliery as you carry from in competition with you, or do you have an agreement with them as to rates?—I do not know that we carry from the same collieries as other companies carry from at any place scarcely. From the Midland district we carry in connexion with the Midland Company, that is to say, they make through rates with us by way of Rugby to London, and we carry on our own traffic from Wigan. We shall to some extent have competition with the Great Western Company from the South Staffordshire district to London, but much coal does not come from there, except the Cannock Chase coal.

11,642. Have you an agreement with them as to the charges to be made?—Yes.

11,643. So that practically there is no competition?—The rates are the same by both lines, and that must be the case where there is an agreement, because they must both carry at the same rate or there would be no traffic by one line.

11,644. In the competition as between districts, your coal district north competes with the south coal district of the Great Western?—Yes, our Wigan coal competes with the Midland district and against the North-eastern from their Durham district.

11,645. (*Mr. Gower.*) Have you a large proportion of trucks that come back from London empty which have conveyed coals to London?—The London and North-western Company do not find trucks, the coal owners find their own, but all those waggons go back empty, and where you have a large coal trade you must send them back empty; they could not carry the traffic if you detained the coal waggons.

11,646. Supposing they were your own trucks, would not that enable you to carry goods back?—Not except you were taking goods to the same place, which you very seldom do. For instance, take London; the traffic in and out of London is pretty well balanced, and even if the trucks were our own we could not load many of them, and if we did we must load them to other places than where the collieries are, and then the time occupied in going there and getting back again to the colliery would be so great that practically you could not carry it out.

11,647. (*Capt. Galton.*) Is all the coal carried in the owners' waggons on your line?—On the London and North-western line it is.

11,648. Supposing that you detain the waggons on your line for some time, do you allow any demurrage to the owners?—No, we do not.

11,649. (*Earl of Belmore.*) Do you return the waggons free of charge to the owners?—We do; and the system of demurrage could not be carried out. The coals are sent by the colliery owner to his own agent, and the company have not the control of the waggons. That agent keeps them in his coal yard as long as he likes, and he is the party, if anybody, who should pay demurrage, and not the company. We could not compel him to unload the waggons. When they are unloaded they are put on our siding, and we are only too glad to get them out of the way.

11,650. (*Chairman.*) Is it the case that you always return them as rapidly as possible, as soon as the agent hands them over to you?—Yes, we do.

11,651. (*Mr. Horsfall.*) What rate per ton do you

charge upon coal ?—Our usual scale is a penny per ton per mile for distances under 50 miles.

11,652. And how much beyond that ?—From ¾*d.* to ½*d.*, according to distance; in some cases we charge less than ½*d.*

11,653. Does coal come upon your line from the Midland district now; from Clay Cross ?—Yes, it does.

11,654. The Midland Company have not taken advantage of the Hitchin line to send it down by that line ?—No, they send it by us. I think they have to pay rather a high rate for coals from Hitchin to London, if they send it that way. Any arrangement with the Great Northern Company rather applied to goods than to coals, I think.

11,655. (*Chairman.*) Have you stated all the objections which occur to you against the principle of an inflexible mileage rate ?—I think I have.

11,656. In the case of carriage on canals, would not a difficulty arise with respect to them ?—Of course it would have to be made applicable to canals as well as to railways, if it is to be a uniform charge at all, because if not, the canals would be at liberty to reduce or to raise their rates as they thought proper. Therefore, wherever we are working in competition with a canal we could obtain no traffic; we should be trammelled by being prevented from adjusting our rates to the traffic, while the canal company would be at liberty to do just what they chose; and the same with regard to the rates by sea. Take the case of the coal that I mentioned before to London; a very large quantity of that is carried by steamers between the North of England and London, and if a rate was applied to railways, it should also apply to steamers; you could not make a uniform rate unless it was applicable to other conveyances as well. I think that a good many of the other complaints that I have referred to in my preliminary statement have been answered during the discussion.

11,657. The complaints from Birmingham, South Staffordshire, and Wolverhampton are generally of the same character as those from Liverpool, are they not ? — They are generally of the same character as the Liverpool case. In South Staffordshire we have a good deal of expense also; we have the ordinary station cost there, and a great deal of the traffic we collect by boat. Many of the works are upon the canals, and we have to boat the traffic from the works to the station, at an average cost of about 1*s.* 6*d.* to 1*s.* 8*d.* a ton. That is all out of the rate, and therefore if you take the rate to London and deduct the London terminal and the terminal in South Staffordshire, the rates are not unequal. Some of the witnesses complained of the rates to Glasgow, Newcastle-on-Tyne, Hartlepool, and Middlesbro'. I think that it was Mr. Walter Williams who complained of our making low rates from those distant places; but those low rates were really made in favour of South Staffordshire, for the carriage of pig iron to South Staffordshire, which is brought there to be made into bars at their own works, and the bar iron rate is a low rate made for them, to enable them to send their iron for shipment to those eastern ports. At Newcastle-on-Tyne we make a rate of 15*s.* per ton, as stated by Mr. Williams, for iron for shipment, but we charge a higher rate for the town delivery; but that rate of 15*s.* per ton was really made in order that the South Staffordshire manufacturer might send his iron to ship there, as well as to London or to Liverpool. There is no bar iron comes back again from there, and there is no pig iron goes there.

TABLES 6, 7, and 8, showing COMPARATIVE STATEMENT of RATES referred to in MR. WALTER WILLIAMS' Evidence.

TABLE 6.—ANALYSIS of Table 2, page 2, BAR IRON RATES.

WOLVERHAMPTON and	Distance.		Present Rates for Bar Iron.		Per Ton per Mile.		Remarks.
	Association Distance.	L. & N. W. Distance.	Association Rates.	L. & N. W. Rates.	Association say.	L. & N. W. say.	
			s. d.	*s. d.*		*d.*	
Glasgow - -	288	286	20 0	—	·80	·67	Less station to station terminals and cost of collection in South Staffordshire (see note to Table 7).
Hartlepool - -	200	190	17 6	4 Tons. 2 Tons. 15 17/6 C. and D.	1·05	4 Tons. 2 Tons. ·69 ·85	
London - -	126	125	17 6	15 0*	1·68	·88	
Cardiff - -	126	115	9 2	—	·88	·54	
Bristol - -	107	104	10 0	—	1·12	·69	
Liverpool - -	84	—	10 0	—	1·43	·85	

NOTE.—Where there are no rates inserted in the L. & N. W. column the rates agree with those quoted by the Association.
* This rate was reduced on January 1st, 1866.

These calculations are made after deducting 1*s.* 6*d.* per ton at each end upon station to station traffic, and 3*s.* 4*d.* in London, and 1*s.* extra for cost of collection in South Staffordshire. The London rate was reduced on January 1st, 1866.

TABLE 7.—RATES for BAR IRON, &c., from the Stourbridge District.

——	STOURBRIDGE to	L. & N. W. Distance.	Association say were quoted by G. W. and L. & N. W. Companies.			Present Rates by L. & N. W. Railway.			Per Ton per Mile, Und. Iron.
			Dam.	Und.	Pig.	Dam.	Und.	Pig.	
Question Page 10,128. 2.				*s. d.*		*s. d.*	*s. d.*		*d.*
	Glasgow - -	298	—	20 0	—	25 0	—	—	·64
							17 6 (2 tons.)	—	·71
	Newcastle- -	227	—	17 6	—	—	15 0 (4 tons.)	—	·57
				By L. and N.W.			4 tons. 15 0	—	·65
	West Hartlepool	201	—	15 0	—	23 4	17 6 (2 tons.)	—	·80
				Gt. Western			4 tons. 15 0	—	·65
	Hartlepool -	202	—	17 6	—	—	2 tons. 17 6	—	·80

Terminals, *see* below.

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TABLE 8.—COMPARATIVE STATEMENT of RATES for PIG IRON—Minute 10,450.

Question	Page	Wolverhampton and	Distance. Witnesses' Distance.	Distance. L. & N. W. Distance.	Witnesses' Rates. Pigs.	Witnesses' Rates. Bars.	L. & N. W. Rates. Pigs.	L. & N. W. Rates. Bars.	Per Ton per Mile less Terminals. Witnesses. L. & N. W. Pig.	Per Ton per Mile less Terminals. Witnesses. L. & N. W. Bars.
					s. d.	*s. d.*	*s. d.*	*s. d.*	*d.*	*d.*
10,450.	29.	Glasgow	288	286	20 0	20 0	—	—	·73	·67
		Newcastle-on-Tyne	220	215	12 6	15 0	—	—	·55	4 ton lots. ·61
		Middlesboro'	180	181	11 8	15 0	—	—	·60	·72
		Swansea	170	147	9 2	10 0	—	—	·54	·49
		Cardiff	126	115	8 4	9 2	—	—	·60	·54
		Leeds	125	117	9 2	12 6	—	—	·68	·87
		Sheffield	107	88	8 3	13 9	7 8	10 0	·63	·84
		Gloucester	70	66	5 6	5 6	—	—	·54	·27
		Derby	50	45	4 6	7 6	Nil.	—	·80	·93
		Stoke-on-Trent	32	32	5 6	6 8	S. to S. *5 0	S. to S. —	1·31	1·37
		Wellington	18	19	S. to S. 3 0	S. to S. 5 0	—	—	·94	1·27
		Birmingham	13	13	S. to S. 2 10	S. to S. 4 2	—	—	1·23	1·07
		London	126	125	15 0	17 6	Collected. †1 0	Do. 11 8	·72	·73
		Liverpool	84	84	9 0	10 0	—	—	·92	·85
		Manchester	71	71	9 0	10 0	—	—	1·09	1·01
		Wigan and Wolverhampton only	77	76	6 0	—	—	10 6	·55	—

The rates for pig iron and iron ore from Middlesbro', Whitehaven, and Northamptonshire are quoted so low as to be barely remunerative to bring the raw material from those districts to enable the ironmasters of South Staffordshire to produce bar iron in competition with other markets, and low rates are given to all the principal ports for the exportation of the manufactured bars. A large proportion of the iron made in South Staffordshire is manufactured by ironmasters who do not possess their own blast furnaces, but who buy the pig iron and other raw material, for which low rates are quoted.

These calculations are made after deducting station to station terminals of 1*s.* 6*d.* at each end upon bar iron, and 9*d.* per ton on pig iron, and upon collected traffic in South Staffordshire 1*s.* per ton extra.

NOTE.—Where there are no rates inserted in the L. & N. W. column the rates agree with those quoted by the Association.

* This rate was reduced in September 1865.

† These rates were reduced on January 1st, 1866.

11,658. (*Capt. Galton.*) Was not one complaint of the South Staffordshire people that the rate for iron from South Staffordshire to London was higher than the rate from Middlesbro' to London?—Yes, and the same explanation applies as before, that from Middlesbro' to London there is a competition with the sea all the way, and therefore if the companies carrying by the east coast are to carry traffic at all they must carry it at the same rate at which it is carried by vessels, and that causes the low rate from Middlesbro'; but the rate from South Staffordshire to London is not a high rate, and I may state that at the time when Mr. Walter Williams gave his evidence the South Staffordshire rates to London were under consideration by the railway companies. I think he states so in his evidence. He gave his evidence on the 13th of December, and on the 1st of January following the rates were reduced. In fact at the time when he gave his evidence I dare say the thing was arranged, although he might not have known of it.

11,659. The rates were reduced on the principle of enabling the South Staffordshire ironmasters to compete with the Middlesbro' ironmasters in the London market?—Yes, and those rates were reduced, I believe, to the satisfaction of the South Staffordshire manufacturers. We made them a station-to-station rate in addition to the delivery rate, and that station-to-station rate is 11*s.* 8*d.* per ton.

11,660. Do you give a lower rate for iron to be shipped in London than for iron to be delivered in London?—No, we make it one rate to London.

11,661. But for some articles, salt for instance, you do give a lower rate, do you not?—Yes, we do in some cases give a lower rate, when the article is intended for shipment than when it is not. South Staffordshire iron comes in about equal proportions for shipment and for town delivery; but of course for the town delivery the cartage would be added in addition to the 11*s.* 8*d.*, but if they chose to charge it on station-to-station rates on undamageable iron, they get it at 11*s.* 8*d.* a ton, and damageable iron at 14*s.* 2*d.*, and 10*s.* for pig iron. Then to Poplar, which is in fact the point of shipment, we charge 15*s.* for pigs, 16*s.* 8*d.* for undamageable, and 19*s.* 2*d.* for damageable iron.

11,662. (*Capt. Galton.*) In forwarding goods, do you undertake to deliver them within a specified time?—No, we undertake to deliver them in a reasonable time, but not in a specified time.

11,663. Would there be any objection to your being bound to declare the time in which you will deliver them?—It is generally understood between railway companies and the merchants what a reasonable time is. For instance, from Manchester to London we deliver the following morning.

11,664. We have had some complaints before us of the long time which goods take to be delivered; for instance, that it took three or four days from Birmingham to London; what have you to say about that?—Then there must have been something extraordinary, and that it is a thing which you could not provide against even if you fixed a definite time to deliver in. There must have been either some accident or some mistake or something of the kind, because they would not be three days in transit between Birmingham and London under ordinary circumstances.

11,665. (*Mr. Glyn.*) In fact the competition between Birmingham and London would keep you right upon that point?—Yes, and all over the kingdom where there is any amount of traffic. We have no complaints from the public against the present system. Generally speaking, the public are very well satisfied with the competition which is now existing.

11,666. (*Earl of Belmore.*) When you receive goods at Liverpool from any of the steam-boat companies from Ireland do you forward the packages, not for traders but for private individuals, at once, or do you keep them until it is convenient to yourselves to send

them on?—They are forwarded at once; there is no delay with them.

11,667. Is that the case with all railway companies do you suppose?—Yes; it is possible that a small article might come for a place which there were no other goods for on that day, and the company might have a waggon going there the next day, and the article might be left over until the next day, and it would go quicker by that means than by being sent part of the way that day and transferred and sent on afterwards, but as a rule we clear out every night. We do not always do so at Liverpool for this reason, that the goods are generally delivered to us late there, they are carted to the station by the town carters, and those carters are principally employed in the earlier part of the day in delivering goods for shipment, custom house goods, and after those hours they have generally a good deal of carting to the station. A great deal of our traffic is received after 4 o'clock in the afternoon and up to 6 or 7 o'clock, up to the time of closing the station in fact, and therefore some of those goods cannot be shipped and sent off the same night.

11,668. But they would be sent the next day, would they not?—Yes. Then we keep a staff of men working the greater part of the night in order to load them as far as we can.

11,669. Then it is not the fault of the London and North-western Railway Company if packages for the north of Ireland almost invariably take a week for delivery from Euston Square?—No; it cannot be that they are that time on the railway.

11,670. On the whole journey?—But as far as the railway companies are concerned, both we and the Great Northern and the Great Western Company also all carry from Liverpool to London, and we send trucks every night. Therefore whatever goods are delivered to us within business hours would be despatched the same night.

11,671. (*Chairman.*) Have you formed any opinion as to whether any changes in the general policy of the Legislature with regard to railways is desirable; for instance, with regard to the encouragement or discouragement of competition; is that a question which you have considered?—I have no objection to give my answer to that, which is that I think that Parliament has perhaps granted competing lines which they ought not to have done, and that if there had been fewer competing lines and the companies had been protected from that improper competition, then Parliament might have retained some control over the charges. But the opposite policy has been pursued, and competition has become so common now that I do not see what you can do but go on as you are. We have not a town on our line of any importance where we have not one or two rival companies, and three or four in some cases. The system of competition has been carried to such an extent that it is scarcely possible to alter it.

11,672. Then as matters now stand you think that the system of encouraging additional competition ought certainly to be proceeded with?—Yes, where the traffic would warrant new lines being made. There are certain cases in which we think it hard that competition lines should be allowed. For instance, it has become a not uncommon thing for a new company to start up and propose a line between two large towns, making their lines short of the places, and joining the lines of the other companies who have spent all their money in providing for that traffic, and then seeking running powers over that other line for the short distance, and using their stations, and by that means taking advantage of the capital spent by the original company to compete for the traffic without spending a like sum themselves. I think that is very hard upon companies.

11,673. (*Mr. Gower.*) But that goes beyond the principle of absolute competition, does it not?—As far as competition is concerned I think it has gone too far now to be altered. I do not think it is possible that you could alter it.

11,674. (*Mr. Hamilton.*) Several witnesses deny that such a thing as competition between railway companies trading between the same places is possible, are you of that opinion?—The competition of rates does not exist to any extent; but the competition of accommodation does, and the public no doubt have the benefit of that competition.

11,675. But competition virtually exists, does not it, by way of combination and agreement, by means of which the public get a lower rate than the old rate?—Yes; no doubt they do in many cases. If that competition did not exist the companies could have afforded to have carried at lower rates than they can now; but if they are to have competition they must at least be allowed to regulate their own rates, and make the best they can of the circumstances as they are. And to show that the rates are not unreasonable the London and North-western Company's dividends for the last 10 years have only averaged 4*l.* 19*s.* per cent., which is not an unfair return for the amount of capital expended.

11,676. Do you attribute that to competition?—No doubt of it. If the London and North-western Company had not been subjected to competition to which they are now exposed, their earnings would have been greater and their dividends higher.

11,677. You mean if they had charged higher rates or carried more traffic?—Or carried more traffic. The traffic between all the more important towns upon our line is now divided with somebody else. Between Manchester and London there are three companies now, and there will shortly be four; and there are three, and there will shortly be four companies between Liverpool and London.

11,678. Then you would not admit that the public have not had the benefit of practical competition between railway companies?—No; I say that they have had the benefit of competition in railways to a very great extent. There is of course the competition which I say is beneficial to the public now between different places, because although we may carry between point and point with another company at the same price, yet we may carry from another place common to ourselves only to the same market at a lower price than our ordinary rates. I mean that by flexible rates, and the companies being permitted so to arrange their rates as to develop the traffic, and endeavour to bring by their own line as much traffic as they can to any particular place, although there may not be competition between two given points, there may be competition between two different companies to the same places.

11,679. (*Mr. Horsfall.*) You alluded to the fact that the fares by the Lancashire and Yorkshire Railway were formerly not remunerative, did that arise from competition?—No; I think there really was very little or no competition with the Lancashire and Yorkshire Company at that time. The rates that they were obtaining at that time did not enable them to make a return to their shareholders in the way of dividend, and they applied to Parliament to have those rates advanced.

11,680. (*Mr. Glyn.*) In fact the capital laid out on the line was infinitely larger than was expected?—It was very large indeed; it was enormous. They applied to Parliament to have their tolls advanced, and Parliament granted them an advance of 20 per cent. upon everything but coal traffic. They have a higher scale of tolls than other companies, and it would be a hardship upon them to make the rates equal on their lines. They are entitled to a higher scale of tolls than other companies, and they would by that operation be reduced to the same rate as anybody else charged; that is to say, if any other company reduced to a low rate they must do the same, and there are many lines whose traffic could not be increased by reducing the rates where the traffic is small, and where any low rate which they could charge would not bring so large an amount of traffic as to recoup them for the reduction which they must make by that system.

11,681. (*Earl of Belmore.*) If you were obliged by Parliament to reduce all your rates in the way you have mentioned, would it not very much interfere with any arrangements that you have made with the lines which

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you are working at fixed rentals?—It would do so, because those arrangements have been made upon the basis of the present powers; and not only that, but it would prevent ompanies making reductions to encourage traffic. As in the instance that I have given at Coventry, if you were asked to make a reduced rate to encourage traffic, if you were obliged to reduce all the other rates upon your line for the same article, you could not do it, and I say that that would be very much against the interest of the public, who at present have the benefit of all that competition on the part of the companies in order to meet their representations. The South Staffordshire rates are all of the same character. In reality the rates that they complain of as being low in comparison to some other rates, are rates that were made to benefit their own trade. Mr. Matthews complains of the same thing in his evidence; but the same remarks apply to him. At Wolverhampton a gentleman came to represent the Chamber of Commerce, I think, or an association who objected to some of the rates. He spoke first of the rate from Wolverhampton to London for hardware as against the low rate from London to Hull for hardware; but that has happened in consequence of the sea competition between Hull and London. In the first place he made an error in the distance; he said that the distance was about twice as great as from Wolverhampton to London, whereas in reality it is the difference between 124 miles and 183 miles; and deducting the ordinary London terminals from the traffic, and the ordinary terminals at the other end, the mileage rate from Wolverhampton to London is 1·69*d.*, and from London to Hull it is 1·68*d.*; so that really it is not a large difference; but even if it was so, it is owing to the competition by sea. He complains in the same way of nails from Wolverhampton to London as against Wolverhampton to Glasgow and to Aberdeen. The fact is that the rate to Aberdeen was made low in order that they might send their nails to Aberdeen, for they do not bring nails from Aberdeen to Wolverhampton; and the same with regard to Glasgow, the rate is unequal, but it is unequal in favour of the South Staffordshire people themselves, and all those special low rates are made on the representation of the traders of different districts.

11,682. (*Capt. Galton.*) Having got a low rate to Aberdeen, they want you to reduce the London rate in the same proportion?—Yes; the quantity of traffic carried to London is so much greater than to Aberdeen, that if we were compelled to carry it on at the same low rate we should withdraw the Aberdeen rate. Those are instances put forward to make a case before the Commission if they are not properly explained; but I say on the other hand that it is just the contrary—that they are unequal rates in their favour, and not against them.

11,683. (*Mr. Glyn.*) They were made with a view to do good to that particular district, were they not?—They were.

11,684. (*Chairman.*) Do you think it would be possible for the whole railway system of England to be worked by the Government, supposing the railways could be all purchased and become the property of the Government?—It would not be in the public interest to do so, I think certainly.

11,685. (*Capt. Galton.*) Do you think it would be in the public interest that they should be all united together in one large amalgamation and worked as one concern?—I do not think it would be in the interest of the public. I believe that the public are better served now than they would be by any general amalgamation or transference of the railways to the Government. The profits upon the railways themselves might be greater by an operation of that kind, but certainly the public would not be benefited by it.

11,686. Would you prevent amalgamations between large companies?—Not in all cases. In certain cases no doubt amalgamation is good; you get better accommodation between point and point, and you get cheaper working, and therefore you are enabled to meet the public by reductions; there are a great many advantages in amalgamation.

11,687. Still there is a great tendency, is there not, for even the large companies to amalgamate now?—I am not aware that there is.

11,688. (*Chairman.*) Do you anticipate much more progress in amalgamation than there is at present, or do you think it has nearly reached its limits?—I think that some small companies may be absorbed by the larger ones, and with great advantage; but I do not think it is likely that any of the large companies will amalgamate with each other.

11,689. (*Capt. Galton.*) You mean that a large company, like the Midland Company for instance, would not amalgamate with another company?—I do not see whom they could amalgamate with.

11,690. With the Manchester, Sheffield, and Lincolnshire Company, or the Great Northern Company might amalgamate with the Manchester, Sheffield, and Lincolnshire?—I do not know that amalgamations of that kind are objectionable always; they are rather continuations of each other. I do not think it is likely that the Manchester, Sheffield, and Lincolnshire Company will amalgamate with either the one or the other, because the Midland and the Great Northern both have got facilities and running powers over the Manchester, Sheffield, and Lincolnshire line, and except the three were amalgamated together, I do not see how they could do so, or as the Shrewsbury and Hereford was, by a joint lease to the two companies, that line was leased to the London and North-western and the Great Western jointly.

11,691. (*Chairman.*) What are the causes which generally have led to amalgamation; has it been a desire to get rid of competition, or what?—An economical working by amalgamation in lieu of separate working.

11,692. Some cause must have been in operation in England which has not operated in Ireland, because amalgamation has been carried to a very small extent in that country?—Yes, the smallness of the dividends perhaps.

11,693. Can you at all say what causes have operated in England which have not been found effectual in Ireland?—I cannot explain that. There is no doubt that the Irish boards have not taken the same view as the English boards, or rather they have not been able to arrange amongst themselves.

11,694. (*Earl of Belmore.*) Has there not been this difficulty in Ireland, that the shares of a great many railway companies are not in the market, and therefore it would be very difficult to put a price on them?—I believe that in many cases the shares are not held by people in Ireland at all, and that those who are on the boards have very small interests in the company, and that the interest lies elsewhere.

11,695. (*Mr. Glyn.*) A suggestion has been thrown out that it might be expedient to have Government inspectors to go over the lines of each railway company, to see the state in which the permanent way was. Will you explain to the Commission what is the general regulation with regard to the permanent way on the London and North-western Railway as to inspection, keeping it in order, and so forth, and whether you think that a Government inspector would be required for any such duties?—I do not think that any Government inspection could be better than our own, because we have a daily inspection of our line. Our line is divided into sections; in the first place the line itself is divided into divisions, and each of those divisions have a superintendent, who divides his line into sections, and he appoints a foreman on each section; that foreman goes over the line every day and reports the state of the line every day.

11,696. (*Capt. Galton.*) Is it not to the interest of every railway company to keep its permanent way in the best possible condition?—Yes.

11,697. Far more than could exist in the case of any Government inspection?—Yes; the consequence to the company of any accident or any failure is so great that they cannot afford to neglect it; but if it were put into the hands of a public officer of the Govern-

ment or anybody else he would not have the same object, he would represent nobody.

11,698. Would not the result of having a Government inspector always going over the lines be to diminish the responsibility of the railway officials, and to place the responsibility upon the Government inspector?—No doubt that would be the case. Of course the company would be freed from responsibility, and they would look upon that Government officer as the man to be blamed if anything occurred. At present the opposite is the case; every man is responsible for his own portion of the line, and if any failure takes place from any neglect of his or from want of attention on his part he is the sufferer by it. I believe that nothing can be more perfect than our present system of inspection.

11,699. (*Mr. Hamilton.*) Would you give the same answer to that question with regard to all railway companies, or have you more in view your own highly organized system on the London and North-western Railway?—I think that every company has in the same proportion the same interest, no matter what the traffic of the line is, however small it is, if an accident happens the consequences are the same.

11,700. And you think that that practically is so?—Yes.

11,701. You think that the inspection of all lines is better left under the responsibility of the companies than if they were subject to any Government interference?—Decidedly.

11,702. (*Mr. Glyn.*) Practically you travel over a great part of England very often, do you not find that, as a rule, the lines are kept up in a very first rate condition?—I do. I believe that the railways of England are at present, generally speaking, in as good a state of maintenance as they could possibly be.

11,703. (*Mr. Hamilton.*) Do you apply that principle generally?—Yes, I apply it generally, because if it were not so the public would not use their lines. If a company neglected to keep its line in repair and had accidents from that cause, which must necessarily follow with the speed that trains run at now, or if people even felt the travelling to be rough and uneasy and the lines out of order, they would not go by that line if they had other means of going. And if one company's line was in a better condition than the other, the public would travel by that line which they felt to be the best.

11,704. Surely that is not the general case; take, for instance, the London and Brighton line, the lines in South Wales, or the Eastern Counties line, there is no competition there?—In some cases there is not competition, but generally speaking there is the means of going by other railways; perhaps, for local traffic that is not so, but a company has the same interest in keeping its lines in repair. The consequences of neglecting it are so great that no company can afford to neglect it.

11,705. Have you any experience of the state of the permanent way on Irish railways?—No; I have travelled very little over Irish railways.

11,706. You cannot say whether the same remark applies there, that the permanent way is generally kept in an efficient state in Ireland?—No; I have not sufficient knowledge to give an opinion. I should not like to speak from what little experience I have had.

11,707. (*Capt. Galton.*) The Commission have had the question of the punctuality or unpunctuality of trains brought before them incidentally, have you formed any opinion as to whether it would be possible to devise any legislative means to enforce greater punctuality than now prevails on some lines. Would it be objectionable, for instance, to grant persons who were injured by unpunctuality a more easy means of recovering penalties than they now have?—I do not see any good that would result from that. I think that companies endeavour to keep their time as well as they can.

11,708. Is it not the case that several companies do not keep their time?—No doubt some companies run more punctually than others, but perhaps that may be in a great degree owing to the nature of their traffic. If a company cannot afford to run through trains, that is to say, if the traffic will not afford a number of through fast trains, and they have to work all their local traffic by every train, there are so many stoppages at the various stations, and the passengers bring such an amount of luggage, causing a delay of a minute or two minutes at each station amongst the number of stations, that great unpunctuality is caused at the end of the journey.

11,709. Would it not be more convenient that they should give a longer time for their trains to run rather than they should advertise them to arrive at a given time, and not arrive until long afterwards?—No doubt that would be so.

11,710. Would you see any objection to the public having a right to obtain damages for unpunctuality?—But they have that now.

11,711. Is it not a right now which practically almost never can be enforced?—No. I assure you that we have no end of applications of that kind where there is unpunctuality.

11,712. (*Chairman.*) Do you pay any heed to the applications?—Yes, we do. If people can show that they have lost anything by it we pay them, and if they incur any expense in travelling, or any expense by delay, or anything of that kind, we meet it and pay it at once.

11,713. (*Capt. Galton.*) Is it not the case that railway companies resist it generally?—That depends upon the kind of claim that is made. We have the most unreasonable claims made upon us in such cases. The moment a train is late they claim not only for any expense which they may have incurred, but they also make a claim for something which they think they ought to have got. They say that they could have done a very large stroke of business if they had been in time, and therefore they make a claim for loss of business and all kind of things that companies are not liable for and cannot meet; but anything reasonable I do not know that any company objects to pay, if they are at fault.

11,714. (*Mr. Glyn.*) I presume you can scarcely state the number of actions which are threatened by people against the London and North-western Company under such circumstances?—I really forget now, but the number of actions against us for claims of that kind is enormous; there are some hundreds a year of legal proceedings commenced in some form or other.

11,715. In fact, a great many claims are settled by the company when there really is scarcely any proper foundation for them, rather than carry them into court?—Yes.

11,716. (*Mr. Hamilton.*) And are they very liberally settled?—Yes. If any case at all is made out it is met, except it is something exorbitant that we cannot meet—something unwarranted altogether; but anything in reason we always meet and pay at once.

11,717. (*Mr. L. Gower.*) Do you consider that the trains are getting more unpunctual now than they used to be?—No, it does not strike me so.

17,718. Have you any record by which you can test that; when trains are late is there a record kept by which you know it?—Yes, we keep a record of the arrival of every train upon the line, and those reports are sent in to the superintendents of all the different districts regularly, and if there is any delay occurring with a train they at once look to it and see how to remedy it. If it is a general delay from time to time, we either alter the time or do something to remedy it. These things are very closely watched by the companies.

11,719. (*Mr. Horsfall.*) You have a record at every station, have you not?—Yes, of the passage of the trains; but I am speaking now of the time of arrival and departure. The guard keeps a record of the time on his own journey.

11,720. (*Mr. Glyn.*) The traffic of the London and North-western Company is so large, is it not, that unless punctuality were the rule they could not carry it on at all?—No; in fact the London and North-western Railway is a series of railways which have been amalgamated into one, and require to be very closely watched.

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11,721. Of course no line could keep actual time, I presume ?—No, circumstances prevent it; but as a rule I do not think that the trains are very unpunctual.

11,722. (*Capt. Galton.*) You mean upon your own line?—No, I mean upon most of the large lines.

11,723. (*Chairman.*) Certain trains during some months in the summer are habitually late, are they not? —That is a chronic disease; that is owing to a great extent to the large amount of luggage which the passengers take with them.

11,724. Why do you not give a little longer time during those months ?—We cannot do that, because most of those are through trains, meeting other companies' trains at some point or other.

11,725. But then those trains must be disappointed ? —They are detained more or less in consequence of the unpunctual arrival of others. We are in the same way detained at Carlisle because the train has not come in from the North; but if we were to go away and leave that train, then all those passengers would have to remain all night at Carlisle, and rather than do that we wait half an hour and bring them on. That makes us unpunctual, but you cannot break those connexions in the summer time because the other trains are not running exactly to time. It is owing principally to the enormous quantity of luggage that we have to load upon the train before it leaves the station. Then perhaps it does not start punctually at the other station, and there are a number of passengers who have luggage going to various places on the line, in the case of people going to the seaside and other places, which has to be unloaded, and thereby causing delay.

11,726. (*Mr. L. Gower.*) Are the servants of the company in any way responsible for the unpunctuality? —We call them to account if they are not punctual; for instance, if we find a train delayed at a station beyond the proper time, inquiry is made why this delay takes place.

11,727. Do you impose any penalty in consequence upon the company's servants ?—No, we do not impose penalties. Of course, if they do not attend to their duty we dispense with them, and get people who will, but we do not generally impose fines for those things. A man loses his promotion if he is careless, and that is more important to him than a fine. There were some complaints from a gentleman, I think, at Market Harborough, about the disconnexion of trains with the Midland Company at Market Harborough for Northampton, the Rev. Mr. Field, I think it was. I have looked to that, and it is a fact as he states, that our trains and the Midland Company's trains do not generally meet at Market Harborough, but it is owing to this, that the London and North-western trains between Blisworth and Market Harborough run in connexion with the main line trains on the London and North-western railway. They bring passengers from Market Harborough and other places to go by our trains, and they take passengers again from that train to go on to Market Harborough and places beyond. The main line trains running in connexion with the trains to Carlisle and Manchester, with the Lancashire and Yorkshire and other companies forming junctions in their course, and the Midland Company have a series of trains upon their line just in the same way. This is a small cross traffic, which if we were to alter our arrangements to meet, we should throw our trains out for the large traffic upon the whole of our system. If the reverend gentleman looked at the time tables, and he does appear to have noticed it, he would see that there is one route by way of Rugby, and another by way of Wellingborough, by the Midland line. We have six trains a day in each direction, running in connexion with the trains at Rugby for Northampton, and that is the best route between Leicester and Market Harborough; and they are very good trains too, one leaving Leicester in the morning at 7.15, and arriving at Northampton at 9.25, which is short of two hours; another leaving at 9.50, and arriving at 11.35; another leaving at 11.51, and arriving at 2.10; another leaving at 4.0, and arriving at 6.20; another leaving at 6.15, and arriving at 8.25; and another leaving at 7.40, and arriving at 9.30.

11,728. (*Capt. Galton.*) That is by Blisworth, is it not?—Yes, that is by Blisworth, and they are as good trains, or better trains, than we could work over the branch line between Northampton and Market Harborough, because that is the train by which we must work the local traffic, as the train goes there.

11,729. And is the fare the same ?—Just the same.

11,730. Then the people who are living between Northampton and Market Harborough must feel inconvenience ?—Mr. Field speaks of Leicester. I may also add that the Midland Company have a junction with us at Wellingborough, and we arranged some time since the terms on which they should run to Northampton; they are making a station at Northampton, and as soon as the station is completed they will run their trains, I have no doubt, between Leicester and Northampton by that route, which will make the thing complete. That station has been delayed in consequence of the new line which they have got from Bedford to Northampton, and they are coming to Parliament this year for some little alteration in it.

11,731. (*Chairman.*) Have the Midland Company a line from Bedford to Northampton?—A line was obtained last year by an independent company in their interest, and the Midland Company are going to work it.

11,732. (*Mr. Horsfall.*) Are you aware that great complaints are made of the want of a real junction between the two companies. I do not say that it is at all times possible to remedy it, but where one company has both lines, as, for instance, the Trent Valley and the South Staffordshire to Lichfield, you have to wait three-quarters of an hour in one case, and two hours in another, if you wish to go on by the South Staffordshire line ?—That is exactly a similar case; that is on our line, and, therefore, we have no object, except to make the best connexion we can; but we have two things to meet: we have to meet the trains to Birmingham, running through by Walsall, and so on to Lichfield over the South Staffordshire line, and the traffic is far greater by that route than is obtained by any preference that might be given to some works on the Trent Valley line; and we have to look to accommodate the largest amount of traffic. If we were to alter the South Staffordshire train to meet the train on the Trent Valley line, we should throw it out of connexion with a number of far more important trains to the traffic of that district in South Staffordshire. Those are the points that we have to consider.

11,733. (*Chairman.*) You cannot prevent delays, in fact, without multiplying a number of unprofitable trains?—No, we cannot make junctions everywhere with our main line trains. The traffic of the cross trains is sometimes much more important than that which would be in connexion with the through train, and we are obliged to look to the greater accommodation.

11,734. (*Capt. Galton.*) Do you find any inconvenience from the break of gauge where you come in contact with the broad gauge?—Yes, no doubt the break of gauge is a great misfortune.

11,735. Would it promote the economy of traffic in the interests of the public if the broad gauge were removed and the narrow gauge substituted for it?— Yes, certainly it would; and I believe that one of the most important things that could be done would be to get rid of the broad gauge; it would be a very great accommodation to the public.

11,736. Do you think it is a point of sufficient importance to the public to make it worth while their contributing towards it?—I believe that if the Great Western Company could be assisted in doing that it would be a very important thing indeed. It is a great complaint in South Wales. The colliery owners there are obliged to get broad gauge waggons for the broad gauge lines, and narrow gauge waggons for the narrow gauge lines, and they have two stocks instead of one, and to them it is most important. And the delay where the break of gauge takes place is also

very objectionable. We have a station now at Hereford, where we have broad gauge traffic coming in at one end and narrow gauge trains at the other, and everything has to be transferred that is going beyond Hereford.

11,737. That involves, does it not, a large staff of porters, and other conveniences?—Yes; and the same is the case in the South Wales district in the neighbourhood of the Vale of Neath, which is now worked by the Great Western Company, and is upon the broad gauge; we run trains in connexion with it, and all our passengers have to change from the narrow gauge to the broad gauge.

11,738. (*Chairman.*) Do you think that the injury is felt over the whole country to a certain extent, or is it merely confined to the districts through which the broad gauge lines penetrate?—The traffic from that district circulates over so large an extent of country that it is a very serious matter.

11,739. All parts of the country, you think, are more or less interested in getting the narrow gauge substituted for the broad gauge?—I think that a great portion of the country is.

11,740. (*Earl of Belmore.*) I suppose that the transfer from broad gauge waggons to the narrow gauge waggons of other companies causes great delay in the carriage of goods from that district to other districts?—Yes; it causes delay and considerable additional expense and damage, and it is very objectionable in every way. If the Great Western Company had the means I have no doubt that they would do it at once. I am quite sure that they must feel the inconvenience much more strongly than we do; it is a very great subject of inconvenience to all companies working in connexion with them.

11,741. (*Mr. Hamilton.*) Have you ever formed an estimate of the cost at which that might be done?—I suppose it would cost them perhaps something like 3,000*l.* per mile.

11,742. (*Chairman.*) Would that include the stock?—No; I should think that the altering of the line, converting the broad gauge into narrow gauge, would cost them something like 3,000*l.* per mile, and of course all the stations would have to be altered.

11,743. (*Mr. Glyn.*) The Great Western Company have a great deal of narrow gauge stock already, have they not?—Yes, they have a considerable quantity of narrow gauge stock, but they would require more. I do not know whether much of their broad gauge stock could be converted into narrow or not, or to what extent that could be done.

11,744. (*Mr. Horsfall.*) I presume no alteration of the stations would be required?—Yes; all the sidings would require to be altered.

11,745. (*Earl of Belmore.*) The platforms would have to be altered in some instances, would they not. If you had a narrow gauge carriage between two platforms there would be a gap on one side?—Yes, they would require to be brought nearer together; slewing the rails would to a great extent do that, except where there is a double platform on each side; if it is only on one side, the slewing of the rails would accomplish the object, and it is a very desirable thing to do.

11,746. (*Chairman.*) Have you turned your attention to the statement of Messrs. Howard, of Bedford, in the Appendix?—Yes; I have looked at that statement, but it does not affect the London and North-western much in the rates. He makes a general complaint of the inequality of rates, but he does not state the particulars of it, except in a foot note, which is rather a complaint against the Great Western Company and the North-eastern Company.

11,747. The general complaints that affect the London and North-western Company are chiefly the want of arrangements which Messrs. Howard expected would have been carried out; have you any remarks to make upon that subject?—I will explain that. Mr. Howard makes the same complaint about the Great Northern trains not meeting with the Cambridge and Oxford trains at Sandy where they cross. That is exactly the same as the other case, it is a single line of railway, and we have to run in conjunction with the Great Eastern at Cambridge, and with our own main line at Blisworth, and so on with our own trains at Oxford. If we were to alter our trains to meet the Great Northern, with their very little interchange of traffic, we should then either at Cambridge or at Blisworth throw them out of connexion with one of the two large systems. With a single line like that, we are obliged to run to the minute, because we have to cross at a particular station on the line, so that we cannot alter the five minutes that he mentioned, or else we should miss the junctions.

Then Mr. Howard also makes some complaint about the station at Bedford; with regard to that, I may state that originally the London and North-western Company bought land at Bedford for a joint station, that is to say, for a station to be built which was to serve the two companies, and they put up a temporary station at the main road leading to Bedford. The Midland Company when they made their line, which was subsequent to the London and North-western Company opening theirs from Bedford to Bletchley, they erected a station quite at the other end of Bedford, quite away from where it was intended; after negotiations had been going on for some time for the joint station they concluded to build their own. Then the London and North-western Company made theirs a more permanent station where it was at the road. Since that we have opened a line of our own to Cambridge, and made the other a double-sided permanent station, and the Mid land Company of course have theirs at the other extreme end of Bedford, but that was not from any disinclination on the part of the London and North-western Company to make a joint station orignally, for so far from that they purchased land for the purpose.

11,748. (*Capt. Galton.*) Is it not the case that the Midland Company are now going to have a new line, so that it will be quite impossible to have a joint station, as the new line runs into their present station?—That would not affect it at all. I do not know where their Bedford line goes out.

11,749. It goes out from their Bedford station?—I am not aware whether they use the existing line for a certain distance out of Bedford.

11,750. No, they do not, I believe?—I have not seen their new line; but the reason why they built that station separately is what I have mentioned.

11,751. (*Chairman.*) There are usually no restrictions in Acts of Parliament as to where stations are to be placed, so that they are at liberty, are they not, to put their stations in any place they think proper?—Yes.

11,752. Do you think that any restrictions might be adopted where two lines come to the same town, compelling them to use the same station, or to agree about some joint station?—A good deal would depend upon the circumstances at the time. Those are things which are always inquired into by committees, and it depends entirely upon the circumstances of the case. I do not see that any good can be done by making it imperative; it might be inconvenient in some cases.

11,753. (*Earl of Belmore.*) Do you not think that a crossing such as exists at Bedford, one line crossing the other, is rather dangerous?—It is dangerous; but I do not know that it is more dangerous than other crossings which are allowed; the Board of Trade now always report against such crossings, and I do not think that it would be allowed now; they would have to build a bridge.

11,754. (*Chairman.*) Do you think it would be desirable for the public interest that they should have an opportunity of going before any other tribunal of a cheaper character than the Court of Common Pleas when they have a complaint to make against a railway company, either with reference to rates or other matters?—They have the County Court now, which is as cheap a tribunal as they can have. You never find any case where there is an overcharge amounting to 100*l.*

11,755. (*Capt. Galton.*) We have been informed by Mr. Matthews, in his evidence, that the public have great difficulty in going before the law courts; first, because of the great expense to which they are

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put by the continued appeals, and in the next place, because the railway company always would spite them afterwards, if they could, in reference to their goods, for having gone to law with them; what have you to say in answer to that?—That cannot be so, because the parties themselves have the remedy in their own hands, by depriving us of their goods. They may say, we will send our goods by somebody else. They have rather the whip-hand of us than we have of them. I assure you that they could not have anything more simple than the County Court.

11,756. (*Mr. Glyn.*) Practically the public do appeal very much to the County Courts against railway companies, do they not?—Continually.

11,757. (*Chairman.*) Do they appeal on questions of the rates which some individuals pay as compared with others?—Yes, on our charges frequently.

11,758. (*Capt. Galton.*) But the point upon which they have the power of appealing to the Court of Common Pleas is rather that the companies should carry without undue preference, is it not, and that point could not go before a County Court, or at least it would be very difficult to bring it before a County Court?—It would be doing what I say would be very unfair to railway companies, that is, delegating the powers which they have had granted to them by Parliament to be dealt with by another tribunal.

11,759. The point is this—Mr. Cardwell's Act says that railway companies shall carry without undue preference, and without giving facilities to one person over another, and that in order to have those cases adjudicated upon, the parties shall go before the Court of Common Pleas. Then the argument of the public is, that an appeal to that Court is very expensive, and that some cheaper form of tribunal would be advantageous in respect of that. Have you any reason to think that the public would be advantaged, or otherwise?—I do not think that they would be advantaged by it. There is a remedy provided by the Act, namely an appeal to the Court of Common Pleas, which is not an expensive tribunal. Besides, that is a legal tribunal, and if you take it away from them you entirely alter the Act itself, and you make it a tribunal not guided by the law at all.

11,760. (*Mr. Glyn.*) Would you not in that case have very nice legal points brought before a Court scarcely properly constituted to determine them?—Yes, and I think points which could not be referred to any tribunal except a law court.

11,761. (*Chairman.*) Are there any other points that you wish to lay before the Commission which you have omitted?—I do not know that there are. There are a number of complaints with regard to South Staffordshire, but they are all the same thing over again; they are the same matters of rates, and the way in which they have put the rates to the Commission, I think is not a fair way.

11,762. Have you any explanation to offer to the Commission with regard to Mr. Wright's statement as to parcels being charged separately as smalls, even when they are sent to the same consignee?—Mr. Wright puts the case in this way: if he sends a bundle of iron wire, some brass tubes, and some other things, each article is charged separately as a small, even if they do not weigh the weight of a small; but Mr. Wright is mistaken; it is not so. The London and North-western custom is that if there are three articles, say of that description, weighing altogether under 1 cwt., we take the actual weight of each of those articles, and charge it according to its own class, provided that if in the aggregate the charges do not amount to a sum equal to a small, the rate for one small is charged a small, and the general rule of the clearing-house is very much the same, with the exception that it is charged as Mr. Wright suggests would be fair, as a small of the highest class included in these goods, and that is really the rule, which I will read to the Commission: "When two or "more packages, each under 1 cwt., and of different "classes, are sent by one consignor to one consignee, "their weights are added together, and the rate "charged is that which, according to the classification, "would be charged if all the articles belonged to the "highest class in which any of them is placed; but "whatever the aggregate weight of the consignments "may be, no less charge is to be made than that which "is made for the maximum weight of smalls. If the "parcels be from different consignors, or from one "consignor to different consignees, involving separate "deliveries, they are charged for separately" (which Mr. Wright admits is right). "Parcels so charged shall "not be entered at the foot of invoices as smalls," and so on. That is the clearing-house rule, but we at Birmingham and on our line generally, weigh each article separately, and we charge it according to its class. If the weight of the three parcels is more than 1 cwt., then each would be charged the actual weight of its own particular class. Mr. Wright must have been mistaken somehow or other; it is our universal practice.

11,763. There was a previous question about glass; any explanations which you have not given in your evidence, will you supply hereafter if you think proper?—Yes; and I will put in some of those tables explanatory of that and other matters which I have prepared for the Commission.

The witness withdrew.

Adjourned to Thursday next, at 12 o'clock.

Thursday, 15th February 1866.

PRESENT:

The Right Hon. the Earl of Belmore.	Robert Dalglish, Esq., M.P.
The Hon. E. F. Leveson Gower, M.P.	Geo. Carr Glyn, Esq., M.P.
Sir Rowland Hill, K.C.B., F.R.S.	Capt. Douglas Galton, R.E., C.B., F.R.S.
J. A. Roebuck, Esq., M.P.	E. T. Hamilton, Esq., M.P.
T. B. Horsfall, Esq., M.P.	William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

J. Grierson, Esq.

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James Grierson, Esq., examined.

11,764. (*Chairman.*) You are the general manager of the Great Western Railway Company?—I am.

11,765. You have had an opportunity, have you not, of looking at the evidence that has been given before this Commission with regard to the complaints affecting the charges on the Great Western Railway?—I have.

11,766. Will you be so good as to commence your evidence by going through the different complaints *seriatim.* And, first, with respect to the evidence given by Mr. Nicks of Gloucester, will you go through those points which appear to you to require explanation?—With regard to Mr. Nicks' evidence, it appears to me that it has scarcely as much bearing on the charges which we make, as it is expressive of the very strong desire which he has, as a partizan, I may say, in that district, to have a competing line against the Great Western, and I think he has put forward arguments in favour of that idea, with the view of impress-

ing the minds of the Commission that there are grounds for it, probably for production in some other place, and therefore I would desire to give you a few facts in reply to the statements which he has made. He himself, in answer to question 8940, states that Gloucester suffers very seriously for want of a competing line between London and Gloucester, and with respect to that I would say that the trade of Gloucester is essentially a grain and a timber trade, and that there is no such traffic as grain and timber in any quantity passing between London and Gloucester. The thing is practically impossible, except in very special cases where there is a large import of grain into London, and there is a demand on the part of the millers at Gloucester to have a small supply of foreign corn. In fact he himself, in his evidence in favour of a line called the London, Bucks, and East Gloucestershire line, which was before the House of Commons in the last session of Parliament, stated, in answer to question No. 789, "We are not likely to require them to do so; we "never send goods so far as London." That is his own statement. Therefore it cannot be for any goods traffic that he could require a second line from London to Gloucester; it could only be for passenger traffic.

11,767. (*Capt. Galton.*) Gloucester is an importing port for timber, specially, is it not?—It is an importing port for timber and grain, and being situated nearest the manufacturing district of South Staffordshire it has, to a certain extent, an advantage, and the great bulk of the trade goes in that direction, and very partially to the agricultural districts of Worcestershire on the one hand, and into Herefordshire and towards Swindon on the other; and also, though he does not quite admit that (for reasons which I believe I shall be able to show you), into South Wales. I differ so very strongly from Mr. Nicks that I should tell the Commission at once that Mr. Nicks is a gentleman who takes a great deal of interest in his district in railway matters, but unfortunately for us he has always been against the Great Western Company. In fact, during the last session of Parliament, he gave evidence on no less than six railway bills which were either promoted by the Great Western Company or in their interest, or were promoted against the Great Western Company, and therefore I look upon him not as a fair representative of the people of Gloucester, but, in fact, as a partizan coming here for a particular object. With respect to the fares between London and Gloucester, Mr Nicks's complaint is really this, that we charge express fares upon a portion of our line; that where we are in competition with the London and North-western Company from London to Birmingham we run comparatively quick trains, and that we do not charge express fares.

11,768. He complained that you charged a higher fare from Gloucester to London than you charge from Worcester to London, which is about the same distance, or rather, I think, Worcester is about a mile farther?—Worcester is about seven miles farther; the distance to Gloucester is about 114 miles, and to Worcester 121. I do not think that, as regards Worcester, he could make any comparison which would affect your minds, but as regards Birmingham he endeavoured to do so, and I would explain with respect to that that a few years ago, in consequence of the disruption which took place amongst the Northern companies, express fares were taken off on some of the lines, including towards Birmingham, and the companies have never commenced to charge them again.

11,769. On the London and North-western line they charge the same fare by all trains on every part of their line, do they not?—Except about two trains per day, upon which I believe they charge express fares. I think it is by the two limited mails, the Irish mail and the Scotch mail. It is the fact, no doubt, that we are competing with the London and North-western Railway Company between London and Birmingham, and we do not charge express fares. The London and North-western Company running a very good service between London and Birmingham, we are bound to run as good a one as we fairly can or we could get no traffic. Mr. Nicks put before the Commission that the distance from London to Birmingham is 129 miles, but he passes over this, that the distance by the London and North-western line, which governs the rate, is only 112½ miles; the distance from London to Gloucester is 113¾ miles; and, in fact, for the purpose of charging, it is 114 miles. He states to the Commission that our express fares are 25*s.* first class, and 17*s.* 6*d.* second class. At the time he gave his evidence, and for some time before, at least since the 1st of June last year, the express fares have really been 23*s.* 11*d.* first class, and 16*s.* 9*d.* second class. Comparing those with the Midland fares, which he puts forward as being much more favourable because they do not charge express fares, I find that their fares for the same distance, at least for 112½ miles, are 22*s.* 6*d.* first class, being a difference of 1*s.* 5*d.* as against the Great Western Company in that class. (There is no place of equal distance that I can find to take from Gloucester, therefore I have taken the distance and fare from Bristol to Tamworth.)

11,770. You might compare it with the fare from London to Derby?—I am comparing the fares by the Midland from the district as to which he is complaining, and I take from London to Gloucester on the Great Western line. Then as regards the second class, the Midland second-class fare is 15*s.* 9*d.* against our 16*s.* 9*d.* express, so that it is 1*s.* against the Great Western; but these fares, compared with our ordinary fares, show their first-class fare is 2*s.* 6*d.* higher, and their second class 9*d.* higher. That is without taking into consideration the difference in distance between 112½ and 114 miles. I do not mean to say that theoretically he may not have some grounds of complaint that we should charge express fares on one part of our line, and not on the other. But the question of express fares has really never yet been settled by railway companies whether they should be continued or not. So far, I have not recommended the Great Western Board to alter those fares, except upon the complaint of the Gloucester Chamber of Commerce. Further on he states that a memorial was sent to the Great Western Board, and not answered, but in going into the question we saw that the service between London and Gloucester was not as good, comparatively, as the service between London and Bristol; and upon that ground there was a reduction made, which he did not mention to the Commission.

11,771. (*Mr. Glyn.*) As a general rule, I suppose you take it for granted that, whenever two companies are competing to one particular place, the shortest route almost always governs the rates?—Yes, as a general rule, indeed it must be so where they are charging their maximum fares, which is the case between London and Birmingham, because the maximum tolls on the London and North-western line as well as on the Great Western line are the lowest in fact in force in the country.

11,772. (*Mr. Horsfall.*) What was the amount of reduction of fares to which you alluded just now?—The first-class express fare, prior to the 1st of June last, was 25*s.*, and it was reduced to 23*s.* 11*d.* For that service we run by some trains from London to Swindon, a distance of 77 miles, in an hour and a half without stopping, and then on the Gloucester and Swindon branch, stopping twice or thrice, which we do not do with all trains between Swindon and Bristol; and therefore we thought that the service being not quite so good, that they had a fair claim for some reduction until either the question of express fares was settled, or until we ran a better service. With regard to the answer given to question 8951, where he says that Hereford is put in a much better position as compared with Gloucester, because before the amalgamation of the Great Western and the West Midland lines there was a competition between London and Hereford through Worcester against the Great Western line, in making that statement he must have entirely forgotten that the Worcester and Hereford line was not opened till six months after the agreement between the Great Western and the West Midland companies. Therefore no such competition, as he states, ever existed. And therefore that had no bearing whatever upon the fares which we

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charge, or the accommodation which we give to Hereford.

11,773. (*Capt. Galton.*) What are your fares to Hereford regulated by?—The ordinary fares are the same as the fares from London to Gloucester, with the local fare added from Gloucester to Hereford.

11,774. The full fare?—Yes, the full fare; we do not charge express fares between Gloucester and Hereford. All our trains are stopping trains upon that line. It is used as a local line, and not at present as a through line. In question 8952 he explains for us that public feeling prevented us raising the fares. I can only say on behalf of the Great Western Company that such a thing never was thought of, and never was for one moment considered. Then again, in question 8947 there is a very small matter alluded to, but one which might induce the Commission to think that we would take small advantages of the public in such cases. I can only say that the first time I ever knew that such a mistake as he alluded to had been committed was when I saw his evidence; and when I went into the accountant's office to inquire as to it, I found that the clerk in copying out the rates had made a mistake of 1*s.* 1*d.*, and that within 13 days the error was discovered and corrected. Then further on, in 8984, he states that where we have competition between London and Exeter we do not charge express fares. I say that we do, for the reasons just explained, and upon a higher scale than we now charge between London and Gloucester.

Then in 8955 he states that certain agreements were entered into by the Great Western Company with the London and North-western Company and with the Midland Company, and in fact he infers that they were scheduled to the Amalgamation Act in such a manner that the public had not an opportunity of expressing their opinion upon the subject. It is quite true that those agreements were scheduled to the Bill in the House of Commons, but I believe that there were at least 30 petitions against the Amalgamation Bill at the time, and the agreements were fully discussed in the Lords. After passing through the House of Commons, Gloucester, Swansea, and many of the towns in the South Wales district, held public meetings, and one at least of those Mr. Nicks himself attended, and spoke against those very agreements and against the amalgamation. So that the public had the very fullest opportunity of considering the question. And I say this further, that neither Mr. Nicks nor any other person can be produced who could fairly say that the public have been in the slightest degree injured by those agreements. On the contrary, I say, that they were the best agreements, and of a new kind, that were ever entered into by railways, not giving territories to each other, but in fact to open the lines of each to the other. And I believe that no agreements have ever been made between companies which have been or will be of so much benefit to the public. They have not in the slightest degree prevented competition between the companies. I believe I may say fairly that in no case has our entering into them ever induced us as a reason to raise a rate or a fare; we have got facilities over the London and North-western line which we never had before, and we have given them to the public in our own interest; and in the same way the London and North-western Company have and will have great facilities over our line when certain lines are completed, which they of course in their interest will also give to the public. The London and North-western Company and the Great Western Company, in fact I may say since they were first incorporated, were always in a state of antagonism. We had no such thing as through booking, and we had at many places no junctions; but upon those agreements being legalised, we constructed junctions at Banbury, at Oxford, and at Leamington. We have been engaged during the last two years in making through rates and fares with them to the best of our power, and making through train arrangements (I do not say exclusively in the interest of the public), and we are most anxious that the same should be done to the very fullest extent with the Midland Company.

11,775. (*Chairman.*) Was the effect of those agreements to give mutual running powers over your lines, to a certain extent?—In our case we obtained running powers for about 4½ miles, from Nantwich to Crewe, over the London and North-western, and we obtained very strong facilities and contingent running powers from Crewe into Manchester. We gave the London and North-western Company no actual running powers, but we gave them the same strong facilities between Smethwick, near Birmingham, on the one hand, and Tenbury on the other, so as to complete a shorter route from their system between Birmingham and the south, and South Wales. That is coupled also with contingent running powers in the event of an arbitrator stating that we do not afford proper facilities. With respect to Gloucester, I say most unhesitatingly that they could not bring a person out of the city of Gloucester, who could say that those agreements have been injurious to Gloucester.

11,776. (*Mr. Horsfall.*) Do they involve any agreement as to the rate of charge?—They involve this, that the rates and the fares are to be equal; but I say that it is an impossibility that any other principle than that could be adopted by public companies. The state of circumstances as between two railway companies is as different as they can possibly be as compared with two tradesmen. In the case of two carriers upon a canal, or two coach proprietors, the one may run the other off the road, but no railway company can run the other off the road, and, therefore, sooner or later they must come to some understanding. Competition has been tried several times in this country for a short period, but in the end the companies have had to come to an agreement; and in no instance that I am aware of are there anything but equal rates and fares.

11,777. (*Mr. Glyn.*) In all those cases the rates and fares are determined by the shortest route, are they not?—They are always determined by the shortest route, as far as the maximum charges are concerned, where they are charging the maximum.

11,778. (*Capt. Galton.*) And, in fact, they are determined by the maximum Parliamentary charge of the railway company which has the shortest route?—Yes. Take the very case I was referring to, namely, between London and Birmingham; if it is fair that the full parliamentary charge should be made between London and Birmingham, of course the London and North-western distance fixes the fare, but in the case of goods, where we do not in all cases charge our full rates, then we, the Great Western Company, always say that we must have a voice in the fixing of the rates. We do not submit in any instance to another company fixing the rate, that is to say, where it is below the maximum. We say that it must be by a mutual arrangement, or, in case of difference, by arbitration.

11,779. (*Earl of Belmore.*) Have you through booking arrangements under that agreement, to any extent, with the London and North-western Railway Company?—Yes, we have through booking arrangements to a large extent, and I could show, from the books which I have brought down, what the rates are, so far as we have fixed them, but they are very far from complete as yet.

11,780. (*Mr. Glyn.*) The transference of traffic is very large, is it not?—Yes, it is very large, and increasing. There was practically a barrier between the London and North-western and the Great Western companies till those agreements were passed.

11,781. (*Mr. Hamilton.*) And the effect of those agreements has been practically to give the public the benefit of a lower rate, has it not?—That has been the effect in all cases of through booking of goods, because previously the parties had to pay the local rate to one company and the local rate to the other. I do not wish to refer to another company if I could avoid it in making comparisons about rates, but as Mr. Nicks makes a comparison in answer to question 8990 between the Great Western rates and the Midland rates, I am bound to produce this list to the Commission:

Comparative Statement of Timber and Grain Rates from Gloucester.

Mr. Nicks' evidence.—Question No. 8990.

Midland Railway.

To Midland Stations.

Distances.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
7	Cheltenham	2 6	2 6
16	Tewkesbury	3 0	2 0
28	Worcester	3 6	3 6
33	Droitwich	4 0	4 0
38	Bromsgrove	4 6	5 0
54	Birmingham	5 6	5 6
70	Tamworth	6 2	—
83	Burton	7 0	7 1
91	Ashby	8 0	—
95	Derby	8 0	—
110	Nottingham	9 0	—
112	Leicester	9 6	—
122	Ullesthorpe	—	10 10

Great Western Railway.

Stations towards Swansea.

Distances.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
16	Gatcombe	2 6	2 6
32	Portskewett	3 9	3 9
37	Magor	3 9	3 9
50	Marshfield	4 9	4 9
60	St. Fagans	6 8	6 8
67	Llantrissant	6 8	6 8
81	Lynvi Junction	7 11	7 11
89	Port Talbot	7 11	7 11
102	Swansea	7 11	7 11
111	Llanelly	8 4	8 4
120	Kidwelly	9 2	9 2

Stations towards London.

Distances.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
7	Cheltenham	2 6	2 6
15	Brimscombe	3 4	2 9
29	Minety	5 10	5 0
37	Swindon	6 8	5 10
51	Challow	9 2	6 8
61	Didcot	10 0	7 6
70	Goring	10 0	8 4
78	Reading	10 10	9 2
92	Taplow	13 4	10 0
101	West Drayton	14 2	10 10
108	Southam Road	14 2	11 8
	Reading—Fifty Ton Lots	10 6	—

Stations towards Hereford and Salop.

Distances.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
14	Mitcheldean Road.	3 4	2 9
30	Hereford	5 0	3 6
43	Leominster*	8 4	7 6
49	Wooferton*	8 4	7 6
53	Ludlow*	8 4	7 6
61	Craven Arms*	9 2	8 4
69	Church Stretton.*	10 0	9 2
81	Shrewsbury*	10 0	10 0

* The rates on the Shrewsbury and Hereford Line include transfer from broad to narrow gauge.

Comparative Statement of Rates for the Carriage of Timber and Grain Traffic.

Mr. Nicks' evidence.—Question No. 8990.

London.

To Stations.

Miles.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
9	Southall	3 4	2 6
13	West Drayton	4 2	2 9
18	Slough	3 4	3 0
31	Twyford	6 8	5 10
42	Pangbourne	7 6	6 8
48	Wallingford Road.	7 6	6 8
60	Wantage Road	9 2	6 8
72	Shrivenham	10 10	8 4
83	Wootton Bassett	11 8	9 2
90	Corpredy	11 8	9 2
100	Harbury	11 8	9 2

Bristol.

To Stations.

Miles.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
12	Bath	4 2	2 6
17	Box	4 2	3 0
20	Corsham	4 2	3 4
29	Westbury	6 8	5 0
42	Swindon	6 8	6 8
50	Minety	8 4	6 8
60	Cirencester	8 4	6 8
69	Culham	11 8	8 4
71	Wallingford Road.	10 10	8 4
81	Woodstock Road	12 6	9 2
88	Twyford	11 8	9 2
100	Slough	13 4	10 10

Gloucester.

To Stations.

Miles.	Stations.	Rates. Timber.	Rates. Grain.
		s. d.	*s. d.*
9	Stonehouse	2 6	2 6
15	Brimscombe	3 4	2 9
18	Ross	4 2	3 6
22	Fawley	5 0	4 2
30	Hereford	5 0	3 6
37	Swindon	6 8	5 10
43	Shrivenham	7 6	6 8
51	Challow	9 2	6 8
60	Melksham	9 2	6 8
70	Goring	10 0	8 4
78	Reading	10 10	9 2
83	Twyford	11 8	9 2
89	Wishford	11 8	9 2
100	Wycombe	13 4	10 10

Liverpool.

To Stations.

Miles.	Stations.	Rates, less cost of crossing the River Mersey. Timber.	Rates, less cost of crossing the River Mersey. Grain.
		s. d.	*s. d.*
16	Chester	3 10	3 10
18	Saltney	4 8	3 10
32	Ruabon	7 2	6 4
40	Gobourn	8 0	7 2
50	Baschurch	8 10	8 0
58	Shrewsbury	8 10	8 0
71	Oakengates	9 8	8 10
80	Albrighton	10 6	8 10
90	Bilston*	11 8	10 0
100	Birmingham*	12 6	10 10

* These rates include collection in Liverpool and delivery in South Staffordshire.

Mr. Nicks has given you his comparison of the rates charged by the Midland Company to places in the inland district. Gloucester is situated about 56 miles from Birmingham, and supplies to a very large extent the requirements of that district in grain and timber. There is a population within 60 miles of Gloucester in that neighbourhood of about 900,000, and there is a comparatively free river navigation from Gloucester up to Worcester, the toll being only 6*d.* per ton for, I think, about 32 miles; then the traffic gets upon the canal, and there always has been a very strong competition between the Midland Company and the river for the traffic, and of course the Midland Company, with a desire to obtain a share of that traffic, have charged very low rates. As against that Mr. Nicks gives you the rates which are charged by the Great Western Company towards Hereford and into Shropshire and the agricultural districts, with a population within 60 miles bordering upon our line of railway of only 46,680, passing through all the parishes, and he adduces this as a fair comparison of circumstances showing that we charge unfavourable rates as compared with the Midland Company. We have tackled Mr. Nicks upon this subject before, and he omitted to point out to you that, when we are placed in the same circumstances as the Midland, we give Gloucester, as far as we can, the advantage of competition as against the South Wales ports in the direction of Swansea. And I think if you will compare the rates which we charge along the South Wales line, they will not appear unfavourable as compared with those charged by the Midland Company. Mr. Nicks' (I am afraid I must say), knowing that this comparison could be made, tells you that they do not do much trade towards South Wales. The quantity of traffic sent during last year in that direction was between 12,000 and 13,000 tons. In the other direction, that is, towards Swindon, there is no doubt that we do charge a higher scale of rates than we do charge towards South Wales, and we do it for this simple reason, that the consumption in that district is not very large. Gloucester has to compete with Bristol, and we put them on precisely the same scale. And further they compete with the timber and grain from London; and we charge from London as nearly as possible, in fact, upon the same scale. If the consumption was as large in the direction of Swindon as it is in South Staffordshire, or if the competition (I am bound to say) was as great as it would be by river, we would reduce our rates, if we could afford to do so.

11,782. (*Capt. Galton.*) To South Wales there is competition by sea—a coast competition, is there not?—Yes, there is; but there is more than that; Newport, Cardiff, and Swansea are importing towns, and of course Gloucester would obtain no share of that traffic if we or the water carriers charged high rates; they would be supplied from those places, so that Gloucester and we go hand in hand to get a share of that traffic.

11,783. (*Mr. Hamilton.*) In one of those tables

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which you have had handed in, in which the charges by the two railways are given, I see that to Church Stretton, which is a distance of 69 miles, your timber rate is 10*s.*, against Tamworth, which is 70 miles distant, and to which the rate is 6*s.* 2*d.*, on the Midland, and you give a note both to Church Stretton and to Shrewsbury to say that the rates on the Shrewsbury and Hereford line include transfer from broad to narrow gauge. Can you give the Commission any information as to the cost of that transfer?—We generally put it at about 1*s.* a ton, but I do not know whether the Commission would wish me to give any explanation of this Tamworth low rate.

11,784. If you have any explanation to give we should be very glad to hear it?—It is simply this, that there there is competition again.

11,785. (*Mr. Horsfall.*) Therefore showing the advantage to the public of competition?—There is no doubt that competition to a certain extent is an advantage to the public; but if it is carried too far, I think I could show that it is very injurious to the public. Then, in answer to question 8995, Mr. Nicks stated that in consequence of the low rates given from Newport and the high rates from Gloucester, the trade of Gloucester has been diverted to Newport for the Hereford and Shrewsbury district. I may say that the very contrary is the case. This table, which I will hand in, shows a comparison of the rates from Newport and Gloucester and I think the Commissioners will be satisfied that it is not at all unfavourable to Gloucester, especially when I tell you that the result is this, that from Gloucester, in the year 1865, we carried into that agricultural district 3,062 tons, and from Newport the total tonnage was 502 tons. The fact is, that the trade of that district is very small. I will hand in the following table:—

COMPARISON of RATES for GRAIN and TIMBER and DISTANCES from GLOUCESTER and NEWPORT.
Great Western Statement on Mr. Nicks' Evidence, Question 8995.

—	NEWPORT. RATES.			GLOUCESTER. RATES. Including transfer from Broad to Narrow Gauge.		
	Distance.	Grain.	Timber and Deals.	Distance.	Grain.	Timber and Deals.
		s. d.	*s. d.*		*s. d.*	*s. d.*
Hereford	41	5 0	7 6	30	3 6 (No transfer performed.)	5 5
Moreton	45	8 4	8 4	34	6 8	7 6
Dinmore	49	8 4	8 4	38	6 8	7 6
Leominster	53	8 4	9 2	42	7 6	8 4
Kingsland	58	8 4	10 0	47	7 6	8 4
Pembridge	61	10 0	11 8	50	7 6	8 4
Titley	65	10 0	11 8	54	8 4	9 2
Kington	67	10 0	11 8	56	8 4	9 2
Wooferton	59	8 4	9 2	48	7 6	8 4
Tenbury	64	8 4	10 0	53	8 4	9 2
Ludlow	64	8 4	10 0	53	7 6	8 4
Bromfield	67	8 4	10 0	56	7 6	8 4
Onibury	69	9 2	10 10	58	7 6	8 4
Craven Arms	72	9 2	10 10	61	8 4	9 2
Marshbrook	77	9 2	10 10	66	8 4	9 2
Church Stretton	78	10 0	10 10	68	9 2	10 0
Shrewsbury	91	10 10	12 6	81	10 0	10 0

	FROM NEWPORT.			FROM GLOUCESTER.		
		Grain.	Timber.		Grain.	Timber.
Tonnage carried in 1865	Tons	137	365	Tons	2,131	931
	Tota tons	502			3,062	

I may now refer to question 8998, and bearing on the whole of the evidence which has been laid before you on behalf of Gloucester, I should wish to read a question and the answer of Mr. Nicks, given in the Committee of the House of Commons last session on the London, Bucks, and East Gloucestershire Bill. There, of course, he is making complaints against the Great Western Railway Company, but not quite of the same character as he has brought before the Commissioners. He is asked this question: "And those rates "are given you by the Great Western Company?— "A. Yes, they are given us by the Great Western "Company. We do a great trade up the Great "Western Railway. I do not complain of their timber "rates half as much as I do of their passenger rates.—Q. "As a trader, then, you would not complain?—A. Not "as a general principle. I have every reason to be "satisfied with the Great Western goods rates. I do "not find fault with them as a general principle."

11,786. (*Mr. Glyn.*) Is that scheme before Parliament again this year?—Yes, it is before Parliament again this year. It is, in fact, a line which he has put before you as a thing which is desirable in the interest of the public and of Gloucester. Then he suggests a uniform mileage rate. I can only say that Mr. Nicks himself is a gentleman who has been very desirous of having a special rate, and he has a special rate at this moment from Gloucester to Reading; and in this very evidence that I have read he says, that in consequence of the favourable special rate which we give him to Reading he does a large trade with Reading, which he would not otherwise do.

11,787. (*Mr. Gower.*) What reduction has he?—He has no special reduction for himself, it is a reduction for Gloucester. It is not given to Mr. Nicks only. It was given to the trade of Gloucester upon his application. I do not know whether there is any question which the Commission would wish me to answer with respect to all the new lines in the district, and with regard to the alleged opposition on the part of the Great Western Company to any accommodation being given by new railways. If the Commission wish it, I should be quite prepared to do so.

11,788. (*Chairman.*) I presume the Great Western Company, like other companies, would object to a competing line being introduced into their district if they could prevent it?—No doubt, as a principle, we should. In this instance, however, we say that there is no necessity whatever for this competing line. It is a competing line which he desires between London and Oxford, he having already obtained the East Gloucestershire Railway from near Oxford to Gloucester.

11,789. (*Mr. Dalglish.*) Will you turn to question 8989, where Mr. Nicks is asked by the Chairman— "Does not your complaint resolve itself simply into "this, that, having no competition throughout the dis- "trict in which Gloucester is situated, you are charged "higher rates, and have not the same accommodation "as is given upon other parts of the Great Western "line?" to which he replies, "That is so." What ex-

planation have you to give upon that point?—I say there is no foundation for the statement, with the exception of the explanation which I have given, so far as it goes, as to the difference of the fares between London and Gloucester and London and Birmingham.

11,790. (*Earl of Belmore.*) Is the East Gloucestershire line opened?—No; they have not commenced to construct it.

11,791. (*Chairman.*) You stated that Mr. Nicks had always shown peculiar hostility to the Great Western Company; has he shown it more than any of the other inhabitants of Gloucester?—I do not wish to put it that he has shown peculiar hostility; I would rather put it in this way, that he is an active public man, and he has taken one side (I do not wish to put it more strongly than that), that side, unfortunately, being always antagonistic to the Great Western Company.

11,792. He appeared here, as you are aware, at the request of the Chamber of Commerce of Gloucester?—Quite so.

11,793. (*Mr. Horsfall.*) His hostility, I apprehend, is shown really in supporting opposing lines?—Yes; personally we get on exceedingly well with Mr. Nicks; he is a partizan, as I say, and of course the side he takes biases his views. I have not a word to say against Mr. Nicks personally.

11,794. (*Chairman.*) We will now go to Messrs. Howards' statement in the Appendix; what remarks have you to offer upon that statement?—With regard to Messrs. Howards' statement, I do not know that I can add anything more to the statement which I have already put before the Commission. I have looked carefully at the correspondence between our people and Messrs. Howard, and it appears to me that what they desire is a special rate for their own particular advantage; while we have to consider other customers. We are quite prepared to give Messrs. Howard fair rates for their implements in connexion with the London and North-western Company and the Midland Company to every place upon our line, but we certainly do object to give them such special rates as would injuriously affect other manufacturers who are situated upon our railway, or upon other railways with whom we have through booking.

11,795. (*Capt. Galton.*) Messrs. Howards' objections were not solely to the question of rates for goods; they also complained, I think, that although the Bedford and Cambridge Railway has been opened for three years, yet to this day passengers cannot book through from Bedford to Bristol or to any Great Western station west of Didcot, nor can a third-class passenger travel through without stopping the night at Oxford?—With regard to the first part of the complaint, it is quite correct that there is not through booking yet, but the two companies decidedly intend to establish through booking between all principal places; but it is a work of considerable labour, and that is the only reason why it has not already been carried out.

11,796. (*Mr. Glyn.*) It will fall into your general arrangements, will it not, in due time?—Yes; as a matter of course we take the largest questions and the most pressing first. With regard to the other part of his complaint, I can assure the Commission that that is an extremely difficult question; that a third-class passenger has to sleep a night at Oxford if he wants to go third class from Bedford to Bristol, is a complaint which would not only apply to Oxford but to many junctions between railway companies. It is, as I say, an exceedingly difficult question.

11,797. (*Capt. Galton.*) Is that owing to the very small number of trains to which third-class carriages are attached?—No doubt that is one reason, and also of course there is the difficulty in fixing the times of the trains of two companies to meet at junctions, even where you are so disposed. Take the case of our own line, which has a very large number of branches; we find it a most difficult thing to arrange. Of course if we were to carry third-class passengers by every train the difficulty would be got over to a great extent, but certainly that would be going a long way.

11,798. (*Mr. Glyn.*) It would be a very small traffic from Bedford through Oxford to Bristol, would it not?—Very small indeed.

11,799. (*Earl of Belmore.*) There are three changes of carriage, are there not, one at Bletchley, one at Oxford, and one at Didcot?—Quite so.

11,800. (*Mr. Hamilton.*) Have you no return to show the number of passengers between those points in 12 months?—We have not, because we do not book through, but we can pretty well tell where the most important points are at which to begin the through booking first.

11,801. With regard to those places to which those complaints allude, between Bedford and Bristol, do you suppose that it is a very small passenger traffic?—I should say that it is very small. Of course, taking the district west of Bristol in addition, it would be larger than the traffic to Bristol itself.

11,802. Have you any means of saying what the number of passengers might be per week?—I should be sorry to venture upon a figure, because it might be 20 passengers a week, or it might be 10.

11,803. Do not you think it would be more than 10?—No.

11,804. (*Earl of Belmore.*) In fact the majority of such passengers would go through London?—Yes, a great many would do so, no doubt, but the London and North-western Company have been putting on a good service of trains towards Cambridge, and they advertise the communication to show passengers how they may come from the east of England viâ that route to the west of England, but they have not yet commenced through booking.

11,805. (*Mr. Glyn.*) That will eventually open up the route to Norwich and the east all through?—Yes, no doubt through by Cambridge.

11,806. And no doubt through booking will be carried out before long?—It will be carried out before long between all the principal places.

11,807. (*Capt Galton.*) Another complaint is that, "previous to the amalgamation of the West Midland "with the Great Western Railway, passengers could be "conveyed through to Worcester from Bletchley with-"out change, but this has now been discontinued;" is that the fact?—That is so. Before the amalgamation between the Great Western and the West Midland companies the London and North-western and the West Midland companies worked together, and passengers could go through from Bletchley to Worcester. Since the West Midland line has become amalgamated with the Great Western, through trains run from Paddington through Oxford to Worcester, and the London and North-western Company can if they like put on a carriage, which we would take on at the Yarnton Junction, precisely the same as was done before.

11,808. The traffic is not sufficient to make that worth while, I presume?—I would not attempt to give a reason why they have not done so, but we are bound to take on a carriage for them if they think it is worth while to send it. I think it is more than probable that they consider that the bulk of the traffic would go by Oxford, and therefore it would not at present pay to run a through carriage. The public certainly so far as London is concerned do not suffer; but so far as any intermediate passengers are concerned between Bletchley and Oxford, no doubt they have to change.

11,809. (*Mr. Horsfall.*) Is this statement by Messrs. Howard in the Appendix correct, that the rates to Great Western stations and North-eastern stations north of Darlington are higher in proportion than those of the other great companies in the kingdom?—Of course I am not aware of what the rates are which are charged by other companies; but I have brought with me a scale of our own rates, which I do not think are at all unfair. I think it is quite possible that Messrs. Howard, being very large manufacturers, may get for their implements sent in large quantities from Bedford at a special rate lower than our scale is, but I certainly would not be disposed to recommend that they should have a lower rate unless we were reducing the rates to others.

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11,810. (*Chairman.*) What explanation have you to offer with regard to Mr. Williams' complaints ?—With regard to Mr. Walter Williams' complaints I will put in a table ; but I will just simply make this general remark with regard to his statement. He has shown the Commission the charges per ton per mile, but he has omitted to deduct the terminal charges in any case, or to show whether the rates included collection and delivery, and therefore he has not made the necessary deduction before he could make a fair comparison of the charges. I do not know whether it will be necessary to go into the details of the rates. I have gone very carefully into them, and I must say that so far from his having any grounds of complaint I consider that the special rates which we have given for South Staffordshire are very favourable indeed to that district. The rate from South Staffordshire to London has been reduced within the last few months. The rate was considered too high, and upon the application of the ironmasters themselves it was reduced by the two companies.

CORRECTED STATEMENT of RATES and DISTANCES handed in by Mr. W. WILLIAMS, of the South Staffordshire Ironmasters' Association.

To accompany Mr. Grierson's Evidence. Question 10,121.

STATIONS.	Mr. WILLIAM'S Statement.								Corrected Statement.								What Service the Rates include.
	Wolverhampton.			Stourbridge.					Wolverhampton.			Stourbridge.					
	Distance.	Pigs.		Bars.		Pigs.		Bars.	Distance.	Pigs.		Bars.		Pigs.		Bars.	
		s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*		*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	
Glasgow	228	20	0	20	0	-	-	20	0	306	20	0	20	0	-	-	20	0	Collected by boat.
Newcastle-on-Tyne	220	-	-	17	6	-	-	17	6	213	12	6	17	6	-	-	17	6	S. to S.
West Hartlepool	200	12	1	17	6	-	-	15	0	187	12	1	15	0	-	-	15	0	„
Middlesboro'	180	11	8	17	6	11	8	17	6	178	11	8	15	0	11	8	15	0	„
Swansea	170	9	2	10	0	9	2	10	0	144	9	2	10	0	9	2	10	0	Collected by boat.
Southampton	162	-	-	19	2	15	0	18	4	152	-	-	19	2	15	0	18	4	S. to S.
Hull	157	11	6	15	2	-	-	15	2	156	11	6	14	2	-	-	15	2	Collected by boat.
London	126	15	0	17	6	15	0	17	6	125	13	4	15	0	13	4	15	0	C. and D.
Cardiff	126	8	4	9	2	7	6	8	4	122	8	4	9	2	7	6	8	4	Collected by boat.
Leeds	125	9	2	12	6	9	4	13	4	115	9	2	12	6	9	4	13	4	S. to S.
Bristol	107	-	-	10	0	-	-	7	6	102	-	-	10	0	-	-	7	6	C. and D. by boat.
Sheffield	107	7	8	10	0	-	-	11	0	87	7	8	10	0	-	-	11	0	S. to S.
Liverpool	84	9	0	10	0	-	-	11	0	84	9	0	10	0	-	-	11	0	Collected and delivered alongside in 10 ton lots.
Manchester	71	9	0	10	0	10	0	11	0	71	9	0	10	0	10	0	11	0	Collected and delivered by boat.
Chester	61½	9	0	10	0	-	-	11	0	72	9	0	10	0	10	0	11	0	Collected by boat.
Derby	50	-	-	7	0	-	-	8	6	- -	-	-	7	6	-	-	8	6	„
Stoke-on-Trent	32	-	-	6	8	-	-	7	6	30	5	0	5	0	-	-	7	6	S. to S.
Wellington	18	3	0	5	0	-	-	6	8	20	3	0	5	0	4	0	6	8	„
Birmingham	13	2	10	4	2	-	-	3	8	13	2	10	4	2	2	10	3	8	„
Gloucester	70	-	-	5	6	-	-	5	0	65	5	6	5	6	-	-	5	0	Collected by boat.

11,811. (*Mr. Hamilton.*) To what extent was it reduced ?—It was reduced from 17*s.* 6*d.* to 15*s.* That rate includes collection and delivery, that is to say, delivery in London and collection in South Staffordshire.

11,812. (*Capt. Galton.*) Their complaint was that the rate originally charged would not enable them to compete with the Middlesbro' iron in the London market ?—Of course that is what they stated put them in an unfair position. But inasmuch as the Middlesbro' iron rate is, if I remember rightly, 16*s.* 8*d.* for rails and 18*s.* 4*d.* a ton for bars, we thought that that was scarcely a sufficient reason of itself. The grounds upon which we reduced it were these, that the cost of production was stated to us to be very much less at Middlesbro', and therefore we did not take into consideration only the cost of conveyance from Middlesbro', but we took the cost of production also into account.

11,813. (*Mr. Gower.*) Was there any anticipation of a line being proposed by the ironmasters ?—No ; but I must give this explanation, that at a meeting when the chairman of the London and North-western Company, and some of the directors and officers of that and the Great Western Company, met the ironmasters in the autumn, we pointed out to them that if they intended to hold the threat over our heads that if we did not reduce the rates they would support a new line, that we declined to discuss the question with them upon that footing. Mr. Hartley and Mr. Foster, M.P. for Staffordshire, and other gentlemen, stated that they had no such desire whatever, that they wished to meet us as they had met us before to discuss the question upon its merits, and upon that understanding and with that spirit we agreed to go into the question.

11,814. (*Mr. Horsfall.*) I see in this table furnished by Mr. Williams that the charge for 107 miles to Sheffield on pig iron, is 7*s.* 8*d.* ; to Liverpool, 84 miles, 9*s.* ; and to Manchester, 71 miles, also 9*s.*, can you explain that ?—I should have mentioned, probably, this, that we do not convey to Sheffield, and therefore I cannot explain it, but I may tell you what I have been informed, having asked for information, that the rate to Sheffield is only a station to station rate, whereas the rate to Liverpool and Manchester includes collection and delivery, and in Liverpool alongside the ship in 10-ton loads. Therefore the comparison is not a fair one.

11,815. If you look at the next scale you will find that Sheffield, Liverpool, and Manchester, though varying in mileage, are all charged the same, 10*s.* on bar iron ?—I cannot explain the Sheffield rate, as I have already mentioned, but that is the explanation given me with regard to it. I can say this, from my own knowledge, that the Liverpool rates do include collection in South Staffordshire and delivery alongside the ship.

11,816. Can you account for the difference in the scale of charge as between pig iron and bar iron, that in the one instance there is a considerable difference between the Sheffield and the Liverpool and Manchester rates, and in the other they are all charged the same, 10*s.* ?—Of course I could not give you an answer which would be of any value, as I do not know the circumstances, but I could give you my own impression as to what the reasons of that would be, namely, that in Sheffield they would desire to have pig iron for the purpose of manufacture, and that the company would give the South Staffordshire ironmasters a low rate to export it there in competition with the north of England pig iron ; that is the only reason that I can give, but that is only an opinion.

11,817. (*Mr. Gower.*) Do you anticipate any loss to your company from this reduction which you have just referred to ?—We certainly do hope that there will be an increase of traffic ; but whether it should be so or not,

I believe that, under the circumstances, we would have made the reduction, because there is no doubt that South Staffordshire does labour under disadvantages; labour is high there, and coal is much scarcer and is expensive, and in the competition with South Wales and Middlesborough there is no doubt the South Staffordshire ironmasters are at a disadvantage. Speaking for the Great Western Company, we having purchased or constructed lines in that district which have cost between 5,000,000*l.* and 6,000,000*l.*, and of course have a very great stake in the district (and the London and North-western company are in the same position to a very large extent, probably to as large or larger extent than we are), we have probably more interest in the district than the traders themselves, and we certainly desire to meet them in that spirit when we discuss rates and charges with them.

11,818. (*Mr. Glyn.*) You stated that in making the alteration you did take into consideration the commercial question as well as the railway question?—Yes, we do do that, and that seems to have been rather overlooked by some of those witnesses who have come before the Commission.

11,819. (*Chairman.*) Is the reduction solely in the rate to London?—It is solely in the rate to London; I think that was the only rate asked to be reduced.

11,820. (*Mr. Glyn.*) That was the complaint, was it not?—Yes, that was the complaint. I have a copy of the notice which I issued, which I could hand in, if the Commission wish it.

11,821. (*Mr. Roebuck.*) I do not suppose that your company is influenced by mere pure principles of philanthropy in your alterations of rates; why do you favour South Staffordshire in that way?—We are not actuated entirely in the way that the honourable member suggests, of course; we have reduced the rates there because if they were too high and stopped the production of iron it would injure the district, and therefore injure our companies.

11,822. That is to say you would have less to carry?—No doubt.

11,823. Therefore you lower your fares in hopes of getting a greater amount of business?—Yes; or in the case of South Staffordshire really to maintain what we have got, because the competition is becoming greater between that district and Middlesborough.

11,824. So that in benefiting South Staffordshire you look to benefit yourselves?—Certainly we hope to do so.

11,825. (*Mr. Horsfall.*) There is a still more glaring instance of inconsistency, namely, as between Swansea and Liverpool. Swansea is 170 miles, and your charge is 9*s.* 2*d.* on pig-iron, whereas Liverpool is only 84 miles and your charge is 9*s.*?—Yes; that is one of the discrepancies which is not explained in Mr. Williams' statement. The rate to Swansea is a station-to-station rate, the other is a collected and delivered rate.* In any case there is no doubt that the rate to Swansea is a low rate per ton per mile.

11,826. (*Capt. Galton.*) You should add to the Swansea rate the price of the terminal charges, should you not?—Yes; the collection and the delivery.†

11,827. (*Mr. Horsfall.*) Do you add the terminal charges at Liverpool, or not?—Yes, I have included them in the 9*s.*

11,828. Are they not included at Swansea?—No. There is no doubt, as I have said, that the Swansea rate is a low rate per ton per mile.

11,829. And the Liverpool rate is a high rate?—Of course the Liverpool rate is higher per mile, but we do not consider it a high rate, and if I show you what we have to deduct as the actual cost of the collection and delivery and the station charges, I think you will admit that the Liverpool rate is a very bare rate. I have often said that it is almost approaching a doubt whether it leaves much profit.

11,830. If the Liverpool rate is a bare rate the Swansea rate must be a still more bare rate?—What we get in the Swansea rate all goes into our pocket (except the collection) in reality, but in the case of the Liverpool rate we have to pay charges for delivery. In some cases our charges for the collection for South Staffordshire amount to 1*s.* 6*d.* to 2*s.* per ton.

11,831. (*Capt. Galton.*) Are your charges for delivery the same in Liverpool?—No; our charges for lighterage from Birkenhead to Liverpool vary from 1*s.* 3*d.* to 1*s.* 8*d.* per ton.

11,832. And that has to be deducted from the rate?—Yes, that has to be deducted from the rate.

11,833. That as well as the 2*s.* for collection in South Staffordshire?—Yes, I gave the maximum when I said 2*s.*; in some cases it is as low as 1*s.* 3*d.*, but I think in no case is it as low as 1*s.*

11,834. (*Mr. Horsfall.*) Why should the charge for collection from Wolverhampton be higher on iron sent to Liverpool than it is on iron sent to Swansea?—I am afraid that I have not made myself clear. If we carry iron to Swansea we make an addition to the charge which you see printed here. The fact is, as the honourable Commissioner says, the rate in the case of Swansea does not include delivery; therefore, if you ask us to collect in South Staffordshire any iron going to Swansea, and do the same service, we ask you for payment in addition to the rate which you see on this table.

11,835. Then you do not collect in South Staffordshire for iron going to Swansea?—Yes, we do collect.

11,836. (*Capt. Galton.*) With regard to your former answer as to the necessity of supporting South Staffordshire, did not you last summer give very low rates for the conveyance of coal into South Staffordshire, in order to support it during the strike of the colliers?—Yes; at the time of the strike in the colliery district we communicated with the ironmasters even before they communicated with us; in fact, I believe both companies did so almost simultaneously, and certainly they did it without any consultation. We offered to bring up coal from North Wales and also from South Wales at almost nominal rates into South Staffordshire, with a view to assist them during their difficulties, and we did bring in very large quantities of coal at very low rates from those districts.

11,837. (*Mr. Gower.*) To what do you attribute the low rate at Swansea?—The low rate to Swansea was given under these circumstances: the rate to Gloucester for iron is very low by river, and thence from Gloucester to Swansea iron can go by coaster very cheaply, and the rate was fixed taking that into consideration; and besides, it is to compete with the iron locally manufactured. It certainly is a very low rate, and really I have had frequently under consideration (not in consequence of its being brought forward here) that that rate should be raised, only it is such a very difficult thing to raise a rate after it has been quoted, that we have never touched it.

11,838. (*Capt. Galton.*) The fact is, that the iron of that district can pass by canal to the Severn, and then the navigation is perfectly free?—Yes, from Worcester down to Gloucester, a distance of between 30 and 40 miles, they can pass for a toll of 6*d.*, so that it is a very special case.

11,839. (*Chairman.*) Could you raise the rate to Swansea without losing the traffic?—That is doubtful; but it is a very bare rate.

11,840. What circumstances led you to include the expenses of collection and delivery in the charge to Liverpool and not in that to Swansea?—Because the great bulk of the iron which goes from South Staffordshire to Liverpool is for shipment, and the public like to have one charge. I believe the ironmasters, as between themselves and the merchants, in Liverpool, have from a very old established practice always delivered their iron in Liverpool at 10*s.* per ton above the Staffordshire price, whatever the rate was. I remember that the rate from South Staffordshire for iron during a period of competition was 6*s.* 6*d.* per ton, but still the ironmasters at that time were understood to have

* The witness afterwards corrected this part of the answer as follows:—"The rate to Swansea is a collected rate only."

† Afterwards corrected by witness to "Yes, the delivery."

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charged 10*s.* per ton more if it was delivered in Liverpool; they like to get a gross charge, and not to have two or three payments to make.

11,841. Purchasers in Swansea do not think it of so much importance?—There is no shipment of iron from Swansea as there is from Liverpool. The trade of Swansea is quite different, it is more for local consumption; of course, to some extent it is against the competition of local iron manufactured in the Aberdare district, and the low rate really is an advantage to the South Staffordshire people.

11,842. (*Mr. Dalglish.*) I see that in the statement from the South Staffordshire ironmasters, they suggest that it should be more clearly defined what the word "terminal" means as it is used in the Railway Acts. Can you give us a definition of the word "terminal?"—I will endeavour in some general observations at the end of my evidence to explain that, but I may state that it would be an exceedingly difficult thing to comply with the wish expressed by Mr. Williams that there should be a uniform and fixed sum chargeable for terminal services under the circumstances referred to in his suggestion number 2, which is where traffic is put in and out of a siding, because of the difference in the expense that that service and accommodation involves to the company. The charge which it would be fair for them to make depends upon a variety of circumstances. First, you may take a colliery district, where there is a siding on to which we may get a full train-load, and we may go direct away with it, but in another case it may be that it is an iron siding, into an iron-works only giving out two or three truck loads a day, and in such a case we may have to send a special engine for it from our station, and have all the cost of forming our train in the station.

11,843. (*Mr. Horsfall.*) In that case you make a special charge for a special engine, do you not?—We have never done so in that way.

In answer to questions 10,121 and 10,311, there is the hypothesis which Mr. Williams puts forward, that companies admit that a farthing per ton per mile is a fair and profitable charge. I only wish to say that I know of no such statement. I know of no company carrying at such a rate. Mr. Williams also refers to the notices which should be given as to the alteration of rates. In the case of the alteration which I have just referred to, namely, the London rate, and all the great alterations which have been made, all companies in fact, canal companies and railway companies, issue a printed notice to every person in the trade, so that what he desires is really carried out, except in cases of minor alterations, when it is not necessary to do so.

11,844. (*Mr. Glyn.*) Speaking generally, you give a month's notice, do you not?—We always give a month's notice but as the alterations are generally reductions in rates, a month's notice is scarcely necessary, but certainly in all those alterations we have given them a month's notice.

Then, in questions 10,167 and 10,172, in comparing the charges to Cardiff and other ports, Mr. Williams has omitted to take into consideration the collection and delivery in the same way as I have referred to before. In 10,182, and a number of other questions which you will find there, and also in the case of Mr. Gibbs, in 10,804 and 10,809, they make the statement that the railway companies are in the habit of making the same charge to the public, whether the service of cartage is performed or not. That is an entire mistake, and I am quite certain that they would correct it themselves if they had an opportunity of doing so. We always make a rebate where the public do the cartage itself; in fact, as far as I know, every company does.

11,845. (*Mr. Horsfall.*) Do you give the public the opportunity of doing the cartage themselves?—Yes, we do. The law requires us to do so. I may say that in the case of the Great Western Company, as near as I can ascertain, the public or carriers brought into and received from the Paddington station during the last year, about 160,000 tons of traffic, on which they either made the charge themselves for the cartage, or we made them an allowance out of the rate for the cartage. But I should make this explanation, that it is very much more convenient that the companies should do the cartage themselves, because if every individual brought his own cart into the station, or if a very large number of carriers were to come with their vans, the work of the station would be very much increased in cost, and the goods could not be delivered with anything like the facility with which it is done where the company do the carting themselves.

11,846. What rate per ton do you charge for cartage?—The rates vary from 1*s.* 6*d.* to 2*s.* 6*d.* in the country, and from about 2*s.* 6*d.* to practically 6*s.* or 7*s.* in London. I do not remember exactly what the maximum is in London.

Then in questions 10,247 and 10,382 Mr. Williams appears to desire what he calls competition between companies. Such competition as I presume he desires, namely, a competition of rates, as I stated before, I consider to be quite impossible. In fact I may mention this, that the very ironmasters themselves, who have been represented before the Commission, and also the salt manufacturers, have their regular meetings, at which they fix the prices of their own goods; and numerous bodies, not having a large capital at stake, like railway companies, which cannot be withdrawn from their concern, meet and make arrangements for their mutual protection. And as I said before, I consider that it would be utterly impossible that anything like a competition of rates should exist for any length of time.

Mr. Williams considers that the special circumstances of South Staffordshire should be taken into account. With respect to that, I say this, that we do take them into account. We carry limestone from North Wales, and other railway companies carry it from Froghall in North Staffordshire. We carry iron ore very cheaply, and the London and North-western Company carry the Northamptonshire iron into South Staffordshire at very low rates with a view of assisting the parties who smelt iron. And with regard to Mr. Walter Williams' complaint, Lord Ward, who has also large iron manufactories, and who has lime rocks in South Staffordshire, might complain of our bringing that limestone. The parties who roll the iron in South Staffordshire are also very anxious to get pig iron in to mix or to roll; we bring in pig iron from North Wales, from Westbury, and from South Wales; and, as has been referred to before, it is brought in from Middlesborough at very low rates to meet their requirements. Against that the parties who smelt the ore complain of the preference, and say that it is an unfair proceeding; but I say that railway companies do take into consideration the circumstances of a district, and although we cannot satisfy them all, I believe we do the best for them on the whole. With regard to questions 10,131, 10,320, and 10,321, I say that the rule which Mr. Williams proposes should be laid down is practically the principle upon which railway companies act.

11,847. (*Chairman.*) That is to say with respect to collection and delivery?—Yes.

11,848. (*Capt. Galton.*) And with respect to giving every one of the freighters the same advantage?—Yes.

11,849. I suppose it would be possible for a railway company, if it chose, to give a preference to one trader over another?—No doubt that might be done. That is, you mean to say, if a railway company chose to do so, they might give a lower rate—no doubt they might; but I say that, as a rule, such a thing is not done upon railways, except, of course, in special circumstances, (which I shall be very happy to explain,) in which I consider that both the interests of the public and of the railway company are served by an exception being made.

11,850. (*Mr. Glyn.*) On the occasion of large quantities being sent?—Yes; that is one of the conditions.

11,851. (*Mr. Hamilton.*) When you make those special rates, is there any mystery about them?—None whatever. Of course we do not publish them; but we never make it a mystery.

11,852. (*Mr. Glyn.*) You would do it to any other person under similar circumstances?—Certainly. What I wish to convey is, that no firm whatever gets a special rate for their special advantage.

In answer to questions 10,322 and 10,249, Mr. Williams advocates uniform rates. That is a point which I will refer to afterwards. I would simply say, that the question put in 10,252 is really the principle upon which rates are made, and I consider that they ought to be made in the interest of the public, and, in fact, of the ironmasters themselves. Then with regard to 10,390 and 10,398, I would simply say this, that iron taken from South Staffordshire in the evening is, as a rule, delivered in Liverpool and in London the next morning. An occasional delay may arise; but it is quite exceptional, I have no doubt, by whatever route it is conveyed.

11,853. (*Capt. Galton.*) Are goods that are sent to the railway one day delivered the next day in London or Liverpool, as a rule?—Yes. In fact, I think, if you look at the two answers which Mr. Williams has given to those two questions, you will find that in the one case he states that there is no delay, as a rule, and in the other case he states that they have to complain of the delay. I do not know that I need say anything further upon his evidence.

11,854. (*Chairman.*) Now, will you go to Mr. Mathews' evidence. Are his complaints mainly of the same character as Mr. Williams'?—They are practically the same. He complains of the Middlesbro' rates, and he gives a table of rates also, omitting to make the deductions in the same way as Mr. Williams does; and he also complains that in consequence of our rates he is unable to roll armour plates either in North Staffordshire or in South Staffordshire to send to London. As far as we can find there are no armour plates rolled in this district; but there is a trade in armour plates from Shropshire, where the rates are really higher to London than they are from either the North or the South Staffordshire districts.

[*The witness handed in the following tables.*]

CORRECTED STATEMENT of RATES and DISTANCES from WOLVERHAMPTON handed in by Mr. MATHEWS.

To accompany Mr. Grierson's Evidence. Question 10,450.

BETWEEN		Mr. W. Mathews' Statement.				Corrected Statement.			
		Distance.	Article.	Rate per Ton of 2,240 lbs.	Rate per Ton per Mile.	Distance.	Rates.		What the Rate includes.
				s. d.			s.	d.	
Wolverhampton -	Glasgow - -	288	Pig and bars -	20 0	·83	306	20	0	Collected by boat.
„ -	Newcastle-on-Tyne	220	Pigs - -	12 6	·68	213	12	6	S. to S.
„ -	„ -	„	Bars - -	15 0	·81	„	15	0	„
„ -	Middlesboro' -	180	Pigs - -	11 8	·77	178	11	8	„
„ -	„ -	„	Bars - -	15 0	1·00	„	15	0	„
„ -	Swansea - -	170	Pigs - -	9 2	·64	144	9	2	Collected by boat.
„ -	„ -	„	Bars - -	10 0	·70	„	10	0	„ „
Wigan - -	South Stafford -	77	Pigs - -	6 0	·93	77	6	0	S. to S.
Wolverhampton -	Cardiff - -	126	„ - -	8 4	·79	122	8	4	Collected by boat.
„ -	„ - -	„	Bars - -	9 2	·87	„	9	2	„ „
„ -	Leeds - -	125	Pigs - -	9 2	·88	115	9	2	S. to S.
„ -	„ - -	„	Bars - -	12 6	1·20	„	12	6	„
„ -	Sheffield - -	107	Pigs - -	8 3	·92	87	7	8	„
„ -	„ - -	„	Bars - -	13 9	1·54	„	10	0	„
„ -	Gloucester -	70	Pigs and bars -	5 6	·94	65	5	6	C. and D. by boat.
„ -	Derby - -	50	Pigs - -	4 6	1·08	44	—		—
„ -	„ - -	„	Bars - -	7 6	1·8	„	7	6	Collected by boat.
„ -	Stoke-on-Trent -	32	Pigs - -	5 6	2·06	32	5	0	S. to S.
„ -	„ -	„	Bars - -	6 8	2·5	„	6	8	„
„ -	Wellington -	18	Pigs - -	3 0	2·0	20	3	0	„
„ -	„ -	„	Bars - -	5 0	3·23	„	5	0	„
„ -	Birmingham -	13	Pigs - -	2 10	2·61	13	2	10	„
„ -	„ -	„	Bars - -	4 2	3·84	„	4	2	„
„ -	London - -	126	„ - -	17 6	1·66	125	15	0	C. and D.
„ -	„ - -	„	Pigs - -	15 0	1·43	„	13	4	„
„ -	Liverpool - -	84	„ - -	9 0	1·28	84	9	0	Collected on canal. Delivered in river in 10 ton lots.
„ -	„ - -	„	Bars - -	10 0	1·42	„	10	0	
„ -	Manchester -	71	Pigs - -	9 0	1·5	71	9	0	C. and D. by boat.
„ -	„ -	„	Bars - -	10 0	1·7	„	10	0	

The figures in the fourth column showing "Rate per Ton per Mile" are incorrect, as they are made upon a division upon the gross rate, without previously deducting terminals or charges for collection or delivery.

COMPARATIVE LIST of RATES for the CARRIAGE of IRON, referred to by Mr. W. MATHEWS, Corbyn Hall Iron Works.

To accompany Mr. Grierson's Evidence. Question 10,451.

STATIONS.		Article.	Mr. Mathews' Statement.		Yield per Mile.	What the Rate includes.
From	To		Distance.	Rate.		
				s. d.		
Middlesboro' - -	London - -	U. D. iron -	241	18 4	0·76	Station to station.
„ - -	„ - -	Rails - -	241	16 8	0·68	
South Staffordshire -	„ - -	U. D. iron -	126	15 0	0·73	Collected and delivered.
„ „ -	„ - -	„ - -	126	11 8	0·73	Collected only.
Shropshire - -	„ - -	„ - -	146	17 6	0·92	Delivered.
„ - -	„ - -	„ - -	146	14 2	0·92	Station to station.
„ - -	„ - -	Armour plates -	146	17 6	0·92	Delivered.
North Staffordshire -	„ - -	„ - -	151	16 8	0·79	„
South Staffordshire -	„ - -	„ - -	126	15 0	0·73	Collected and delivered.

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Comparative List of Rates for the Carriage of Iron, &c.—*cont.*

Stations. From	Stations. To	Article.	Mr. Mathews' Statement. Distance.	Mr. Mathews' Statement. Rate.	Yield per Mile.	What the Rate includes.
				s. d.		
Hollinswood - -	Wolverhampton -	Pig iron - -	15	3 0	1·20	Station to station.
		Paddle bars -	15	5 0	1·60	„
„ - -	Tipton Group - -	„ -	21	4 10	1·90	„
„ - -	Birmingham - -	„ -	27	5 2	1·63	„
Trench - -	Stourbridge - -	Pig iron - -	32	4 2	1·00	„
Madeley - -	„ - -	„ - -	29	3 5	1·21	„
„ - -	Brettle Lane - -	„ - -	25	4 0	1·20	„
Shropshire - -	Birmingham - -	„ - -	27	6 8	1·63	Delivered.

In making the calculations as to what the rates yield, the following deductions for collection, delivery, and terminals, have been made from the rates:—

		s.	d.	
Undamageable iron -	S. to S. -	1	6	- Terminals at each end.
Pig „ -	„ -	0	9	„ „
Undamageable „ -	Collected -	1	0	- In addition.
„ „ -	Delivered -	3	4	- „
Pig iron to Birmingham	„ -	1	6	- „

11,855. (*Earl of Belmore.*) When Mr. Mathews prepared this table had he any opportunity of knowing that some of your quotations included collection and delivery, and some did not?—He would have an opportunity if he were to ask. If Mr. Mathews were to write me a letter and ask me what the rates were, I should send them to him.

11,856. He would not know it in any other way from any published document or table of rates, would he?—He can know it from his own accounts if he sends traffic, if that is what the noble Lord means. If he examined his own accounts he would see what the service included.

11,857. I mean had he the means of knowing what was included in certain quotations, and what was not included in others?—He could have the means by simply asking; but I am afraid from the evidence of Mr. Williams that they have gone to station masters and asked questions, as if in reality there was any secret about our rates. I have not the slightest doubt that if he had sent to Euston Square or sent to Paddington he would have got a copy of the list at once.

11,858. Have you a list at Paddington which shows which rates do include collection and delivery, and which do not include collection and delivery?—Yes.

11,859. Which the public could have on application?—Certainly. I will put in some of the forms from which any person asking a rate, gets the information he wants, stating what it does include.

11,860. (*Mr. Dalglish.*) You stated, did you not, that as a rule different rates are not given to people in the same trade?—I did.

11,861. Have you any knowledge whether there is any different rate given to any of the directors on the Great Western line from that given to other traders on the line?—Most decidedly not.

11,862. Nor to any officials of the line who trade in coal or in any article carried on the line?—I am not aware of a single official upon the Great Western Railway whom you could call a trader in the strict sense of the word; there are several officers of the company who have shares in a limited liability company, called the Ruabon Coal Company and we have a published agreement with that company. With that exception I know of no officer of the company who has any interest in any trade upon the line. But with respect to the Ruabon coal matter (first of all, perhaps, I ought to say that I am not a shareholder or in any way directly or indirectly connected with any coal trade whatever), I was going to explain that with respect to that agreement it is a public agreement, and it has been my duty to watch the company's interests in carrying out that agreement, and I say most distinctly that they have had no advantage of the slightest description beyond what that agreement gives them. I should be very happy to explain the agreement if it is desired. I do not know whether the honourable member referred to that matter, but with regard to the general principle I can answer the question broadly in the way I have done. With regard to that special case it has been a subject which has been brought before Parliament frequently.

11,863. (*Mr. Hamilton.*) With whom does it rest to give a special rate, does it rest with yourself?—With myself, but of course it is done through the goods manager, because it would be utterly impossible for me to go into every special rate that is given, but I lay down the principles upon which the special rates are to be given, and they are brought to me in a list, and I have a general supervision over them. Of course all the meetings with the public, except on very special and large questions, are through the goods manager.

11,864. Then to a certain extent it does rest with them to carry out their instructions in good faith?—It does.

11,865. And that cannot be avoided?—It is impossible to avoid it. Of course any very large question, such as a general reduction of rates, or a general reduction of fares, is arranged after the whole subject has been discussed at the Board, but the details of carrying it out are left to the officers.

11,866. Has it ever come to your knowledge that a special rate showing personal preference has been given by the goods managers on the Great Western Railway?—Never. I never heard such a thing alleged, although we have, as a matter of course, to meet traders every year before committees, both when we are promoting bills, and when we are opposing bills, and except from merely a general statement that probably favouritism has been shown, I never heard anyone endeavour to make a specific charge of that sort. Then with regard to question 10,452, where Mr. Mathews shows that the rate for pig iron to Shropshire from South Staffordshire is very high per ton per mile, I think about 3*d.* He there again omits the terminal charges; and further, the porterage, &c.—we stack the iron and weigh it, and perform a number of services upon it, which ought to be taken into consideration. Then, with regard to 10,455 and 10,527, as far as I am aware all companies charge the same rates out of South Staffordshire as they do into South Staffordshire for the same places.

With regard to Mr. Thomas Perry, of Bilston, who represents the iron-founders, he proposes, I see, that all castings should be charged at the same rates as bar iron. I may state that we have for a number of years been very desirous to encourage that description of traffic out of South Staffordshire, in consequence of the competition which the iron-founders meet with from Middlesbro' and elsewhere, and we have given them special rates, in fact, for many years, but to carry out what Mr. Perry proposes would be a very great loss, and I think would be very unfair, because castings are sometimes very light, very bulky, very brittle, and also very valuable.

11,867. (*Capt. Galton.*) As far as brittleness is concerned, he proposes that the risk should be on the persons sending, does he not?—I suppose he would, in that case, but in some cases there are castings which we could not convey in one truck; we have brought up castings by special trains on Sunday, because it was unsafe to bring them in any other mode, and we have had to stop all the down trains as they passed.

11,868. Is that because they project so much over the line?—Yes; both very heavy castings which are, of course, cheaper per ton, at least cheaper because they are only of cast iron, and valuable castings, ought to be quite excepted from the general classification.

Then Mr. Walker of Wolverhampton makes a comparison of the rates from Wolverhampton with the rates from London. I say that there is no such traffic from London, and although there is a "class" in which the same goods are to be found, the rate is so worked out that really it is not a comparison at all.

11,869. (*Capt. Galton.*) What class of traffic is that?—It is hardware; what I refer to is in question 10,648.

11,870. Is there no traffic in hardware to London from South Staffordshire?—Mr. Walker takes the rate from Wolverhampton to London, where there really is a very large hardware trade. Then he takes the rate from London to another town, I think to Liverpool, and he says we charge a very much lower rate per mile for that hardware than is charged from Wolverhampton to London. I say there is no such traffic. I will put in a comparison of the list of rates charged. I may say generally as to hardware rates from Wolverhampton and South Staffordshire, that there is no inequality to complain of, such as that mentioned by Mr. Walker. What he really does object to, is not so much the rates that we charge to them, as what he considers the lower rates charged to other places, or, indeed, in many cases he complains that the rates to certain places from Wolverhampton are lower per mile than they are to certain other places; which is really giving Wolverhampton an advantage over some competitors that they have, and ought not to be brought as a charge against us, because it really is to assist them to carry on their trade.

11,871. (*Mr. Glyn.*) In point of fact those rates in most places have been established at the request of the people there, have they not?—Quite so.

11,872. (*Mr. Horsfall.*) Those reduced rates will, of course, be to the detriment, will they not, of the town to which you charge the higher rate?—You may put it in that way, but I think it would scarcely be fair. Take the case, say, from Wolverhampton to Reading. Whereas we charge 2*d.* per ton per mile from Wolverhampton to Reading, we charge 1½*d.* per ton per mile from Wolverhampton to London. I think that one would scarcely say that that is an unfair thing to Reading with a small trade compared with London, which has a very large trade, and where there may be competition.

11,873. We will not take a small place like Reading, but take Liverpool or Manchester; do you think that it is not to the detriment of Liverpool if you charge a higher rate for the traffic than you charge to London?—We do not.

11,874. I am merely putting the case of Liverpool hypothetically?—If you put any case where it appears that we do so, I shall be glad to answer it; but with respect to the specific case which you put, I say we do not do so. We charge a low rate comparatively to Liverpool, and I think you will find that even the Wolverhampton people complain that we do charge a comparatively lower rate to Liverpool than we do to London. But there I must tell you the parties again omit to take into consideration the expenses in London.

11,875. (*Mr. Gower.*) In the table put in by Mr. Mathews, I see that in some instances there is the same charge for pigs and bars, and in other instances there seems a very great difference in the amounts charged, how do you account for that discrepancy?—Without looking to specific cases, I may say this generally, that very frequently bar iron and pig iron are charged the same rate when the consumption is small; but take, for instance, a case where, as at Oxford, there is a small foundry, or rather, I should say, a very fair-sized foundry for such a city as Oxford. There the public desire to have a special rate for pig iron lower than the ordinary bar iron rate, and we give them a special rate; but if it was only a few tons of pig iron per annum that was consumed at Oxford, we should charge the same rate as for bar iron.

11,876. There was a statement made that the rates from Wolverhampton to Glasgow are the same both for pigs and bars, and likewise for Gloucester, how do you explain that?—The fact is that the rate from Wolverhampton to Glasgow is exceedingly low—it is only 20*s.* per ton for 288 miles. I am not acquainted with the iron trade from Wolverhampton to Glasgow, but I think that in all probability no such thing as pig iron goes, because of course near Glasgow a very large quantity of pig iron is produced.

11,877. (*Mr. Dalglish.*) A great deal goes from Glasgow to Wolverhampton, does it not?—That is more likely, I should think, and probably no bar iron would come from Glasgow to Wolverhampton.

11,878. Probably that is in consequence of the sea competition?—Yes, no doubt; besides, unless it is carried cheap, it would not be carried at all.

11,879. (*Chairman.*) Have you any explanation to offer with regard to the evidence at question 10,663, where Mr. Walker states that wire in some cases is carried from Warrington to London at lower rates than from Birmingham and Wolverhampton to London?—In that case I will also put in some figures, if you will allow me, showing that Mr. Walker's information is incorrect. He states that the rate for wire from Warrington to London, which is carried both by the London and North-western and the Great Western companies, is a certain figure, but it is not the figure he mentions, and besides it does not include the same services as it does from South Staffordshire. In fact in miling out the rate charged from Warrington, from Wolverhampton, and also from Shropshire, the Warrington rate is a trifle higher per mile than the one of which he complains.

The following table was delivered in:—

RATES for the CARRIAGE of WIRE IRON.

Mr. Walker's Evidence.

From.	To.	Distance.	Rate.			Yields, after Deduction of Collection and Delivery and Terminals.
			Per Ton.			
			s.	*d.*		
Warrington - -	London - -	182	17	6	Delivered in London by barge only.	$\frac{53}{100}$ on 11*s.* 2*d.* per ton.
Wolverhampton -	„ - -	125	15	0	Collected and delivered - -	$\frac{51}{100}$ „ 5*s.* 6*d.* „
Oakengates - -	„ - -	153	17	6	Carted in London - -	$\frac{74}{100}$ „ 9*s.* 6*d.* „

J. Grierson, Esq.

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11,880. Will you now go to Mr. Gibbs' statement, and give any explanations you think necessary?—Mr. Gibbs' evidence, like that of the other gentlemen, is based upon rates per mile before the deduction of the cartage and the terminal services, so that in fact his figures are nearly all wrong.

11,881. Have you a statement of your own to produce with regard to that?—Yes; I have prepared a corrected statement of the rates and distances in reply to those handed in by Mr. Gibbs, which I will deliver in.

RATES and DISTANCES handed in by MR. J. E. GIBBS, Wolverhampton Chamber of Commerce, *corrected*.

(*Question*, 10,748.)

STATIONS.		ARTICLE.	WOLVERHAMPTON'S STATEMENT.			CORRECTED STATEMENT.				What the Rates include.
From	To		Distance.	Rate.	Yields per mile.	Distance.		Rate.	Yields per mile.	
						Miles.	Chains.			
Wolverhampton	London	Nails	124	25*s.*	C. & D.	124	34	25*s.*	1·20	C. & D.
,,	Glasgow	,,	280	30*s.*	,,	286	0	30*s.*	1·02	,,
,,	Aberdeen	,,	430	40*s.*	,,	422	45	32*s.* 6*d.*	0·68	,,
,,	London	Hardware	—	30*s.*	,,	124	34	30*s.*	1·68	,,
London	Liverpool	,,	—	35*s.*	,,	201	10	30*s.*	1·19	,,
,,	Glasgow	,,	—	45*s.*	,,	403	12	45*s.*	1·04	,,
,,	Aberdeen	,,	—	40*s.*	,,	539	57	40*s.*	0·66	,,
Wolverhampton	London	Nails	—	25*s.*	,,	124	34	25*s.*	0·66	,,
London	Hull	,,	248	27*s.* 6*d.*	,,	183	59	27*s.* 6*d.*	0·98	,,
Wolverhampton	London	Hardware	124	30*s.*	,,	124	34	30*s.*	1·69	,,
London	Hull	,,	248	38*s.* 4*d.*	,,	183	59	38*s.* 4*d.*	1·68	,,
,,	,,	Smalls	248	2*s.*	each	183	59	2*s.* each	—	,,
Wolverhamp n	,,	Hardware	—	22*s.* 6*d.*	C. & D.	154	30	22*s.* 6*d.*	1·13	,,
,,	London	,,	124	30*s.*	,,	124	34	30*s.*	1·69	,,
,,	,,	,,	124	30*s.*	,,	124	34	30*s.*	1·69	,,
Birmingham	,,	,,	112	—	—	111	29	27*s.* 6*d.*	1·89	,,

The corrected calculations are made after deductiug terminals 4*s.* at each end in the country, and 8*s.* 6*d.* in London.

I must make this explanation with regard to this statement, that Mr. Gibbs has miled the traffic out as showing what the charge is in his opinion per ton per mile. I have shown in another column whether it includes collection and delivery or not, and the rate per ton per mile after deducting terminals.

11,882. (*Mr. Glyn.*) Does not it rather show that it would be an advantage if the terminal charge were always put in a separate column in figures, and given so to the dealers, so that they might see exactly what was paid for mileage and what for terminal?—I may say that I have never heard such a thing asked for by them. Of course there are instances where we have had disputes, where the question has been raised, but so far we find this that if we give them a rate, and if it is satisfactory, one which enables them to carry on their business, they do not care how it is made out.

11,883. We have had complaints that the traders have a difficulty in dissecting the accounts that are sent in to them that they do not know what is the rate per mile and what is the terminal; is there any difficulty in giving it to them in a separate form?—There would be very great difficulty when we charge less than our parliamentary toll. If you charge your full maximum and your full terminal of course there is no difficulty.

11,884. If you charge less than your parliamentary toll you come to a regular mileage rate, do yo not; then you might put down the one as the regular mileage rate that you intend to charge, and the other as the terminal, distinct by itself?—You must either appear to maintain your full parliamentary rate per mile, or you must appear to maintain your full terminal.

11,885. (*Mr. Hamilton.*) Why not make a deduction of them both?—That would be the proper course, no doubt, if it would be any use.

11,886. (*Mr. Glyn.*) Supposing there were a fixed uniform terminal to all places in England, that is to say, supposing you consented to adopt some average terminal representing the terminal for the whole of England, in that case there would be no difficulty, would there, in fixing so much per mile, and so much for the terminal?—None, if you fix and charge the terminal; but then at present we are only at liberty to make a reasonable charge for terminal services, and that word "reasonable" is to govern the terminal charges in all cases.

11,887. (*Capt. Galton.*) Is it not the same practically in every case?—No.

11,888. (*Mr. Glyn.*) In point of fact are the Commissioners to understand from you that there is a certain amount of profit always taken in the calculation for the terminals, or is the cost to the company greater than the terminal?—In fixing a maximum terminal we should put in what might cover a small profit, but as a rule, our charges do not leave a profit, on the contrary the terminals are, as a rule, a loss.

11,889. You say that you could not possibly make out an account to show the terminals distinct from the mileage charge?—I do not mean to say that we could not do it if we were to charge the terminal universally in the way that has been suggested.

11,890. Take the instance of 5*s.* being the terminal charge for London, why should you not in making out your bills of charges for London to the trade, say, the charge for the rate upon the railway is so much, and 5*s.* is the terminal charge for London?—There would be no difficulty in doing it that way if you made that charge invariably; but take this case, that the parliamentary rate upon the railway would be 20*s.*, and the terminal charges 5*s.*, and we only charged gross 22*s.* 6*d.*, then the question is from what would you make the deduction, whether from the terminal or from the mileage, that is the difficulty.

11,891. (*Mr. Hamilton.*) Why should it not be from both?—We might do. I only mean to say that that would be giving the trader no real information, because we might give him this that the parliamentary charge is 20*s.*, and terminal 5*s.*, that is 25*s.*; but we reduce the gross charge by 2*s.* 6*d.*

11,892. (*Sir R. Hill.*) You can strike off the percentage from each, can you not?—That of course could

be done; but what I meant to convey was this, that you would be in doubt from which you would take the 2*s.* 6*d.*, whether from the terminal or from the mileage, that is all.

11,893. (*Chairman.*) In fixing the charge you do not take into consideration the component parts that make it up, you take it as a whole, do you not, that is to say, you consider what the gross charge is you can make?—That is exactly what we do, of course, when below what we are empowered to charge. I think I might say generally with regard to Mr. Gibbs' evidence that he has answered it himself. I have known the trade of that district for many years, and I am satisfied that the rates given from time to time for trade out of that district are very fair, and have been a very great advantage to the trade of the district, which is increasing; the hardware trade has increased considerably. I have carefully gone through the rates, and except, perhaps, in one or two instances where some slight alteration might be made just to prevent what appears to be an anomaly, I certainly do not see any reason for making any general alteration in the rates.

11,894. Mr. Brown's complaint, I think, chiefly refers to the detention of waggons belonging to private owners?—Yes, which I will refer to generally in a later part of my evidence. With regard to certain special cases, he gives three which I have been endeavouring to trace, but I am sorry to say that the time has been so limited that I have not been able to do so. I may mention this, that he states that he does not know when the waggons go away, where they are detained, or, if they break down, that they have broken down. We have a regulation on the Great Western line (and I will put in one of the documents), requiring every station master to advise the owner of a waggon whenever it breaks down, and telling him the injury to it, and the cause.

_____ Station, (2827)

Date _____ 186

Truck, No. _____ Gauge _____

From _____ to _____

Owner _____

Loaded with _____

Repairs and materials required:—

_____

_____

_____

GREAT WESTERN RAILWAY.

_____ *Station,* _____ 186

Your _____ Gauge Waggon, No. _____, is stopped at this Station, with

_____

_____

Please to give immediate instructions for the necessary repairs.

Your obedient Servant,

To

_____

11,895. Have you reason to suppose that the station masters in general attend to those directions?—I have. I do not doubt that occasionally they are omitted to be attended to over such a large system as ours, and it is quite possible it may turn out that in this case he may not have had notice given him, but that I cannot say as yet. Then in 11,113 he rather complains that we do not repair the waggons when damaged. On the Great Western system we were always in the habit of repairing all the traders' waggons in the same way that we repaired our own, but we got into so many difficulties, and had so many disputed accounts with the traders afterwards as to the cost of the repairs, that we were obliged to give it up. It would be an advantage to us to repair them, which we would do at the actual cost, if they would pay the accounts without disputing them, but after the work was done we found that we were unable to get payment, and we were obliged to say to them, you must repair them yourselves. Then Mr. Brown must have forgotten that upon the South Staffordshire line, as upon the other lines, there is a clause in the Act of Parliament which does enable us to charge terminals in addition to the maximum rate. He appears to have thought it was only in the case of tolls.

In Mr. Corbett's evidence, to which I would now wish to refer, Mr. Corbett mentioned to the Commissioners one rate which he had for salt from Stoke to London, but he overlooked entirely all the other rates that he has, and I think it would be desirable that they should be looked at, and I will hand in a table of salt rates to London and the South Coast.

GREAT WESTERN STATEMENT ON MR. CORBETT'S EVIDENCE.

List of Rates charged for the Carriage of Salt to London, &c.—Questions 10,873. 11,069.

Stoke to—	Distance.	Rate. O. W.	Rate. Yields less 9*d.* per ton Terminals at each end.
	Miles.	*s.* *d.*	*d.*
Paddington	131	8 4	0·626
Brentford, local	126	9 6	0·762
„ chemical purposes	„	7 0	0·524
„ shipment	„	6 0	0·429
Camden	139	9 0	0·648
Poplar	147	9 5	0·646

Stoke to—	Distance.	Rate. O. W.	Rate. Yields less 9*d.* per ton Terminals at each end.
	Miles.	*s.* *d.*	*d.*
Poplar, for shipment	147	6 6	0·408
Victoria Docks	149	7 0	0·443
Oxford	67	4 0	0·448
Reading, local	95	7 6	0·632
„ for Bricklayers' Arms Station	95	4 0	0·316
Reading to Bricklayers' Arms	67	4 4	0·382
Total to Bricklayer's Arms	—	8 4	

J. Grierson, Esq.

15 Feb. 1866.

List of Special Rates to the South Coast quoted to Mr. Corbett, at his special request, to enable him to compete with the Sea-borne Salt.—Questions 10,932. 10,995.

Stoke to—	Distance.	Rate. O. W.	Rate. Yields less 9*d.* per ton Terminals at each end.	Stoke to—	Distance.	Rate. O. W.	Rate. Yields less 9*d.* per ton Terminals at each end.
	Miles.	*s. d.*	*d.*		Miles.	*s. d.*	*d.*
Poole (for shipment) - -	164	8 0	0·476	Whitstable - - -	204	11 11	0·613
Fareham - - -	147	8 6	0·571	Sandwich - - -	215	12 7	0·619
Redbridge - - -	146	8 6	0·575	Deal - - - -	219	12 9	0·617
Southampton - - -	141	9 0	0·638	Ramsgate - - -	214	12 7	0·622
Gosport - - -	152	9 0	0·592	Margate - - -	218	12 9	0·619
Portsmouth - - -	157	9 0	0·573	Folkestone - - -	199	11 9	0·618
Hastings - - -	191	11 3	0·613	Dover - - - -	205	11 11	0·610
Rye - - - -	200	11 9	0·615				

The correct rates from Winsford are as under :—

Winsford to Camden, 165 miles - -	-	10*s.* 6*d.* per ton., ·65 per ton per mile.
Do. Victoria Docks (for shipment)	-	8*s* do.
Do. Camden do.	-	7*s.* 6*d.* do.

In question 10,873 Mr. Corbett states that his rate for salt from Stoke to Camden is 9*s.* per ton, that is his rate for local salt, consumed in London; but he has a rate of 9*s.* 5*d.* to Poplar; he has a rate of 6*s.* to Brentford for shipment, of 7*s.* to Brentford for chemical purposes, and of 9*s.* 6*d.* to Brentford for local purposes; of 8*s.* 4*d.* to Paddington for local consumption. And again, to Poplar a rate of 6*s.* 6*d.* for shipment; to the Victoria Docks 7*s.* for shipment; and to the Bricklayers' Arms a rate of 8*s.* 4*d.* per ton. The rate which he has given to the Commission also as being the rate from Winsford to London, with which he has to compete, was an error; it is higher than what he states. On the whole, I think that he has very favourable rates indeed to London.

11,896. (*Mr. Hamilton.*) In fact, if he got what he asked for, namely, a uniform mileage rate, it would destroy his trade to a certain extent, would it not?—It would destroy his trade to a certain extent, or we should have to charge an exceedingly low rate to London for local consumption.

11,897. And that would destroy your profit?—Yes, that would destroy our profit.

11,898. (*Capt. Galton.*) One of his great complaints was the great detention of his salt?—Yes; I have endeavoured, in the time since I saw his evidence, to trace all his waggons running over the Great Western Railway for six months. Of course I have not been able to do that completely; but I have a statement in the other room with regard to such of them as we have been able to trace (which probably are not above one-quarter of the whole), and we find that there is very little detention in the running of his waggons.

11,899. Mr. Corbett complains, does he not, of the detention that occurs at stations like Reading and Oxford?—Yes; I must say this, that at Oxford, for local consumption, it is quite possible that sometimes there will be some delay, because the station there is very inconvenient at present, and is to be re-arranged altogether; but that is a very small part of the matter. The principal complaint that he makes is with regard to Gloucester, where the transfer to the broad gauge has to take place, which I will come to afterwards; and with regard to waggons going beyond Reading, I cannot answer for the detentions beyond Reading; but certainly on the Great Western Railway there is very little detention indeed. As a rule, we get the salt vans from him, as it were, this evening, and they are at Reading the next day.

11,900. Are they detained at Reading itself?—Yes, they are detained at Reading, and that is what he overlooked; he puts before you that 48 hours is quite sufficient time to allow for unloading. I grant that it is; but then his customers very often keep the waggons probably for a week before unloading them, and he makes no allowance whatever for that; in fact he seems to have no information at all about it. We, in common with other railway companies, have found that such an evil, I do not say with regard to salt trade only, but with regard to owners of waggons generally, that we are obliged to require them to pay a siding charge in order to compel them to unload within a reasonable time; at least we endeavour to do so. If he would take that into account, and would look up his customers, he would find that nearly the whole of the detention arises at the inward station. I must again say this, that some detentions I have no doubt will be found to have arisen from a want of sufficient accommodation at Droitwich and also at Worcester, where we are constucting a new station altogether, and to some extent, as I said before, at Oxford and also at Reading, but that is a very small portion of the whole delay. The customers take the advantage when they are not their own waggons, and unload them when it is convenient. In fact, at Reading our people have complained that they have had to take waggons which have been lying at the Reading station for several days for about half a mile down the line to put them into a siding out of the way.

11,901. Is the salt which Mr. Corbett sends to Reading all sold at Reading itself?—No. When the salt is going through to the South-eastern or the South-western lines, there is no delay, because the salt is handed over to them at the sidings, but it may be that delay again arises at the consignees' station upon those railways—that I cannot answer for; but in the case of Reading I say that the consignees do not unload their salt promptly. But the bulk of Mr. Corbett's complaints, as you see, are with regard to waggons going beyond Reading, although, by the bye, he shows this, that waggons going beyond Reading come back much more quickly than they do from Reading itself, so that that shows that the delay cannot be in the transit. Then, with regard to questions 10,900 and 10,903, we give Mr. Corbett through rates for salt whenever he desires them, and have no objection whatever to do so.

11,902. He admitted that he had very low rates to the south coast?—I do not know any person who has been more urgent for reduced rates than Mr. Corbett. In fact I think about three years ago he urged me very strongly to give him reduced rates for all the ports in the south of England, as against the Cheshire salt. I sent to the railway companies who have stations at those ports, and we obtained returns of all the salt that was imported, and I took it out myself from those ports where we have stations, and we found it such a small traffic that we declined to do it, and we sent him a list that silenced him for two years. About six months ago he recommenced the correspondence, and we again took out the information, and we found that the traffic amounted to several hundred tons. The low rate of freights from Runcorn to the southern ports having enabled the Cheshire salt to come in competition with the Worcester salt, and upon that we gave him a reduced scale of rates, which you will see in the table which I have handed in. That happened a few months ago.

11,903. (*Chairman.*) Was that subsequently to the time that he gave his evidence?—No, long prior to it.

11,904. (*Capt. Galton.*) Does this rate involve any change of gauge?—None of those rates do; they are all in narrow-gauge waggons going through to other lines.

11,905. Then you do not give a low rate to Plymouth, for instance?—We do not carry to Plymouth; from that district salt goes by the Bristol and Exeter line.

11,906. (*Mr. Hamilton.*) With regard to the detention of trucks, have you any returns made to you which would enable you to ascertain when the delay arises from causes within the control of the railway company and when from the omission of the consignees to take delivery?—We have had for a long time, upon what I may call the old Great Western line, nearly the same system of returns for private waggons that we have for our own, but upon this portion of the line to which Mr. Corbett's complaints are directed that system was not adopted till recently. Now we have information which would enable us to trace the trader's waggons nearly the same as our own.

11,907. So as to show what the delay arises from?—Quite so.

11,908. You do not admit his statement in answer to question 11,028 and the following questions that the delay does not arise from neglect on the part of the consignees to take delivery?—I do not admit that. Of course, as I said before, I am aware of the inconvenience at some of our stations, which I have no doubt in some cases has been a cause of delay, and that the company are endeavouring to remedy, but as a general rule I say that there is no such delay in the transit.

11,909. I see that at question 11,033 there is a question put by myself: "Has it ever happened that "railway companies have made complaints about the "delays of consignees in taking delivery of the goods?" —A. Not that I am aware of. Q. They never have "reached you?—A. Not to me; if it has been so they "have the remedy in their own hands, by charging "siding room to the consignees, and if they would "enforce that I think there is no proprietor of railway "waggons but would readily concur in it." What do you say in answer to that suggestion?—I say it is a very good suggestion indeed, and I only wish that the consignees would submit to it. I could give a very good instance of that. In the Chester station, which was a joint station for the Chester and Holyhead, the London and North-western, the Great Western, and the Birkenhead lines we are continually increasing the accommodation. There were probably 20 or 30 traders in the station, and we have expended a very large sum of money upon that station. After the station came into the possession of the London and North-western Company and the Great Western Company we objected to go on spending money, because we found that the traders were keeping the trucks for days ready to have coal to deliver to any party who might come, and we stated that we would not give them wharfage accommodation unless they unloaded their trucks within a reasonable time. The result was that in a very short time we had the place comparatively clear, but they have broken out again, and within the last few months there has been a demand for accommodation to the extent of 7,000*l.* or 8,000*l.*, which we consider entirely unnecessary if they would conduct their business in a proper manner. But they compete with one another to such an extent that they are very anxious always to have a stock ready on hand for any customer.

11,910. (*Capt. Galton.*) You mean in those coal sidings?—Yes.

11,911. Do they keep coal trains there for the purpose of loading ships which are not yet in dock?—No; I am referring to Chester, where it is merely for local consumption; they filled the sidings in such a way that we could not carry on our work. If the consignees themselves, or the proprietors of the waggons, would pay a certain limited sum to the railway company for siding room, which is really what Mr. Corbett suggests, the very best thing for them would be to enforce it.

11,912. (*Mr. Hamilton.*) Would not the natural course be that this charge against the consignees should be made by the consignor and not by the railway company; why should they not settle the matter between themselves?—For this reason, that although the consignor, who owns the waggons, certainly loses the rent of the waggons, the railway company are also losing the use of their siding accommodation, and as the railway company are on the spot there is no doubt that they have much more power to ascertain what the actual cause of detention is, and also to put in force the regulations as to siding rent.

11,913. The consignor and the railway company have a common interest, have they not?—Yes, they have, but there is this difficulty about it: supposing Mr. Corbett is competing with other salt works at Droitwich, and he is selling goods to a man at Reading, and we charge him, or he charges him, for the use of the waggons and the detention of them, he may say, I will buy no more salt from you, I will go to other people, who don't charge demurrage.

11,914. It is very natural that you should wish to make them pay for the use of your siding?—Yes; as far as that goes it is not unreasonable that we should, only the consignees will not pay.

11,915. (*Chairman.*) Have you no power of enforcing payment from the consignees, if you require them to pay?—It is doubtful; at the Chester station at this very moment we are in that difficulty, as I said before; they are again detaining their waggons there, blocking up the station, and refusing to pay the siding rent.

11,916. (*Mr. Glyn.*) What number of days would you think a fair allowance of time?—About 48 hours.

11,917. After that you would like to be able to make a certain wharfage charge, or station charge, whichever you choose to call it?—Yes; if I myself were the owner of private waggons I should desire it in my own interest.

11,918. As a railway manager you think that it would be a fair and proper charge, which you ought to make the public pay, with a view to keep your own station clear—Yes; and I should desire never to have to collect any money for it, because it is a most serious loss to the company to have their stations blocked up.

11,919. In fact the absence of such a power of charging involves the companies who own the stations in very great and constant inconvenience?—It does, and also by the detentions to other people's traffic by their not being able to get at their waggons to unload them when they desire to do it, they make other people suffer.

11,920. (*Capt. Galton.*) If you had the power of making that charge should you then concur in the further view that if the railway company detained waggons unnecessarily they should pay a demurrage?—We give the traders an allowance which covers all the cost to them of their waggons, and if their waggons are occasionally detained we certainly say that they ought not to come upon us for demurrage under the special circumstances of the case.

11,921. (*Mr. Hamilton.*) Then Mr. Corbett is hardly right in throwing upon you the responsibility of settling for these detentions with the consignees, because you say it is doubtful whether you have the power to do it or not?—It is so.

11,922. But you would not be unwilling to use the power if you thought it likely that you could obtain it?—We might, but if the power were given to us I have no doubt that the public and the consignees would think that it was for our benefit.

11,923. (*Mr. Glyn.*) Have you any doubt about the question of power; you have not the power, have you?—I am not prepared to say that, because I am of opinion that we have the power ourselves, but I have been advised by another party that we have not the power.

11,924. Have you not the power of legally enforcing the charge if you make it?—I consider myself that after giving notice we can enforce it, but of course I only express my own opinion, and I say that it is doubtful because I am advised by another party that we have not that power.

11,925. (*Mr. Hamilton.*) Do you think it desirable that that doubt should be cleared up?—I should say that it is most decidedly desirable, in the interest of the

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owners of the waggons themselves, and in the interest of the public.

11,926. (*Chairman.*) Does that refer only to waggons belonging to private parties?—Yes.

11,927. Can you compel the consignees to empty the waggons belonging to the railway company?—In the case of the company providing waggons we provide them under certain conditions, and then of course we can require them to sign a contract that they are willing to abide by those conditions.

11,928. (*Capt. Galton.*) One of those conditions being that they will pay demurrage for every day that they detain the waggons?—Yes. There again we desire to have no revenue from such a source as that for the detention of our waggons.

With regard to the complaint on the subject of warehousing at Birkenhead, in Appendix T., that is a very small matter indeed. The extent of warehouse accommodation, which is joint between the London and North-western Company and the Great Western Company at Birkenhead, is exceedingly small, consisting of two floors, probably 100 feet square each, whilst the lock warehouses are an enormous range of buildings, so that any sort of warehouse accommodation which is given to traffic in transit by the two companies cannot in the slightest degree affect the trade of the Mersey Dock and Harbour Board.

With regard to Mr. Wilson's evidence, and to the complaint which is made against the Great Western Company as the owners of the Kennett and Avon Canal, I believe I may state generally that a complaint was lodged before the Board of Trade last year that we put a lock on the gates at night, and did not allow boats to pass through at night. They also said that we gave a preference to some boats of our own, and further they complained that we used the Berks and Hants Railway, which is a railway running parallel to our own canal, in competition with the canal. We met the parties without going before the Board of Trade, and told them that we were perfectly prepared to go to the Board of Trade on the subject, but as to their grounds of complaint we should be very happy to rectify them as far as reasonable without having recourse to an appeal to the Board of Trade. I do not see myself that they have really any grounds of complaint whatever, except this, that on three occasions (I think) during a period of 12 months the canal manager had allowed our own boats to pass through during the night, and I had him to meet the parties, and I asked him whether under the special circumstances under which he said he had allowed these boats to pass, he would have allowed their boats to pass, and he said that most certainly in any case where it was urgent, or where they were desirous that the lock should be kept open for them it should be kept open for them in a special case. With regard to the rates, I told them that we could not go into the question of railway rates competing with the canal, the Great Western Company are the owners of the canal, whereas we are not the owners of the railway—we merely work it—so that I think the Commission will at once see that there cannot be very much ground of complaint against us upon the question of rates. However, they went before the Board of Trade, and since that they have abandoned the case there, and have issued a writ, and they are going to take us into court, but upon what grounds I have yet to see.

11,929. Have the Board of Trade any power in the matter?—No; the Kennett and Avon Canal Act gives no special powers to the Board of Trade.

11,930. I mean to remedy grievances, if they are proved?—I am not aware that they have the power to deal with this question, but they have special power to deal with certain complaints under the Transfer Act. I do not know whether they have full power, but we were quite willing to meet them fairly.

11,931. (*Mr. Horsfall.*) Have they agreed to abide by the decision of the Board of Trade?—Without our knowing the reason for it they appear to have abandoned their application to the Board of Trade.

11,932. Had they previously agreed to abide by their decision?—It was they themselves who gave notice to the Board of Trade. They gave us notice to appear, and we did appear, at least, we expressed our willingness to appear, and we wrote to the Board of Trade to say that we were perfectly prepared to meet them at any time. Then, with regard to interference upon the canal generally, and as to the supply of water, I have caused the engineers, both of the Kennett and Avon Canal and also of our Stratford Canal, to write me, and their letters I have brought with me, in which they state that the fullest supply of water has always been maintained in the canals. In fact, "that if the canals "had been owned by competing companies a fuller supply "could not have been maintained." Then I see that some questions have been asked by some of the members of the Commission as to the comparative rates charged by canal and railway companies prior to the opening of railways. I have brought some information upon that point, both as regards the London and Bristol trade, and also the London and Birmingham trade, which I will submit to the Commission, if they wish it. This is a statement of the rates between London and Bristol:

RATES.—LONDON and BRISTOL, by CANAL, in the YEARS 1820, 1830, 1840, and RAILWAY in 1866.

ARTICLE.	Rates by Canal, including Collection, Delivery, and Wharfage per Ton.						Railway Charges, including Collection and Delivery, per Ton.	
	1820.		1830.		1840.		1866.	
	s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*
Candles	66	0	60	0	47	6	27	6
Drapery	66	0	60	6	47	6	40	0
Furniture	95	0	80	0	70	0	45	0
Hops	68	0	63	0	49	6	40	0
Leather	60	6	55	0	42	6	27	6
Oil	60	6	47	0	42	0	20	0
Sugar (raw)	35	0	30	0	30	0	See note a foot.	
Sugar (refined)	66	0	60	0	47	6		
Spirits	66	0	60	0	47	6	35	0
Tobacco	66	0	60	0	47	6	26	8
Tea	73	0	60	6	48	0	35	0
Vinegar	65	6	60	0	42	6	22	6
Wine in hampers	73	0	60	6	48	0	40	0
Wine in casks	66	0	60	0	47	6	35	0

Sugar Rates by Rail.

Raw and refined sugar, 5 ton lots and upwards - 15*s.* S. to S.
Do. do. - 18*s.* 4*d.*, collected in London only.
Sugar and molasses, O. risk, delivered by barge alongside wharf, and Thames 10 ton lots. If insured, 1*s.* per ton extra. To be warehoused free 14 days, after that time 3*d.* per ton per week - 16*s.* 8*d.*
Titlers 10 ton lots - - - - 15*s.* S. to S.
„ „ collected in London only - 20*s.*
Bath to London, rates by canal 3*s.* per ton less than above.

I have also the same information with regard to the London and Birmingham traffic.

11,933. (*Sir R. Hill.*) Are those selected articles, or are they a specimen of all the charges?—These goods are the staple trade of Bristol.

11,934. Are there any instances in which the charge by railway exceeds the charge by canal?—I should say certainly not.

11,935. (*Chairman.*) Does that list include all the most important articles of trade?—Yes.

11,936. (*Mr. Hamilton.*) Have you personally examined Mr. Wilson's evidence?—Yes, I have read it.

11,937. Do you see what the nature of his charge is; it is not that the railway now charge more than the canal did; his charge is this, that if the canal had continued in independent hands, and there had been no amalgamation, the canal, in order to pay its way, would have been compelled to give the public lower rates than the railway and the canal jointly now do?—I think I could give an instance which would show the contrary, although I have no doubt there are cases where the canals would be able to keep up competition. There is a canal running up the Stroud Valley to Cirencester and all that district; that canal is nearly choked up with weeds; it is in the hands of an independent canal com-

pany, who would be very glad to get trade upon it if they possibly could.

11,938. You think that the canal would most likely have been entirely stopped by the competition with the railway?—For instance, between Liverpool and Staffordshire or between London and Staffordshire; I do not say so.

11,939. But in this particular case?—Yes, I think so.

11,940. Mr. Wilson's observation is this, in answer to question 9971, "I contend that if the canal had been "free it would have taken probably one-fourth of the "toll, and have been driven to take it, and have suc- "ceeded by taking it." Do you agree with that?—In 1844, when the canal was independent, the toll on the canal was 8*s.* 6*d.*; when the railway was opened it was reduced to 2*s.* 6*d.*, at which it now stands. With regard to the Kennett and Avon Canal we carried the through boats on it until we got no trade at all; in fact it is only recently that we have given up carrying between London and Bristol by canal; we continued to carry at the same rates as had been in force before. There are steamers running between Bristol and London in competition with us, and we thought it desirable to allow an outlet for the traffic at a lower rate where the parties did not desire speed, but we had so little traffic that we dropped the boats; first we ran three times a week, then once a week, then once a fortnight or thereabouts, and then we dropped them altogether.

11,941. Therefore your opinion is that the more probable result would be that the canal would be shut up than that it would have carried at lower rates than the railway now carry at?—Yes, in this case; I could not speak as to others. On our Stratford Canal we do give low tolls now, and we also carry in our boats at low rates, but only for heavy produce, minerals, manure, coals, and so on.

With regard to Mr. Wright's evidence, I can only say this, that we do charge glass at reduced rates at the owner's risk, and where the company have not been to blame for any damage done we decline to pay. That I have always held to be both legally and otherwise a fair arrangement.

Then Mr. Wright, in answer to questions 632 and 643, makes a great complaint that we charge "smalls" in a particular way. I will hand in a statement showing that he is under a misapprehension altogether; in fact the clearing-house classification, under the head of "smalls," shows that, "When two or more packages, "each under 1 cwt., and of different classes, are sent by "one consignor to one consignee, their weights are added "together, and the rate charged is that which, according "to the classification, would be charged, if all the "articles belonged to the highest class in which any of "them is placed, but whatever the aggregate weight of "the consignments may be no less charge is to be made "than that which is made for the maximum weight of "smalls. If the parcels be from different consignors, "or from one consignor to different consignees, involv- "ing separate deliveries, they are charged for sepa- "rately." This is the statement which I have to make on that point. I have taken one case which he gives—a bag of copper nails, a bag of vegetable ivory, and a crate of japan ware, for which the charge would only be 1*s.* 8*d.*, but he makes it 2*s.* 10*d.*

11,942. (*Capt. Galton.*) Does not he give what he actually paid?—I think he gives that as a probable case. I think you will find that in answer to question 633 he says that a parcel would be "divided into "two or three parcels, and the railway company will "charge separately for those parcels, thereby doubling "the rate of carriage on that particular cwt. of goods." He is under a mistake altogether in that respect.

11,943. If they were sent by one consignor, you state that they would be allowed to go in one parcel?—Yes.

11,944. Or they would be charged as one parcel?—Yes.

11,945. According to the highest class?—Yes.

11,946. Then it would be a disadvantage in some cases, would it not?—No; because, of course, when it comes to so heavy a weight, that is, when it becomes above the weight charged for smalls, it would be charged by the cwt., and sometimes be charged by itself. The public, in fact, would get the advantage in either case. If it comes to a tonnage rate we charge by tonnage rate.

11,947. Then it is a much lower rate than the rate for smalls?—Yes, quite so. Take the case of a bag of nails, a bag of vegetable ivory, and a crate of japan ware weighing 2 qrs. 4 lbs., the rate in the way that he puts it would be 4*s.* 6*d.*, that is 1*s.* 6*d.* for each small. The aggregate weight is 1 cwt. 0 qrs. 4 lb., which, at 32*s.* 6*d.* per ton, being the highest rate for japan ware, comes to 1*s.* 8*d.* So that, in fact, we charge him 1*s.* 8*d.* instead of 4*s.* 6*d.* It is his impression that all companies do the same; but, as I pointed out, it is the clearing-house regulation.

11,948. (*Chairman.*) If the weights were less, what would it be?—If the weights were less it would then be 1*s.* 6*d.*, because 1*s.* 6*d.* is the minimum for smalls. In the instance which I give I give the London rate. With the permission of the Commission I will hand in this table:—

CORRECTED STATEMENT as to the MODE of CHARGING SMALLS.

See Mr. J. S. Wright's Evidence. Questions 632 *and* 633.

BETWEEN BIRMINGHAM AND LONDON.

MR. WRIGHT'S STATEMENT.					CORRECTED STATEMENT.					
ARTICLES.	Weight.			Charges.	Weight.			Rate according to Classification.	Charge that would be made by the G. W. Co.	Difference in Charge as stated by Mr. Wright.
	Cwt.	qr.	lbs.	*s.* *d.*	Cwt.	qr.	lbs.	*s.* *d.*	*s.* *d.*	*s.* *d.*
1 bag copper nails	0	0	26	1 6	0	0	26	21 8		
1 „ vegetable ivory	0	1	2	1 6	0	1	2	27 6		
1 crate japan ware	0	2	4	1 6	0	2	4	32 6		
				4 6	1	0	4	@ 32 6	1 8	2 10
1 bag brass tubing	0	2	4	1 6	0	2	4	40 0		
1 „ brass wire	0	1	2	1 6	0	1	2	27 6		
1 „ iron wire	0	0	26	1 6	0	0	26	27 6		
				4 6	1	0	4	@ 40 0	2 1	2 6
1 truss bristles	0	0	24	1 6	0	0	24	32 6		
1 bag corks	0	1	6	1 6	0	1	6	40 0		
1 elephant's tooth	0	2	14	1 7	0	2	14	50 0		
				4 7	1	0	16	@ 50 0	2 10	1 9

When small packages, each under 1 cwt., are sent together from one consignor to one consignee, the weight of the whole is charged at the highest rate to which any of the goods belong.

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11,949. (*Capt. Galton.*) You say that all the railway companies do the same. They do the same for through traffic, but do they always abide by the clearing house rules for local traffic?—As far as I know this is a regulation adopted by nearly every railway company.

Mr. Wright refers to an advance of the rates between Birmingham and South Staffordshire and Liverpool taking place, as he states, when the Great Western Railway Company opened their railway to Birmingham. The circumstances were these. The two Shrewsbury railways were independent, and a competition arose between them and the London and North-western Railway Company, when the rates, certainly, from South Staffordshire were reduced to a very low sum indeed, and the fares also were very much reduced. So low, indeed, were the fares reduced and to such an extent was the competition carried on, that the Shrewsbury lines did not pay any dividend. In fact, for one or two half years they had a deficit instead of covering their working expenses. At the time when the Great Western Railway was opened from London to Birmingham, they having an agreement with the Shrewsbury lines, the competition undoubtedly ceased and the rates reverted back to the position in which they were before. That really was not a general advance of rates, but merely reverting to what was a fair paying rate.

11,950. The competition was between the London and North-western and the Shrewsbury lines?—Yes.

11,951. Which ceased as soon as the Great Western Company got access to them?—Yes.

11,952. (*Earl of Belmore.*) How did the Shrewsbury lines get access to London during the time that the competition was going on?—The competition was only between Birmingham, Wolverhampton, Shrewsbury, Chester, and Birkenhead.

11,953. (*Chairman.*) Were the fares very low indeed at that time?—I think the passenger fares, if I remember rightly, from Wolverhampton to Liverpool were about 7*s.* first class, and from Wellington to Shrewsbury, a distance of about 12 miles, the fare got down to 1*d.* I see that a good deal of evidence has been given before the Commission as to the effect which low fares would have, and I have endeavoured to get from our old books the result of competition, but unfortunately some of the books are missing, otherwise I proposed to lay before you statistics of the number of passengers that were carried. It is found that, although the public may take advantage of low fares for a time, yet certainly for long distances they will not do so permanently to a great extent. However, that is the explanation with regard to the advance of rates which Mr. Wright there refers to. He appears to consider that Birmingham has derived no advantage from the railways, and upon that I have got out the information as to what the charges were from Birmingham to London and Liverpool by the canal before, and which, if you wish it, I will put in.

11,954. (*Capt. Galton.*) His complaint is that Birmingham is in a bad condition because it has no sea board?—I could understand his making that complaint, but I think that the arrangements which the railway companies have made certainly overcome that disadvantage as far as could fairly be asked for, but if he says that Birmingham has not benefited by railways as against the old mode of conveyance he must have forgotten what the charges were before railways were made.

11,955. They were very much higher of course?—Yes, considerably higher. When I was in Bristol last Saturday, I asked a gentleman who had been a carrier what the rates for packs of Manchester goods used to be from Manchester to Bristol before the railway was opened, and he told me 6*l.* a ton and 1*l.* a ton for delivery in Bristol. At present the rate is 30*s.* a ton including collection and delivery. I should mention this with regard to Birmingham, that there are the London and North-western Railway, the Midland Railway, and the Great Western Railway carrying to London; there are the London and North-western and the Great Western railways carrying to Liverpool, and the Shropshire Union Canal, and the Bridgewater Trustees Canal, and to London the Grand Junction Canal, and upon two of those canals there are a number of private carriers.

11,956. Do the Midland Company carry from Birmingham to London?—Yes, they do.

11,957. (*Chairman.*) It is a very circuitous route, is it not?—The Midland route would be about 135 miles, I should think, against the Great Western 129 miles, and the London and North-western 112 miles.

11,958. (*Capt. Galton.*) Their line is by Leicester, is it not?—Yes, by Leicester.

11,959. It is only recently that they have taken to the London traffic?—Probably about a year.

Then with regard to Mr. Sturge's evidence, I would simply make one remark, that Gloucester being the nearest port for Birmingham, if mileage rates were in all cases charged from Gloucester, it is quite probable that it would give that port an advantage in supplying the whole of Birmingham and South Staffordshire; but we consider that that would be very unfair towards Liverpool and Birmingham, and therefore we do not in all cases charge mileage rates. We consider that Gloucester is very favourably situated in having competition by the canal and river at very low rates, and we think it is very much better for the interests of the district, and certainly for the interests of the railway company, that we should give Liverpool and London a fair chance of supplying a portion of the timber, grain, groceries, and so on, required in that district. I do not know that I have any further remarks to make upon the statements made in the evidence which has been given before the Commission.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Friday, 16th February 1866.

PRESENT:

The Right Hon. the Earl of Belmore.	Geo. Carr Glyn, Esq., M.P.
The Right Hon. Lord Stanley, M.P., F.R.S.	Capt. Douglas Galton, R.E., C.B., F.R.S.
The Hon. E. F. Leveson Gower, M.P.	William Pole, Esq., F.R.S., *Secretary.*
Robert Dalglish, Esq., M.P.	

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Capt. W. O'Brien.

16 Feb. 1866.

Captain William O'Brien examined.

11,960. (*Chairman.*) You are General Manager of the North-eastern Railway Company?—I am.

11,961. Have you seen the evidence given before this Commission by Mr. Atkinson and Mr. West, of Hull, in reference to the management of the traffic on the North-eastern railway?—I have.

11,962. Have you observed that the complaints made chiefly referred to advantages given to Hartlepool and other northern ports as compared with the port of Hull?—Yes.

11,963. Will you be good enough to state the principle upon which the railway company, whose manager you are, have arranged and settled those charges?—The first point, as I understand the evidence, that was made by Mr. Atkinson and Mr. West was, that the North-eastern Company favoured the docks at Hartlepool and

other more northern ports to the detriment of the docks at Hull, and it may probably be sufficient to state that the North-eastern Company have never hesitated to give substantial pecuniary support to the docks at Hull, although for the money so expended they do not receive or ask any exclusive or even any preferential advantage. The carriage of the additional traffic brought to the Hull Docks in consequence of the accommodation provided by means of the North-eastern Company's money is not secured to the North-eastern Company, but is shared with other and rival companies. Previous to 1861 the complaints at Hull of the mismanagement, the inadequate accommodation, the high charges, and the high dividends of the Hull Docks Company had become so serious, that the leading merchants and shipowners of Hull promoted a rival dock company to remedy the evils under which they were suffering. At their request the North-eastern directors agreed to support the new company, and to subscribe 50,000*l.* towards its capital. In 1861 the new company failed in Parliament, but an Act was obtained for remodelling the management of the docks at Hull, and providing increased accommodation. The works are in progress, but there being some difficulty in procuring the requisite capital, the North-eastern Company was again applied to by the Hull merchants for assistance. The Dock Company had no claim whatsoever upon the North-eastern Railway Company, but nevertheless the directors subscribed 50,000*l.* to the undertaking, and have paid about one-half of it.

11,964. (*Capt. Galton.*) Is that all the money that they have expended towards the docks in Hull?—Yes.

11,965. (*Mr. Glyn.*) What has been the total sum of money which has been laid out upon the docks?—I do not know, and it could not be very easily given, because they have expended a large amount of their revenue.

11,966. Has that been expended upon the new docks?—I do not know.

11,967. Do you know what proportion the contribution made by the railway company bore to the whole sum expended?—I do not. The next point was as to the charges of the railway company on the Hull timber traffic, which were stated to be exorbitant. Mr. West, in answer to question 1026, states that the Hull timber traffic has been unquestionably driven away to Hartlepool by the exorbitant charges of the railway company, and it will probably be sufficient to refer to the evidence given on this point by Mr. Clark, Chairman of the Railway Committee of the Liverpool Chamber of Commerce. His complaint was that the rates on timber and deals sent from Hull, so far from being exorbitant, were unfairly low. The third point was as to the timber trade being driven away from Hull to Hartlepool. Mr. West represented that the timber trade of Hull was restricted by the action of the North-eastern Company and driven to Hartlepool. In proof, he asserted that four-fifths, if not nine-tenths, of the timber sent to Hartlepool in 1864 were sent by Hull merchants for their own trade, and not for local consumption at Hartlepool. The fact, however, is that more than one-half of the timber carried inland from West Hartlepool in 1864 went to places so much nearer Hartlepool, that timber imported at Hull cannot compete at those places except by the adoption to an absurd and impossible extent of the very principle to which Mr. West objects. He represented that the Hull timber trade was only increasing slowly, but omitted to state that the timber trade of the Humber—whatever may be the case as to Hull, where the accommodation is admittedly inadequate, is increasing rapidly, the importations at Hull and Grimsby having increased from 129,839 loads in 1855 to 360,226 loads in 1864, or 277 per cent. He attributed the slow progress of Hull to the increase of the trade at Hartlepool, a port 80 miles off, but omitted to draw the attention of the Committee to the progress of the rival port of Grimsby, which is on the same river as Hull, and at only 20 miles distance, and whose timber traffic has increased rather faster than that of Hartlepool. Comparing the year 1862 with 1864, Hartlepool has increased from 85,724 to 136,005 loads, and Grimsby has increased from 81,214, to 136,421 loads. As the railway rates from Grimsby are the same as those from Hull and Hartlepool, it is obvious that if the progress of the timber trade at those ports depended, as is represented by Mr. West, solely upon the railway rates, Grimsby would have suffered equally with Hull by the competition of Hartlepool. The increase, however, of the Grimsby traffic seems to negative this idea, and to suggest that the comparatively slow increase of the Hull timber traffic is due to some other cause. This conclusion is strengthened by the consideration, which is a material one though not mentioned by the witnesses, that more than half of the Hull timber traffic is carried inland by water communication, and is altogether unaffected by the Hartlepool rates.

11,968. You would attribute the decrease of the timber trade at Hull to the want of accommodation there?—The timber trade at Hull has not decreased, but, on the contrary, it has increased.

11,969. But the absence of further increase is probably owing to the want of accommodation?—Yes. I will venture now to quote from the speech of the Chairman of the Hull Dock Company at the general meeting of that Company on the 2nd February last. He stated :—"We have had a year of very con-
" siderable prosperity, and have been able to accom-
" modate the trade of this port to an extent to which
" in former years we could with difficulty attain. We
" have been able to accommodate a greater amount of
" steam tonnage than we have in former years. The
" enlargement of the Victoria Dock and the extension
" of the timber pond space has done very much to-
" wards the prosperity to which I have now the pleasure
" of directing your attention. Taking, for instance,
" oranges ; the list of ships appears somewhat as-
" tonishing, when the trade began so recently as
" 1837–8. We had then only 10 ships bringing
" 4,500 packages, whereas in 1864–5 we had 79 vessels
" bringing 79,634 packages." He then refers to the timber trade, and states, "I am glad to find that the
" trade in this article has during the last year also very
" considerably increased. It shows an increase in 1865
" of 23,757 loads, which is a very satisfactory state of
" things, as we have been given to understand from quar-
" ters supposed to be informed that our timber trade was
" gradually falling off. In reference to another trade,
" there has been during the last year a marvellous in-
" crease in the amount of the importation of fish.
" In 1852 we had in this port 8,159 packages.
" During the year 1865 we have had the large amount of
" 197,991 packages of fish, employing a very large
" fleet and a great number of seamen." Another dock director, himself largely interested in the steam trade and affected by the competition of the port of Hartlepool, adds :—"Since the North-eastern Company got
" possession of Hartlepool, and that port was managed
" honestly and faithfully, the traders of Hull will find
" their own prospects improved. Now that Hartle-
" pool is fairly balanced against Hull, they might be
" sure Hull would take its right place and not be en-
" dangered by any competing ports."

I will now go to the larger questions, of which the principal one is, that we have ignored the geographical position of Hull. The allegation against the North-eastern Company is, that the same gross charge is made between Normanton or Leeds or places beyond and Hull, and between those places and Hartlepool, the distance to Hartlepool being greater than that to Hull. The remedy proposed, in answer to question 1041, is a uniform mileage rate by the railway company, from which they should have no power to deviate ; and Mr. Atkinson says, that he has no other suggestion to offer.

Now the company state that the principle to which objection is made has been adopted by them on full consideration, and with a view to the requirements of trade and public advantage, and that the measure proposed by the Mayor of Hull is impracticable, and if attempted would destroy a large amount of the traffic of the kingdom. This principle, as affecting the North-eastern Company, has been argued before committees

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of the Houses of Parliament on nine separate occasions. First before a committee of the House of Commons, of which Mr. Divett was chairman, on the North-eastern Amalgamation Bill of 1854, when the corporation of Stockton-on-Tees argued the question as affecting the port of Stockton, and tendered an equal mileage rate clause and a like distance clause, but the committee rejected these clauses and passed the bill; 2ndly, before a committee of the House of Lords, of which the Duke of Buccleuch was chairman on the same bill, the same parties appeared and tendered the same like distance clause, which the committee unanimously rejected, and passed the bill; 3rdly, before a committee of the Commons, of which Mr. Puller was chairman on the North-eastern, Hull, and Doncaster Branch Bill, 1862. Witnesses from Hull appeared but no clauses were tendered, and the committee passed the bill; 4thly, before a committee of the Lords, of which Earl St. Germains was chairman on the same Bill. Witnesses from Hull appeared but no clauses were tendered. The committee rejected the bill, not with reference to this, but on a question as to the proper place of crossing the River Humber; 5thly, before a committee of the Lords, of which the Duke of Montrose was chairman on the re-introduction of a similar bill in 1863. Witnesses from Goole appeared and tendered an equal mileage rate clause for the protection of the port of Goole, but the committee rejected the clause and passed the bill; 6thly, before a committee of the House of Commons, Mr. Scourfield being chairman, on the North-eastern and Stockton and Darlington Amalgamation Bill of 1863. The corporation of Hull and the merchants of Hull appeared and tendered an equal mileage rate clause. The committee rejected the clause and passed the bill; 7thly, before a committee of the Lords, of which the Earl of Donoughmore was chairman, on the same bill. The same parties tendered a "Hull three-fourths of "rate to other ports" clause, embodying the same principle, but again the committee rejected the clause and passed the bill; 8thly, before a committee of the Commons, of which Mr. Cobbett was chairman, on the North-eastern and West Hartlepool and Cleveland Amalgamation Bill of 1865. The same parties appeared and tendered an equal mileage rate clause, and a clause requiring the dues, rates, and charges at West Hartlepool Docks to be not less than those at the Hull Docks. The committee rejected both clauses and passed the bill, introducing, with the concurrence of the North-eastern Company, a clause (37) prohibiting the company from obstructing the shortest and most convenient route, and from making higher charges for services rendered at Hull than for like service at West Hartlepool; 9thly, before a committee of the Lords, of which the Earl of Devon was chairman, on the same bill. The same parties tendered the same clauses, which the committee rejected without calling on the company for a reply, and they passed the bill. So that the Commission will see that on nine separate occasions, and during a period extending over 11 years, the ports of Stockton-on-Tees, Hull, and Goole, have applied to Parliament to sanction the principle contended for by the Mayor of Hull before the Commission. On one occasion the committee came to no decision, the bill having failed upon other grounds, and on the other eight occasions the committee refused to sanction the principle. If the Commission think it desirable I am prepared to state the arguments which we think should lead to the rejection of this principle on grounds of public policy.

11,970. (*Chairman.*) Will you be good enough to proceed?—The evidence is confined to the North-eastern Railway. The practice, however, is not peculiar to that company, but is adopted by all the railways in the kingdom. Then it must not be assumed as a matter of course that the Mayor of Hull represents on this point the merchants and traders of Hull. On the 7th March 1862 a deputation from Hull waited on the North-eastern Board at York with reference to this question, and at that meeting three members of the deputation made in writing the following three requests:—Mr. West requested that the rates of carriage to and from Hull should be less in proportion to the distance than those charged to and from Hartlepool or other northern ports. Another member, Mr. Lumsden, representing the Hull Chamber of Commerce and the shipowners, requested that the North-eastern Company would protect the port of Hull against all competing ports by guaranteeing the same rate of inland carriage to and from all districts in connexion with those ports, the competing ports specially intended being Newcastle, Sunderland, West Hartlepool, Goole, and Grimsby. To this proposal the following reply was given in writing:—"It will be apparent that the "North-eastern Company cannot give effect to the "principle of Mr. Lumsden's question, and at the same "time adopt Mr. West's request, as the two are not "consistent." Then another member, representing the owners of steamers and the coal merchants at Hull, requested that the railway rate on coals to Hull should be the same as that to Grimsby. And upon several occasions merchants from the West Riding and Lancashire have represented to committees of Parliament the importance of refusing this principle, as it would deprive them of the advantage of using various routes and various ports. On the 16th April 1863, a meeting was held at York of steamship owners and others interested in the Hamburgh and Rotterdam trade through the ports of Hull, Goole, Grimsby, and West Hartlepool. At this meeting they agreed to charge equal through rates between the ultimate points in England and on the continent, and equal sea freights between the respective ports, and requested the manager of the North-eastern Railway to communicate with the gentleman representing the Newcastle steamship interest, and urge him to join in the arrangement. The basis of the whole combination being that where through routes exist equal through rates must be charged, as any disparity of rate would give one route a monopoly of the traffic. Where several competing routes exist it will destroy that competition and restrict the traffic to one route only, and in some cases to the worst route. Where ports compete it will destroy that competition and restrict the traffic to one port without regard to the goodness of the port, the facilities for shipping, the number of vessels trading, the probability of obtaining a return cargo, the dock charges, the local expenses, and the sea freights. Then the principle of charging the same rate per ton per mile for long as for short distances, would not only annihilate a large traffic and produce most ruinous consequences to trade and manufacture, but is the opposite of that enacted in the toll clauses of railway Acts. The principle of charging different gross rates over competing lines where the distances are unequal is directly opposed to several Acts of Parliament, which prescribe that in such cases, provided that the competing routes are not unreasonably circuitous or inconvenient, the same gross rates shall be charged. Acts of Parliament have been obtained upon the understanding that this principle would be observed; sometimes it has been directly enacted by clauses, and sometimes it is embodied in agreements confirmed by Parliament and scheduled to the Acts; and at other times it has been enacted that the rates shall be settled by arbitration. If the principle be adopted, it will have a far wider range than its promoters imagine, for it will destroy a very large portion of the traffic of the kingdom, and will prevent the quotation of low rates in cases where it is the interest of all parties to adopt them. The proposal resolves itself on examination into an application that by some legislative enactment the commerce of the country shall be placed under such restrictions as shall confine the route of certain traffic to Hull, and protect the Hull merchants, shipowners, local agents, and establishments from competition.

11,971. (*Mr. Glyn.*) As a general rule, is not the charge always determined by the shortest route; at least generally, if not invariably so?—It is not that exactly. The fixing of the rate depends upon a different set of circumstances altogether, and not upon

the actual length of the route; in reality it is regulated—that is, within the parliamentary powers—by what we think the traffic will fairly bear.

11,972. In the case of the shortest line, does it not often happen that the rates upon it are raised in consequence of the system which is adapted?—No, it is not that either. If the traffic between two points will bear a certain figure, say 30*s.*, then it must be applicable to all the competing routes between those two places, without reference to the length of the route, unless it becomes excessively circuitous, and then that route does not get any of the traffic.

11,973. Then the charges are determined more upon commercial principles than upon any other principle?—Clearly so. The railway system is established, and the legislature has deliberately established it on commercial principles, and it is so acted upon but always within their powers.

11,974. (*Lord Stanley.*) You do not think that you can carry goods at equal rates, whether the railway on which they are carried has cost much or little, or whether the amount of traffic is remunerative or not?—The cost of the railway does not enter much into it, but of course the question whether the rate charged was remunerative or not, would enter into it at once.

11,975. (*Capt. Galton.*) It is alleged by Mr. Clark in his evidence that you carry timber from Newcastle to Hull at the rate of $\frac{73}{100}$ of a penny per ton. Is that a remunerative rate?—You must first settle clearly what you mean by "remunerative," because that is a word the meaning of which is ambiguous. In one sense it is remunerative if we get more than the bare working expenses. In another sense it is not remunerative, unless it not only clears the working expenses but bears its fair proportion of what is necessary to give a commercial dividend upon the capital which has been expended on the road.

11,976. If you charge a rate which is only barely remunerative, or only gives a slight profit over the actual cost of conveyance between two towns, I presume you must charge between other towns a higher price in order to give the required dividend upon the capital invested?—We do charge a higher rate, but not for the reason that you suggest. You say that we must charge high in the one case because we charge but little in the other, but that is not exactly the way in which these matters are settled. We charge as a higher rate what we think the article will bear fairly, and with regard to a lower rate we must either carry it for very little, or not have it at all; and, therefore, having to make a choice, we take it for very little. But that does not affect in any way what we charge on articles that will bear a higher rate of charge.

11,977. In which class do you reckon the $\frac{73}{100}$ of a penny per ton for timber carried between Newcastle and Hull—in the remunerative class, or in the less remunerative class, or in which class?—We have no such classes.

11,978. You stated just now that there were two points to be considered in discussing the question whether traffic was remunerative or otherwise, and that in one class a profit was returned on the capital invested, while in another the return was slightly over the cost of the conveyance. In which of those two classes would you place the timber that was conveyed from Newcastle to Hull?—It is a question of degree entirely, but at the low rate you mention no doubt it would not do very much more than pay the working expenses.

11,979. Why do you charge a low rate upon timber conveyed from Newcastle to Hull?—Because it would go by sea otherwise, and we must therefore charge a lower rate to carry it.

11,980. (*Chairman.*) By which route does timber go from Newcastle to Hull?—I do not believe that there is what would be called a regular trade, but there are occasionally cases in which the people at a port do not find exactly the class of timber that they want at the moment, and they go to another port for it.

11,981. (*Capt. Galton.*) What are the rates charged between Hartlepool and Liverpool as compared with the rates charged between Hull and Liverpool?—The gross rate is the same.

11,982. What are they between Newcastle and Liverpool?—They are generally the same gross rate also.

11,983. Between all the ports you charge the same gross rate?—Yes, as nearly as practicable.

11,984. What interest has the North-eastern Company in Hartlepool?—In the town of Hartlepool they have the docks.

11,985. Do they receive all the dock dues?—Yes.

11,986. Do they receive the dock dues in any other port?—From their own dock in the Tyne they receive the dues also.

11,987. Are the rates from Hartlepool as a rule higher or lower than from other ports?—They are the same as at the competing ports, Grimsby, Hull, Hartlepool, and Newcastle. We carry out the universal principle that where ports compete the through traffic must be charged the same, or you will shut up one of them.

11,988. You do not give any additional facilities to the Hartlepool Docks over other ports, although you have a larger interest in Hartlepool than in the other ports?—We give no facilities to the Hartlepool route over the others; not to one over the other.

11989. (*Chairman.*) Has the North-eastern Company a larger pecuniary interest in West Hartlepool than in any other port?—No; they have a dock of their own in the Tyne in which they have a large pecuniary interest; they have no interest in the docks at Hull; Grimsby is a rival port. The question of pecuniary interest in docks does not affect the question, because we go upon the principle of putting all the ports, as nearly as we can, on an equality with each other.

11,990 (*Mr. Gower.*) If you had no interest in any docks or any port, would you charge the same rates as you do now?—That condition of things actually exists. We have a great interest in the port of Hartlepool, and we compete against the port of Grimsby in which we have none, but the rates are exactly the same; we do not try to turn the scale one way or the other. Perhaps I should mention that originally, speaking of the line from Leeds to West Hartlepool, there was an independent company for a considerable length; part of it was the "Leeds "Northern Railway," and about 12 or 14 miles of it was the "West Hartlepool Railway." When we amalgamated with the Leeds Northern Company, this question came up. The traders said, "We cannot "allow the competing line to pass into the hands of a "company who have their own line already existing "at Hull, on which they have spent such a large sum "of money, unless we have some security that the "Hartlepool Railway shall not be shut up for the "benefit of Hull." We said that we considered that that was quite fair, and we acceded to that principle; it was debated in the Committees of Parliament, and we then said we should adopt the policy that we had always followed of putting the two ports, as nearly as we could, on the same footing, and we carried that understanding out honourably, without reference to whether we made more of the traffic by sending it to one port rather than to the other.

11,991. (*Mr. Glyn.*) No clauses were put into the Act of Parliament?—No; at that time the port of Hartlepool was not ours.

11,992. (*Capt. Galton.*) Mr. Wright, of Birmingham, who was examined, stated that the rates from Birmingham to Hartlepool were lower than the rates between Birmingham and any other part of the country?—It may be so, but that is a matter that would not concern us in any way.

11,993. Except that you would have to give a rate?—No; we could only give a rate over a portion of the route, that is, from Hartlepool to Normanton, that is all that we have any control over. If the North-eastern, the Midland, and the London and North-western companies, the last companies having routes to Birmingham, agreed upon a certain rate between Hartlepool and Bir-

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mingham, it would be put in force, but without any consideration as to whether it was higher or lower than other rates.

11,994. Have any other companies besides the North-eastern any interest in Hartlepool?—None but the North-eastern Company.

11,995. (*Earl of Belmore.*) Do you ever charge special rates to individuals?—No, except in this way; we give special rates for special transactions; as, for instance, an ironmaster on the Tees may have a contract for some heavy bridge in India, and he comes to us and says he would like to ship them at Liverpool, if we will give him a rate low enough to induce him to send it by railway. In such a case we should consider the matter, viewing it as a question of quantity of traffic, and that we must take a low rate or not get the carriage of it at all, but without any reference to the individual whatever, and every individual who should come to us with such a proposition as that would be treated on the same terms.

11,996. (*Mr. Glyn.*) I think that amounts to this, that there being a means of conveyance by sea, your rate would be driven down to the lowest remunerative point for that particular transaction?—It would, and it would be carrying out exactly the old principle in another shape. If we cannot get as much as we should like, we carry for as much as we can get, so long as it just pays.

11,997. (*Chairman.*) Have you made arrangements with other companies for equal rates as respects Hartlepool and Hull, and all the principal towns in Yorkshire and Lancashire?—Yes.

11,998. Does that agreement extend to towns in the Midland counties, such as Birmingham?—Yes.

11,999. I understood you to say that you were not aware what the charge was from Hartlepool to Birmingham?—No.

12,000. But with respect to Hartlepool and Liverpool you were aware that the charge was the same?—It is the same as that from Hull to Liverpool. I have no doubt that the same principle is followed, and it is the same as to Hull.

12,001. I think it has been stated that from Birmingham to Hartlepool the charge was lower than from Birmingham to any other port?—It could not be lower than to Hull.

12,002. Other companies have agreed with the North-eastern Company in general, that it was only reasonable to pursue that system?—They have. A very large proportion of the trade of Hartlepool goes to places to the south-west of any termini of the North-eastern Railway, and in all those cases the rate is fixed in concert with the other companies.

12,003. There must be many places of importance nearer to Hartlepool and the northern ports than to Hull. Do you carry out the same rule in those cases and charge as much to West Hartlepool as to Hull?—No, because at last there comes a point at which the discrepancy would be so great that the principle is abandoned; for instance, we could not carry coals from a Durham coal pit to Hull at the same gross rate that we could carry them to Hartlepool for.

12,004. Is there any considerable trade from places near to Hartlepool and the Tyne; to Hull, for instance?—No, there is no place there of any importance.

12,005. (*Earl of Belmore.*) Although you do not carry at the same gross rate from the Durham coal pit to Hull as to Hartlepool, would you carry at the same rate per mile?—To Hull we should carry at a much lower rate per mile. To Hartlepool the rate would probably be a penny, or something more, while the rate to Hull would be a halfpenny.

12,006. Is a halfpenny a ton per mile a remunerative rate in the sense that it will cover the working expenses?—Yes. In many cases the circumstances may be such that a halfpenny a ton per mile may leave a very good profit, while in other cases it will not nearly pay the working expenses.

12,007. (*Lord Stanley.*) That depending upon the amount of traffic sent, and under what circumstances?—It would depend upon the amount of traffic sent, the length of the line, the working of the engine, the number of miles we could get out of it, and the gradient. We have some coal traffic, as to which, an engine runs 160 miles in a day, including bringing the waggons back empty, and on other parts of the line we cannot get above 62 miles out of an engine, that is, 31 miles of paying mileage in a day; that is also over a bad gradient. Therefore a halfpenny rate when running 80 miles on a good road with a heavy load may be far more profitable than a penny rate with an engine running only 31 miles and drawing a lighter load.

12,008. (*Capt. Galton.*) What is the load that you calculate as being a paying load?—I could only say that one is more paying than the other. On a level line we should run 50 waggons containing from six to eight tons.

12,009. And what upon the other lines?—Then we come to the gradients, which might bring it down to 20 chaldron waggons.

12,010. (*Earl of Belmore.*) I suppose in all cases the actual cost of working traffic of that description depends in some measure upon the gradients?—Yes, in some measure; the length of the lead is also a most material point. In our coal districts, where an engine is making a great many short trips in a day, say, eight of 10 or 12 miles, that is a very different thing from one long clean run of 80 miles.

12,011. (*Capt. Galton.*) Can you make any comparison to show what would be a paying load with 60 miles of work done by the engine, and what would be a paying load with 160 miles run by the engine as a day's work?—No, nobody could do that.

12,012. (*Mr. Glyn.*) In that case you would have to consider the question of the gradients throughout the whole distance?—No doubt; and it would ultimately end in an estimate.

12,013. (*Capt. Galton.*) How are you able to say that one rate is a paying rate and that another is not?—It is a point that is always one of very great difficulty in settling. I have known such questions discussed when some persons believed that the rate would not pay the working expenses, and in some cases ultimately you must make a guess at it.

12,014. There is no actual calculation made when you are fixing a rate to see whether it will pay or not?—There is none made. The managers have in their own minds a sort of minimum, below which they will not go, without a very careful and minute investigation into the particular circumstances of the case.

12,015. I think you have shown that that minimum, or say, a halfpenny per ton, would be barely a paying rate for the coal traffic carried 30 miles?—Under all the circumstances it might be a losing rate.

12,016. Do you ever carry traffic 30 miles at a halfpenny a ton?—No, the 30 miles I spoke of were the amount of mileage that we got out of an engine in a day. I meant that a load carried 30 miles was a paying load; not that the coals were carried 30 miles, but that the engine could make 30 miles of paying mileage in a day.

12,017. What paying mileage would it make except when drawing a load of coals?—It was making paying mileage for 31 miles, and that was all it did in the day. If you take the cost of an engine at four or five guineas a day, we have to get that out of a train that earns pay for 31 miles.

12,018. Do you calculate the cost of an engine at four or five guineas a day?—We know, taking our engines on the average for drawing passengers and minerals, that every engine we bring on to the line costs us at the rate of 1,200*l.* a year, exclusive of the interest on the cost of the engine, and the interest on the money expended on the repairing shops.

12,019. What is the average cost of an engine?—They are now getting up to from 2,500*l.* to 3,000*l.*

12,020. (*Lord Stanley.*) For an ordinary engine?—Yes, including the tender.

12,021. (*Capt. Galton.*) Does the 1,200*l.* a year include the repairs upon the engine?—Yes.

12,022. All the expenses for firing, wages, and repairs?—Yes, everything but the cost of the engine, the

cost of the shops, and the interest upon the spare stock that must always be ready.

12,023. Does it also include the renewal fund?—We have no renewal fund set apart.

12,024. Do you provide fresh engines out of revenue?—Yes; that is to say, we repair them out of revenue.

12,025. If you once get an engine started, you would of course keep it in good order?—Yes, and that is done out of revenue.

12,026. Is that included in the 1,200*l.* a year you have mentioned?—Yes.

12,027. If you wear out an engine, and you bring upon the line a better and more powerful one, do you charge any part of the cost to capital?—No, we do not; we charge it all to revenue.

12,028. (*Mr. Gower.*) If there was a uniform mileage rate from the different ports, would not commodities be sent shorter distances than they are under the system which you adopt?—Not necessarily; the distance is not nearly of so much consequence as the question of the dock dues, the facilities at the ports, and whether the communication is once a day or once a week, and also the freights from the ports.

12,029. Putting the facilities on one side, would not a uniform mileage rate cause goods to be carried by the shortest route, whereas your system induces parties often to send them by the longer route?—It would be so. A uniform mileage rate would confine the traffic to one port, that being the port at the end of the shortest line, whereas by the system we follow it goes to the most convenient port.

12,030. (*Mr. Glyn.*) And you also open more ports for the supply of the consumer?—Clearly. If you take four ports competing with each other, and consider the local accommodation, and charges, and the numerous little expenses that commission agents charge, and all the small expenses at a port, it will be seen that each port is kept down by the competition of the other ports, whereas if we adopted a uniform mileage rate it would confine the traffic to one particular port, and advantage would be taken of that state of things.

12,031. A sort of monopoly would be established in favour of that particular port?—Of course.

12,032. (*Chairman.*) You do not at all take into account the difference in the dock dues at different ports, or the vicinity of your railway to the shipping places?—We do not take that into account; we leave the various ports to settle that amongst themselves as they choose.

12,033. (*Capt. Galton.*) Are the dues at Hartlepool higher or lower than at Hull?—As a rule they are lower.

12,034. Are they lower at Hartlepool than at Newcastle?—No, I think they are about the same as at Newcastle.

12,035. Are they much lower than at Grimsby or at Hull?—With regard to Grimsby I can hardly tell you, but I believe in many cases they are lower at Grimsby than at Hartlepool. No doubt our great difficulty is at Hull; we think the dock dues are very high; so do the Hull merchants, and they attempted by an Act of Parliament to compel us to raise our dock charges at Hartlepool to as high a point as those at Hull, but the committee did not approve of it.

12,036. (*Mr. Dalglish.*) The North-eastern Company have a dock on the Tyne; are the dues charged in their own dock the same as the dock dues at Newcastle?—Yes, they are as near as possible the same; we try to put Hartlepool, Sunderland, and our own dock in the Tyne as near as we can on the same footing.

12,037. My question referred to the dock dues. Do you keep the dues in your dock in the Tyne as high as the dues in the Newcastle Dock?—As a rule we do.

12,038. You have been asked some questions about the engines. Do you find that an engine which travels 31 miles a day over bad gradients is worn out sooner than an engine which travels 80 miles a day over a good gradient?—I do not think we can tell you that.

12,039. (*Capt. Galton.*) You stated a certain sum for the cost of engine power. Can you give us any idea of the cost of waggons?—I do not think we could we could tell you how much, on the average, the waggons have cost for repairing in a year; but I do not think it would lead to any conclusion that would be of any use.

12,040. Practically, you make no calculations of that sort; you trust to a sort of intuitive idea that a certain class of traffic will pay?—Long experience has taught us that certain rates will pay, and certain rates will not pay. We get what we can out of the traffic, and when it gets to a non-paying point, we estimate as well as we can what will not pay.

12,041. You may be carrying on, on some parts of your line, a very unremunerative trade, but which is recouped by traffic on other parts of the line?—I have no doubt about this, that for some short distance traffic we carry on a trade that does not pay.

12,042. (*Earl of Belmore.*) Then why do you carry it on?—Because it has been long established, and facilities of that kind help a district generally. A trader, for example, who is doing a large business with us, and a remunerative business, asks us to do some little matter for him which will not be remunerative, and we think that it might appear somewhat ungracious if we stopped short and did not do it; therefore, unless it is a very clear case indeed, we do carry that short-distance traffic at a rate that does not pay.

12,043. (*Mr. Glyn.*) To what class of traffic do you apply that remark; to the coal traffic?—That is the chief trade. We also carry goods and articles up to the collieries; I consider that all that trade is a losing trade; but at the same time it is a very great convenience to the coal trade generally, and it helps them on. We benefit so much by the great coal trade that we are not very nice in affording some of these small accommodations.

12,044. (*Earl of Belmore.*) What do you mean by sending articles to the collieries; do you mean goods for the use of the people employed there?—No; I mean grain for the horses employed in the coal pits; that is sent up the private siding of a colliery, and then there is grease for the engines, and ropes for the engines, and a variety of things which are necessary for working the pits. These we send by the tramways at a rate that does not pay us, but it is nevertheless a great convenience to the colliery owners.

12,045. (*Chairman.*) You could not carry that traffic at all unless at a very low rate?—If we raised the rate to what would pay us, I think the traffic would still go by the railway, but it would cause a great outcry, because people would consider it a great hardship, considering that their traffic yielded us many thousands a a year, if we did not accommodate them.

12,046. (*Mr. Glyn.*) You rather throw that kind of traffic in in the way of general business?—Yes.

12,047. (*Capt. Galton.*) In fixing your rates, do you give one rate to one colliery owner, and another rate to another?—Yes.

12,048. You do not publish the rates?—No; each colliery owner makes his own bargain for his own rates.

12,049. Then one man might get a very favourable rate, and another man a less favourable rate, without their knowing it?—I am speaking now of those things that we send up to the collieries that are required there.

12,050. But you have not a fixed rate for the carriage of those articles?—No.

12,051. Is not that rather unfair to the colliery owner, and would it not, as a rule, be more fair to publish the rate at which you would carry these articles?—I do not think so. Each of these questions is settled upon its own merits; it is one thing to send waggons a distance of 200 yards off the line along a tramway, and it is another thing to send them two or three miles over a bad private line; therefore, every case must be settled on its own merits and according to circumstances.

12,052. Then it must rest in the breast of the general manager to fix what rates he chooses?—Yes.

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12,053. (*Lord Stanley.*) You object to lay down any fixed principle of charge for that kind of traffic?—Yes; we cannot do it, the circumstances vary so excessively.

12,054. (*Mr. Glyn.*) You are not obliged to carry traffic over these private tramways, but you do it to oblige the parties?—Certainly; it is entirely a matter of favour to do it at all.

12,055. They are the tramways of the owners of the collieries?—Yes; of the proprietors of the collieries.

12,056. (*Chairman.*) You have stated that an engine on the average costs 1,200*l.* a year. Can you state whether there is any difference between the cost of maintaining and working a passenger engine and a goods engine?—I can hardly answer that question; they are so mixed up that I doubt whether any really reliable answer could be given. The circumstances connected with each particular engine vary so much—for example, one will be running a long mileage, and another will be running a short mileage, and considering the waiting and the shunting at different places, I do not believe that any calculations would be at all reliable.

12,057. Does not a goods engine running over a very heavy road consume more fuel than a passenger engine?—It does consume very much more.

12,058. Does the 1,200*l.* a year include all expenses, for coke, engine driver, and so on?—It includes everything; that is the average upon all classes of engines.

12,059. (*Earl of Belmore.*) In the case of passenger engines, do you find that there is much more wear and tear when the engines run at high speeds with express trains, than when the speed is low and there are many stoppages?—I am not at all satisfied with any of the calculations that I have seen upon this point, but there is no doubt that frequent stoppages form another item of wear and tear. I do not think that anybody is able to balance accurately one against the other.

12,060. (*Mr. Glyn.*) Would you not also have to take into account the state of the line?—I assume that the line is equally good over all its parts.

12,601. (*Chairman.*) You have seen Mr. Oxlade's evidence, and you are, I believe, prepared with an answer to it?—Yes; there are some minor points to which, with the permission of the Commission, I would address myself first, and after having disposed of them, will tender evidence on the more important questions. 1st, Mr. Oxlade gives an account of an interview with Mr. Quelch, the manager of the mineral traffic, the substance of which is that for certain service Mr. Quelch agreed to charge 2*s.* 7*d.* per ton; that for this service the company subsequently charged 5*s.* 2*d.* per ton, and that they kept back the account for three months with the intention of keeping Mr. Oxlade in ignorance of the change. Mr. Oxlade, I should state, was a stationmaster on the railway, and from his protracted litigation with the company, and being concerned in the coal trade himself, is intimately acquainted with the company's regulations and practice. The interview took place in June 1863. The charges of 2*s.* 7*d.* and 5*s.* 2*d.* refer to totally different things; the 5*s.* 2*d.* is the charge from the colliery to York, the coal being conveyed in the company's waggons, and for sale at the company's depôt at York. The 2*s.* 7*d.* is the company's proportion of a through charge for coals conveyed beyond the company's lines in waggons not belonging to the company. There is no connexion between the two except that the coals are conveyed over the same portion of the company's line. The case is analogous to that of a rate on cattle conveyed between Darlington and York in the Company's waggons for sale in the York market, and the proportion applicable to the distance between Darlington and York of a through rate for cattle conveyed not in the company's waggons from Aberdeen to London. All this was thoroughly understood by Mr. Robson and Mr. Oxlade, and there never has been any doubt or misapprehension on this point, although Mr. Oxlade or any one else has a right to raise the question whether under such circumstances the charges per ton per mile should be different or uniform. The statement of keeping back the accounts for three months is a mere fabrication. In July 1863 the company's rates, containing the quotation of 5*s.* 2*d.* with a drawback for waggons if provided by the colliery owner, was sent to Mr. Robson, and the accounts were sent in monthly according to the Company's practice, on dates varying from the 9th to the 14th of the month following that in which the coal had been carried, so that Mr. Oxlade's statements are untrue, and untrue within his employer's knowledge.

2ndly, Mr. Oxlade gives an account of an interview with Mr. Sherriff; this statement is no doubt altogether untrue, but I apprehend the Commission will prefer to hear Mr. Sherriff's own evidence on this subject.

3rdly, Mr. Oxlade, in answer to question 1906, makes statements respecting Mr. Spark and Mr. Tennant, the present accountant of the North-eastern Company, and I wish to read to the Commission Mr. Tennant's statement in reply: "Dear Sir, in Mr. Oxlade's "evidence given before the Royal Commissioners on "Railways, I observe an allusion is made to the Leeds "Northern Company, to Mr. Spark, and to the account-"tant of the North-eastern Railway. This occurs in "his answers to questions 1906 to 1909. As I was "formerly manager of the Leeds Northern and am "now accountant of the North-eastern Railway, the "reference is partly to me. There is a certain amount "of ambiguity in Mr. Oxlade's language, but there can "be no doubt as to his meaning. He evidently wished "to represent to the Royal Commissioners that Mr. "Spark was a friend of mine; that I was a partner "with Mr. Spark in the coal trade; that I had a "pecuniary interest in promoting Mr. Spark's business; "that I used my influence with a view to that end; "that Mr. Spark sent nearly all the coal on to the "Leeds Northern Railway, of which I was manager; "that Mr. Spark had a private agreement of a "beneficial character, and that as a result his (Mr. "Oxlade's) trade had been destroyed. As regards "all these allegations I can only say that I am pre-"pared to appear before the Royal Commissioners "and give any explanation which may be necessary; "but to save time I beg to authorize you to state "that Mr. Spark was a business acquaintance of "mine, and not a friend in the sense conveyed by "Mr. Oxlade; that I never was a partner with Mr. "Spark in the coal trade or any other trade; that I "never had any interest in his commercial transac-"tions; that Mr. Spark did not send nearly all the "coal on to the Leeds Northern Railway; that Mr. "Spark never had a private agreement with the "Leeds Northern Company, and that Mr. Oxlade "had not the slightest ground for the statements he "made in this part of his evidence. As regards Mr. "Oxlade's assertion that Mr. Spark sent nearly all "the coal on to the Leeds Northern line I beg to "remark that Mr. Oxlade had no means of knowing "the quantity of coal sent by Mr. Spark and by other "parties, either actually or relatively, and his state-"ment is entirely untrue. By way of explanation I "may add that the amalgamation of the Leeds "Northern line took place in 1853, and I have refered "to the accounts for the last month in 1852, and am "able to state that in that month the colliery owners "for whom Mr. Spark acted, six in number, sent 1,060 "tons of coal for sale at depôts out of a total quantity "of 7,801 tons sent by 31 coal owners for the same "purpose. With reference to Mr. Oxlade's answer" "to question 1,909, Mr. Spark never had a private "agreement with the Leeds Northern Company of "any kind, nor had he any agreement respecting "10,000 tons or any other quantity; probably Mr. "Oxlade meant to refer to certain arrangements "of the North-eastern Company, which however were "not private, but open to all coal owners on equal "terms. Those arrangements were made at a time "when the coke trade was in a depressed state, and the "company agreed that any coal owner who would send "a stipulated quantity into Staffordshire for manufac-"turing purposes should be charged at the rate of one

"halfpenny per ton per mile. Mr. Spark, amongst "others, entered into agreements of that character, "which he never failed to fulfil.—I remain, yours "truly, H. Tennant."

Then, 4thly, Mr. Oxlade, in his letter of the 14th March 1865, says that the carriage of coals is made the subject of a private agreement between the railway company and a few colliery owners. This statement is untrue, and untrue within Mr. Oxlade's own knowledge. There is no agreement made with the colliery owner beyond acquainting him with the rates, and such arrangements as may be necessary for sending waggons or engines to his colliery. The number of collieries sending coals on the North-eastern Railway is 232, and the quantity of coals they sent in 1865 was 11,062,611 tons.

5thly, Mr. Oxlade says in the same letter that under this private agreement a high rate for carriage is obtained and imposed upon the public. This also is untrue. The company quote their rates without reference to any agreement; whether those rates are higher than the company are empowered to charge is a question of law, and as it is one of those involved in the litigation carried on by Mr. Oxlade against the company, I will deal with it when I come to that question.

6thly, Mr. Oxlade states in the same letter that the railway company's agent has orders from the railway company when selling coals to obtain the money before he supplies the coals. This statement is untrue within Mr. Oxlade's own knowledge. The railway company gives no orders of any kind about selling the coals; these orders are issued to the company's agent at the depôts by the colliery owner without the cognizance or control of the railway company.

7thly, Mr. Oxlade says in the same letter that the public are not allowed to have any coals until they pay 40 per cent. per ton overcharge. I presume this refers to an overcharge in the rates, which I will deal with under its proper head.

8thly, Mr. Oxlade says in the same letter that the monopoly is completed by the places of deposit being let to favoured collieries. This assertion is untrue.

9thly, Mr. Oxlade states in the same letter that the owners of the favoured collieries divided with the railway company the unfair profits obtained by monopoly. This statement is altogether untrue, and is a pure fabrication.

10thly, Mr. Oxlade states in the same letter that the railway company allows the colliery owners, in consideration of their assistance, a long credit in the leading charges. This statement is also untrue.

In the 11th place, Mr Oxlade states in the same letter, that if any colliery owner refuses to assist in the unfair dealings, then the railway company stop his trade. This statement is untrue.

In the 12th place, Mr. Oxlade states, in his second letter of the 14th March 1865, that the North-eastern Company claim a right to pick and choose their customers and to centralize the traffic in coals into the hands of two or three agents. This statement is notoriously untrue, and untrue within Mr. Oxlade's own knowledge.

In the 13th place, Mr. Oxlade states in the same letter that the company are creating a gigantic monopoly, and compelling the public to pay from 2*s.* to 4*s.* per ton more for coals than the proper price. This statement is untrue, and I will deal with it in its proper place.

I now come to what the Commission will perhaps wish to hear. The charges against the North-eastern Railway Company appear to resolve themselves into three heads. First, whether there is any illegality in their charges, or in their regulations and practice. Secondly, whether, in consequence of their system, the price at which coals are sold to the public is higher than it would be under a different system. Thirdly, whether their arrangements are such as to preclude competition and create a monopoly.

Adverting to the first head, whether there is any illegality in their charges, regulations, and practice, I may state that about the year 1851 Mr. Oxlade was station-master at the company's Shincliffe station near Durham, but he subsequently left the company's service, and in 1853 was acting as agent for the West Belmont Colliery. At the same time and afterwards he commenced business as a coke and coal merchant. He had frequent disputes with the company's managers and officers, and eventually entered into litigation with the company. This litigation extended from July 1856 to January 1864, and embraced a great variety of points, both as to the charges made and the regulations and practice of the company. In the course of the litigation a very protracted investigation was made by a master under an order in the Court of Common Pleas into the whole of the company's system, and evidence was taken at very great length, so that the courts, in dealing with these questions, have had the fullest information before them. I am prepared to state in some detail the results of every action or application to the courts by Mr. Oxlade should the Commission desire it, but perhaps the Commission will not wish me to do more than state shortly the result.

12,062. (*Chairman.*) That will be sufficient?—Then I may state that he has brought six actions against the company, one in the Queen's Bench, three in the Court of Exchequer, and two in the Court of Common Pleas. In the first action, which was in the Exchequer, he was nonsuited and had to pay costs. The second action in the Common Pleas has been twice tried, resulting in a complete verdict for the company. In the third action, also in the Common Pleas, he was nonsuited, and appealed, but his appeal was dismissed, and against that he has appealed to the House of Lords. The fourth action in the Queen's Bench he has not prosecuted beyond issuing his writ. In the fifth action in the Court of Exchequer he was nonsuited, with leave to move the Court, who have suspended their judgment until the other appeal has been decided. And in the sixth action in the Exchequer he has not proceeded farther than to deliver declaration.

12,063. (*Capt. Galton.*) Has he not appealed from one of the decisions in the Court below to the House of Lords?—He has appealed to the House of Lords, and I apprehend that is an end of it. He also brought two cases against the company in the County Court, and in these he was nonsuited. Besides this he has made six applications to the Court of Common Pleas under the Railway and Canal Traffic Act. In the first, the one in which the long inquiry was made by the master, the rule contained six branches. The decision was in favour of the company on all points except one; this point referred to a state of things which had passed away, and to agreements which had expired, and the master had therefore not fully reported upon it. Mr. Justice Cresswell, in delivering judgment, said, that though the injunction would be fufile in consequence of the agreements having expired, yet as a matter of law Mr. Oxlade had a right to the injunction. The rule was therefore discharged with the exception of the injunction above described, and each party had to pay his own costs. In the second, fourth, and fifth applications to the Court of Common Pleas, the applications were refused without the company being called upon for an answer. In the third the application was refused on the company being heard against it; and in the sixth the rule was discharged with costs.

12,064. (*Chairman.*) I think Mr. Oxlade stated that the decisions of the different courts were conflicting, but, according to your account, he did not succeed in any instance, except partially on one point.—What I have stated to the Commission are the exact facts.

With regard to the second and third heads, the questions are so intimately connected with each other that I believe they cannot be properly discussed separately. And, in order to make my observations intelligible it becomes necessary for me to give a short explanation of the main principles on which the land-sale coal trade on this railway is conducted. The first of these arises out of the fact that the coals do not come upon the railway like other traffic at stations, but

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must be dealt with at the pits, the access to which is over the colliery owners' private railways and sidings. The colliery owners, or their representatives at the colliery, alone regulate the admission of engines and waggons to their colliery sidings, the supply, detention, loading, and despatch of waggons, the qualities and quantities of the coals to be carried, and the persons and places to which they are to be sent; the company therefore make all the primary arrangements with the colliery owner exclusively. The second arises out of the fact that such coals cannot, without excessive and useless expense, be at once removed from the railway to the premises of the consignee; and the magnitude of the trade is such that, without the most careful arrangements as to this, the sidings, and even the running lines would be blocked up, and the whole traffic of the line stopped. To avoid this difficulty the company have purchased extra land at their stations, and on this have built depôts or cells—in fact, warehouses, in which the coals are stored;—these warehouses are let or appropriated to various coal owners for particular kinds of coals. The number of these depôts at any particular station depends upon the amount of coal sales at that place. There is no obligation on a railway company to provide or continue these coal warehouses; it is a special service voluntarily undertaken for the convenience of the trade, and the consequent benefit of the public. Other companies have adopted the same principle, and provided ground on which the coals are stacked. The North-eastern system, though more costly, is very superior to this, inasmuch as under it there is a saving of labour, and a larger amount and many more sorts of coals can be stored on the same area. The public have free access to these places of deposit, and select from them any kind and quantity of coal they please. The third principle springs out of this establishment of a retail trade in coals upon the company's premises. It would be impossible, on account of the expense, for each colliery owner to appoint his own salesman, and in many cases the sales of all the coals at one place are not sufficient to occupy even one man. Moreover, if the sales get into the hands of one agent, without any special responsibility, he would become in fact a middleman, or dealer in coals, with a monopoly of the trade and power to take full advantage of such a position. The company have therefore endeavoured to obviate this difficulty by appointing, at a fixed salary, and at their own cost, a depôt agent at each coal station. This man is the servant of the railway company alone, but his duties are to communicate between the public and the colliery owner, to send orders to the colliery, to supply coals as may be required by individuals, or for the keeping the depôts stocked, to weigh, by means of machines provided and maintained by the company, the coals that are sold, to sell the coals, to receive the money and pay it to the colliery owner or his agent, and to keep the sale accounts. And in order that the coal owner may superintend effectually all these operations at the least possible expense, he receives a cheap ticket over the railway for himself or his servant or agent. This service is also a special one, not obligatory upon the company, but voluntarily undertaken by them for the convenience of the trade and the benefit of the public. The selling price of the coals is fixed by the colliery owner exclusively, without the interference or control of the railway company. The name and price of the coals are placed over each depôt, and the depôt agent gives with every lot of coals sold a sale-note stating the kind, the price, and the weight, so that the purchaser has the intervention of a salaried officer of the railway company, who has no personal interest in the sale of any particular kind of coal, to protect him against the impositions which in the retail coal trade are so frequently practised in these matters. The charges made by the company for the special services mentioned vary from 1*s.* 3*d.* to 3*d.* per ton, in some special cases the charge may amount to 1*s.* 6*d.* per ton, and in many cases where the traffic will not bear it, no charge whatever is made. The charge made to the colliery owner includes both the ordinary railway dues and the special terminal services and accommodation. The cost to the company of these services and accommodation cannot be stated accurately, partly from the extreme variation in the cost of providing the accommodation, and partly because this cost is a fixed expense and has to be apportioned over a fluctuating number of tons. It has been roughly estimated at 1*s.* 6*d.* per ton, though no individual would venture to provide it at such a rate. But if it were transferred from the railway company to any other body, there would be an immediate and serious rise in the price, and the safeguards for the proper conduct of the trade would be lost. I have a table here, which will show the effect of the system in providing against monopoly.

The following Table was handed in:

Coal Cells, Coal Sales, &c. at Malton, Pickering, Richmond, Thirsk, and York.

Station.	Population of Borough.	Number of Coal Depôts.	Tons sold in 1865.	Average Sales per Cell.	Number of Collieries sending.	Number of Sorts of Coal sold.	Number of different Coal Fields from whence supplied.
Malton -	8,072	20	15,419	771	46	83	3
Pickering -	4,501	17	11,162	656	25	36	2
Richmond -	5,134	23	13,196	573	29	35	2
Thirsk -	5,350	17	4,928	290	27	39	2
York - -	45,385	42	53,066	1,263	62	117	3
	68,442	119	97,771	3,553	189	310	
Average -	13,688	24	19,554	821	38	62	

Taking the average of five stations of different sizes and in different districts, it will be seen that the public have always had a large stock of coals to choose from, that they have had 62 different sorts of coals, supplied from different coal fields, and sent by 38 different collieries, all competing, or with full power of competing with each other. The numbers of depôts at any station is limited, if not by the extent of ground which the company possesses, at all events by the extent of the trade, but the number of collieries in the Durham and Yorkshire fields from which coals are actually sent upon the North-eastern Railway is 232, and the number of those from which coals might be sent is of course very much greater, so that some selection is a physical necessity. The directors therefore allot the depôts to the best of their judgment. The interest of the company is solely in the quantity of coals carried, and the weight of coals sold forms the chief criterion, according to which depôts are from time to time allotted or resumed. Where however collieries compete, a coal owner can only increase his sales, and consequently his claim to an increased number of depôts, by a reduction in price, or an improvement of quality, or both, so that in this important point of allotment of depôts, which is often held up as giving the railway company an injurious monopoly of the trade, the interest of the railway company is to encourage competition, and is absolutely identical with that of the public, while for the same reason it is somewhat antagonistic to that of the colliery owner or coal merchant.

The advantages of the system established by the North-eastern Company may be summarized as follows:—First, it renders unnecessary the employment of dealers' middlemen, and agents, whose profit is a material addition to the price paid by the consumer. Secondly, it stimulates competition by the system of allotting depôts, by changing the allotment according to sales, by bringing different coal fields, and different collieries from the same coal field, into competition at one spot, and by enabling a colliery with a limited trade to compete with a large colliery on equal terms. The Commission have before them an instance where the coal trade of the town of Nottingham has been, in consequence of the crowding, confusion, and difficulty of getting to the waggons, placed in the hands of nine persons. The competition at Nottingham, a town of

74,693 inhabitants, is therefore limited to those nine coal merchants. Under the North-eastern system the city of York, with a population of 45,385, has the advantage of a competition of 62 different collieries; and taking the average of the five towns previously mentioned, a town population of 13,688 persons are supplied by 38 different collieries. Thirdly, it provides at every depôt the constant attendance, at all hours, of one well known agent, answerable for any neglect to the directors of the railway company, and whose duty it is to communicate with the colliery owners as to the complaints and wishes of the public, and also with the railway company, whenever their interference may be desirable. Fourthly, it gives the public the free choice at all times of a large stock of various kinds of coals always on hand, and the poorest person buying a single cwt. receives as much attention, and can buy the same coals and at the same price, as any other person who goes to the depôts. Fifthly, it gives the best attainable security against imposition, as to the kind, the weight, and the price of the coals. Sixthly, it enables the trade to be carried on with the utmost economy, there being only one agent, and one set of storehouses at each place. This advantage is more especially noticeable at the small stations, where the business is not large enough to support even one agent. Seventhly, it greatly simplifies the operations of the trade, for when once the colliery owner has arranged with the company the depôts to which his coals are to be sent, and received a list of the dues, the trade may be begun without any further trouble or expense on his part. The companies send the empty waggons to the colliery, lead the coals to their destination, keep the depôts properly stocked, sell the coals at the price he fixes, keep the sale accounts, and remit the proceeds. If, on the other hand, he wishes to push his sales, he may engage, at his own expense, any number of local agents or canvassers, he may have a cheap ticket over the whole railway for himself or for a superior servant or agent to superintend his trade. He instructs the depôt agent directly, without any reference to the railway company, as to the price at which his coals are to be sold, and whether for cash, or that credit shall be given to any particular person, and to what extent, or that he himself will make out the customers' account and collect the money. In fact he arranges all this part of his business precisely as he pleases. Eighthly, it enables the public to buy coals at the lowest attainable price; this price is necessarily composed of two elements, and by the North-eastern system it is confined to those two; one, the lowest price which the coal owner, acted on by the influence of competition, will take for his coals delivered into waggons at the pit mouth; the other, the railway dues, including the charge for sale expenses, which is on the whole below the actual cost. It is an essential feature of the system that it enables the colliery owner, if so disposed, to dispense with the employment of any intermediate trader between himself and the public. This is naturally objected to by all such intermediate agents, and by that portion of the public who are acted upon by their influence, and take their opinions from them. The profits of the intermediate trader are generally understood to amount to from 2*s.* to 2*s.* 6*d.* per ton, but whatever they amount to they are an addition to the pit price charged by the colliery owner, and therefore an addition to the price paid by the consumer.

It has been asserted in public, when discussions have taken place on this subject, that the selling price of coals in the district traversed by the the North-eastern Railway has of late years been materially increased, and the assertion is true. It has also been said that this increase has been caused by the system pursued by the company, and by their having increased their charges. This idea has arisen, not unnaturally, from the public being accustomed to buy their coals from a depôt agent, whom they knew to be a servant of the railway company. When they see a railway servant selling coals, taking money, sending in accounts, receiving orders and managing this trade as he would do the merchandise or passenger business, it is impossible to disabuse their minds of the idea that he acts with regard to the price of coals as much under the orders of the directors as with regard to the fares of passengers, and that any increase in either is the act of the railway company. This belief is also fostered by the assertions of unscrupulous or ill-informed persons. It is, however, as I have explained, altogether erroneous. The railway rates on coals were revised about 12 years ago; at that time some rates were slightly increased, but on the whole there was a reduction. Since then no change has been made, except some reductions in particular cases, and a material and extensive reduction in 1863. In the Yorkshire district, where there is every kind of competition by rail and by water, the price of coals was raised between 1853 and 1861, according to the recorded resolutions of the Coal Trade Association, 3*s.* 5*d.* per ton. The actual increase was, however, greater, and in some cases the reduction made in the railway charges was added to the price at the pit, the coal owner intercepting for himself the reduction that was intended to lower the price paid by the consumer. In the Durham coal field an increase has taken place in the pit price (by which expression is meant the residue of the selling price of the coals sold at the depôts after deducting the railway charges, and which is taken by the coal owner) of from 3*s.* to 5*s.* per ton. The coal owners justify this on the ground of the increase in the cost of labour and materials, and claim the right which all traders have of selling their wares at the best price they can obtain. Small variations in the railway dues do not appear to influence the selling price of coals. In cases where the railway company advanced their dues 3*d.* per ton, the coal owner raised his pit price 4*s.* 3*d.* per ton; and in another case, while the railway company reduced their dues 10¾*d.*, the coal owner raised his price not only 5*s.*, which would probably have happened at any rate, but 5*s.* 10¾*d.* The fluctuations in the selling prices of coals as fixed by coal owners may be illustrated by Mr. Oxlade's own practice. In 1853 and 1854 he was, as the railway company supposed, agent for and representing the proprietors of the West Belmont Colliery, or, as he has since declared, owner of the West Belmont coals. Whatever his position was, he was the person who fixed the price at which these coals were sold at the York depôts. The fluctuations of price are shown in a table I will hand in, the railway dues being 5*s.* per ton, and remaining unaltered.

The following table was handed in:

Date.	Selling Price of West Belmont Coals at York, fixed by Mr. Oxlade, and paid by the public.	Railway Dues.	Balance, after defraying the Railway Charges, paid to the West Belmont Proprietors, and received by Mr. Oxlade himself, if a principal, or by his employers if only their agent.
1853.	*s.* *d.*	*s.*	*s.* *d.*
October -	12 6	5	7 6
,,	15 6	5	10 6
November-	15 6	5	10 6
,,	21 0	5	16 0
December-	21 0	5	16 0
,,	18 0	5	13 0
1854.			
January -	18 0	5	13 0
February -	15 6	5	10 6
March -	14 6	5	9 6
April -	14 6	5	9 6

The selling price was subsequently reduced to 13*s.* 6*d.*, and is now 14*s.* It is due to Mr. Oxlade to mention that he published a letter denying in the strongest terms the truth of these statements as to the selling prices of his coals at York. The figures, however, are taken from the depôt agents' sales books, and the original instructions from Mr. Oxlade in five of the cases

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named, including the highest and lowest prices, happen to have been preserved, and I now produce them to the Commission. (*Handing in the same.*)

12,065. (*Capt. Galton.*) Do the railway dues vary at each station, or are the railway dues at Ripon or Darlington the same as they are at York?—No.

12,066. They are made up partly, I presume, of the 1*s.* 6*d.* which you say is charged for the services rendered, and the charge for the conveyance of the coal?—Yes; they vary between every colliery, and every station.

12,067. At Thirsk, for example, they would be lower than at York?—Yes.

12,068. And lower than at any station north of York?—No. I think at York the charge is lower than at some of the stations north of York; for there we come into competition, not with other lines, but with water competition.

12,069. May any colliery owner or colliery proprietor send coals on to your line if he chooses; could he send them to any station, or would you you select it for him?—No. If there is room at any depôt he would get a depôt allotted to him at any particular place that he applied for; but if there is not room he must wait until some other person is turned out for not selling a sufficiently large quantity, and in that case he would have the depôt of the person turned out.

12,070. What rules are laid down by the North-eastern Company with regard to turning people out?—Our system is to revise the appropriations from time to time, half-yearly or yearly, as the case may be; and if we find that there is somebody who has got a depôt but sells very few coals, then we give him notice that he must go; we turn him out, and we put in some other colliery owner whose coals we think will command a greater sale.

12,071. Suppose a person wishes to sell coals in a particular town, do you not allow him to have a depôt?—He may sell any coals in any town that he likes.

12,072. But may he receive them by railway and take them to his depôt?—They must be passed through our depôts.

12,073. Suppose a person wished to send only three or four waggons, would you refuse them?—No. For instance, if a gentlemen wanted a particular kind of coal that did not happen to be in stock, we should say, we will send a waggon for you to bring the coal, and we should charge an extra price for it—a shilling a ton.

12,074. But you would allow no dealer to do that?—No, unless there was a considerable quantity of the coals required. If he could show that there was any probability of that quantity being required, we should be glad to give him a depôt for them.

12,075. (*Mr. Glyn.*) Do you lay down a certain minimum quantity that the dealer must pass through the depôt?—No, that varies at every station; but the revision that takes place brings all that out.

12,076. Upon what principle is that revision made?—The principle is that whoever sells very little must be turned out, so that somebody else who can show some good reason why he will be able to sell more may be put in.

12,077. Suppose that a man makes but few sales in 1864, for example; in 1865 he might be more successful with another colliery, would you turn him out because of the little business he had done in 1864?—We should look to what he had done in the year 1864, and if he had only sold during six months 30 or 40 tons, we should say he should make room for some one else. Sometimes, however, a man may say, "I have had a strike at my pits," and then that circumstance would be taken into consideration.

12,078. (*Lord Stanley.*) Would you not require him to prove that?—We should know that as well as he did.

12,079. (*Mr. Glyn.*) But suppose he became connected with a new colliery, would you not try him a little longer?—Then the new colliery would be on the same footing as a number of other collieries, the proprietors of which might be applying for that particular cell.

12,080. In the meantime he might have lost his depôt that he had in 1864, and if he began to work a fresh in 1865, he would still want a depôt?—Your idea is, I think, that in 1865 he begins with a new colliery, and, as I have said, he would then be in the same position as 20 other persons who had either had new or old collieries, but had not been selling coals at that station. We must choose some one, and we say to these parties, "will you guarantee a certain quan-"tity; if you will guarantee a large quantity, we "will turn anybody out who is doing but little to put "you in." If they do not guarantee anything, but simply say that their coals are very good, they are then in the same position as 20 others.

12,081. Then your proceedings are entirely regulated by the quantity they dispose of?—Entirely.

12,082. (*Chairman.*) Are your depôts usually fully occupied?—At most of the stations they are, but we have a certain number of stations where the depôts were built very much in excess of what was wanted; the trade perhaps has left that part of the country, and in such cases we have more cells than any persons there would be likely to ask for.

12,083. (*Capt. Galton.*) What is the smallest number of colliery proprietors you allow at any one station?—There are some of the minor stations where we have not more than three depôts, and there we should put in three colliery proprietors, or perhaps only two.

12,084. (*Chairman.*) Have you depôts at every station, however small they are?—We have at almost every station.

12,085. At all the important stations are there usually many applications from other colliery proprietors asking to be admitted as opportunities may offer?—Yes.

12,086. (*Capt. Galton.*) Practically you do regulate the whole of the coal trade over the whole district?—Yes, in the way I have explained.

12,087. (*Chairman.*) Are the colliery owners generally speaking satisfied with this arrangement?—The colliery owners are satisfied, but the agents and middlemen are dissatisfied, because it is their destruction.

12,088. (*Capt. Galton.*) Are the consumers of the coal satisfied—the proprietors of factories and other establishments, where large quantities are consumed?—Yes, we never have any complaints from them, but then there is a very large portion of the public who take their opinions from the coal merchants, and they know nothing about the system. I have no doubt that hundreds of persons will be found to say that it is a very bad system.

12,089. The coal merchants however still exist?—Yes, they exist in spite of us.

12,090. How do they obtain their coals; I believe there is no water communication in a great part of your district?—Yes, there is a great deal of water communication in the south of Yorkshire, and it is a very curious thing, but coal agents will live, and they will sell coals at a price that leaves them a large profit when equally good coals at a low price will not sell.

12,091. (*Lord Stanley.*) How do you account for that?—Because the public are led, not by their own judgment in coals, but by the hard unscrupulous assertions of the coal dealer that he sells the best coals.

12,092. (*Earl of Belmore.*) How do these coal dealers obtain their coals, if you do not convey them for them?—It is done under the name of the coal owners.

12,093. So that in fact you do convey them to the coal dealers, although nominally they are conveyed to some one else?—Yes. If the coal dealer makes an arrangement with the coal owner, we do not interfere with that.

12,094. (*Mr. Glyn.*) The depôt is paid for in the way?—Yes.

12,095. Have you ever had any charges of favouritism brought against your agents at the stations?—Yes, constantly.

12,096. Have you ever on any occasion found that those charges were really well founded, and that any

serious inconvenience has been caused to the neighbourhood?—No. These charges usually take this shape: The colliery owner says, "The man at the "depôt gives a bad name to my coals, but he gives a "good one to the coals of somebody else,"—and he takes for granted that the agent gets some consideration for it. All I have to say about that is, that if any man is caught in such a practice, he is turned off instantly; and in one instance I may state that the directors turned off one man who had been there for a long time, on a question of 9*d.*

12,097. Have you found it necessary to dismiss men in many cases?—No.

12,098. Of course, if these charges are brought, you investigate them?—Yes, we investigate them; but they are very difficult matters to investigate when it is the interest of the briber and the bribed to conceal the transaction; and indeed I do not know how you are to get at it. As I have said, accident has brought out a case or two, and the directors are so rigid, that on a question of 9*d.* they dismissed a man immediately. They make this rule to let the depôt agents know what the consequences of misconduct may be.

12,099. (*Capt. Galton.*) Is not your system open to the charge of being liable to favouritism?—Yes; but less so I think than any other conceivable system.

12,100. Not less so than if the whole thing was open?—Much less so, I think.

12,101. Might it not be urged that you selected some colliery owners, and excluded others from motives of favouritism?—Yes; quite so; but that would be a charge of favouritism against the directors for selecting particular collieries. I thought you meant favouritism on the part of the depôt agent. It certainly is open to that charge, and I should say that every conceivable system must be open to it, because ultimately you cannot bring 500 different colliery owners together at one place to sell their coals.

12,102. No; but suppose the matter was left entirely in the hands of local agents to order from the colliery proprietors what coal they required, would they not then just order what would meet the demand without the intervention of the railway companies?—No; say that there were 232 collieries, each colliery owner through his agent would receive an order for coals, and we should have perhaps at a small station hundreds of waggons sent, every man knowing that whoever got in first, his coals must be sold before the others could be got to the station, and the line would be stopped instantly, the very first day it was attempted.

12,103. (*Mr. Glyn.*) Under such circumstances you could not arrange the traffic?—No; and even now with all our care on some occasions we found that rather too many coals were sent, and they were left to stand on the main line because they had no other place to put them in.

12,104. (*Capt. Galton.*) You were driven into this system, then, by necessity from being unable to accommodate a larger amount of coal traffic?—Yes, by the physical necessity—want of space at the depôts.

12,105. In what way does your system differ from the system that is pursued at Nottingham?—The case at Nottingham I have described; the difference there was as to the ground that was set apart on which the coals were stacked. At York ground was set apart on which depôts were built. At Nottingham they could only accommodate nine people, and at York we accommodated 62.

12,106. (*Mr. Glyn.*) The one town having a population of how many?—The population of Nottingham is 75,000, and that of York 45,000.

12,107. (*Capt. Galton.*) The reason is, I presume, because you appoint an agent who sells the coals for those people, and who limits the quantity which comes in at any one time to what is actually wanted?—Not exactly that; the difference between the two is that on the same area you can stow a far greater quantity and a far greater number of sorts of coals by using those extensive depôts than by merely stacking the coals on the ground.

12,108. Your coal vans, I suppose, are raised up, and they drop the coals down below into the cells?—Yes; quite so. It saves labour. They are drawn up the incline, below which are the cells; the bottom part of the van is opened, and the coal drops down into the cells without labour or expense, and when the train is empty it is taken away back, whereas in the stacking system, of course, every piece of coal must be carried away and put into its separate stack, which is a very costly matter.

12,109. According to your system the cost of unloading is very much lessened, and you are able to afford very much larger competition for the town than is afforded under the Nottingham system?—Quite so.

12,110. (*Chairman.*) Have any of the other railway companies adopted the system of the North-eastern Railway Company?—Not to such an extent; it is partially adopted, and I believe has been copied from us.

12,111. Have you introduced it on lines that you have lately acquired?—Everywhere.

12,112. On the Newcastle and Carlisle?—There it was introduced before we got the line, but on our new lines and on our new branches we build coal depôts as systematically as we build passenger stations.

12,113. (*Mr. Glyn.*) In point of fact you do that as a question of economy, do you not?—I am not so sure about that; they are very expensive things, but we look at the thing in the long run. One great point is that the trade shall be carried on economically, and if the trade is a flourishing trade we look to that to pay us rather than to any immediate profit out of the cells.

12,114. (*Chairman.*) In the southern portions of your system does coal come in from districts which are not traversed by your railway?—Yes;

12,115. And do you adopt the same principle in those cases?—Yes; just the same. I may say also that we have depôts at the southern end of our system which it would be our immediate pecuniary interest to feed with coals from the Durham district, and so keep out the Yorkshire coals; but we distinctly set aside that which might be called the commercial principle. We bring coals from any district, whether the immediate run on our own lines is long or short, our object being nothing but competition. We are quite sure that if for instance Yorkshire coals are sent through to the York station, then the Durham coal owners must by the force of competition be compelled to come down and we get a lower charge for the public, and in the long run that is more to our interest than encouraging any one particular trade.

12,116. (*Capt. Galton.*) It of course encourages more consumption?—Yes; it encourages more consumption.

12,117. (*Chairman.*) You do not adopt the same principle with respect to the coal trade as with respect to the general trade; that is to say you do not carry from all collieries at equal rates, whatever their distance from the station may be?—No; but we do adjust the rates so as to bring the coal from the different collieries as much as we can into competition.

12,118. Do you carry coals 100 miles at the same rate at which you would carry it 60 miles?—Yes; I dare say we may do so in some cases.

12,119. In each instance you determine according to the circumstances of the case?—Yes; and we attempt by that adjustment of our rates to get the greatest possible competition at any one place between coal fields or between collieries from the same coal field.

12,120. (*Capt. Galton.*) Would you charge nearly equal rates on the southern part of your line for coal coming from Durham as if it came from Yorkshire?—Approaching equal rates, but the margin of profit to the coal owners is so large that it is not in the least necessary to go to actually the same rate as it is in merchandise.

12,121. What is the cost of getting up a ton of coals at the pit?—It would vary with every pit.

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12,122. When the sale at York is 16*s.* a ton and you charge only 5*s.*, they get it very considerably under 10*s.* a ton at most of the pits, do they not?—They make a very large profit on it; the coal trade is very flourishing, there is no doubt about that.

12,123. (*Chairman.*) With regard to Mr. Wooler's evidence, what observations have you to make?—With regard to Mr. Wooler's evidence which is contained between questions 9567 and 9677, that evidence affects the Stockton and Darlington section of the North-eastern Railway, and I do not refer to that, as it will be replied to by the secretary of that section.

12,124. That line is now amalgamated with your line, is it not?—It is now amalgamated with our line; but it was not amalgamated at the time that those circumstances took place.

12,125. Mr. Wooler's evidence refers to circumstances which took place before the amalgamation?—Yes. I may also say that Mr. Wooler stated to the Commission that he represented the Darlington Chamber of Commerce. I have a letter here from the chairman of the Chamber of Commerce saying that the evidence which Mr. Wooler tendered to the Railway Commission was his own voluntary act, that he was not authorized or even requested to give evidence on behalf of the Darlington Chamber of Commerce.*

12,126. He says, I have come here as representing the Chamber of Commerce of Darlington?—Yes; he states so.

12,127. (*Capt. Galton.*) Before proceeding with the case of Mr. Wooler, let me ask you did not the North-eastern Company contend in their law proceedings with Mr. Oxlade that they were not bound to carry coal if they did not choose?—The contention was that they were not technically common carriers, but that they were special carriers.

12,128. And that they were perfectly entitled to refuse to carry coal if they chose?—That turns upon the precise question in the case. They are not common carriers, but I say they are special carriers, and that arises from the necessity of dealing with the coal owners.

12,129. Did they contend that they might refuse to carry coal if it was tendered to them?—That they might refuse to carry coal for a particular person, and the difference is this, that in the case of goods they are tendered to us at a station where we are common carriers; but in the case of coals we must go to a man's private property, that is to say, to the pit, and nobody can deal at the pit without arrangements with the owner of the property.

12,130. Suppose they brought their coal down to the side of your line, would you contend that you were not bound to take it on?—No; we should not contend that. That question arises when another company, for instance, tenders coal or anything of that kind.

12,131. If a colliery proprietor had an engine of his own to run on his own branch line, he would then tender it to you at the side of your line, and would you not be bound to take it on?—Such a case never has arisen, but it would arise in connexion with the original construction of the siding.

12,132. But in such cases should you consider that you were bound to take the coal?—Yes.

12,133. I apprehend that a person has a right, if he is the owner of the land, to construct a siding by the side of the railway, and under the Railways Clauses Consolidation Act to make a junction with the railway, subject to the railway company's engineer's approval?—As I understand, any landowner has a right to make a siding on his land, but that is not the question which arises; we must settle first how the coal is to be got on to the railway, which is a matter of special arrangement with some coal owner, and the next question is, how the coal is to be got off the railway at the other end, and you cannot carry on the coal trade at all unless those two questions are first settled.

12,134. Therefore you contend that you are not bound to take the coal of any particular coal owner?—Hardly so; the contention has been that we are not bound to take the coal of coal merchants.

12,135. (*Mr. Glyn.*) Was that view admitted by the court?—Yes, all the courts agreed in that; there is no question about it as a matter of law.

12,136. (*Chairman.*) Are there any considerable number of coal owners in Durham and that quarter who are not able to get their coals on to your railway at all?—A large number.

12,137. Who are desirous to get their coals on to the railway and who cannot do it?—No, I do not think that there are many who are desirous of doing that who do not do it. We have 232 collieries sending coals on our line, which is a very large number, but there are many hundreds of other collieries.

12,138. (*Capt. Galton.*) Do any colliery proprietors complain of undue preference being shown to one colliery proprietor over another?—Yes; every one who has not a depôt complains that he is ill treated, and he would like somebody else to be turned out and himself put in. Our answer invariably is, "Give us a reason for "turning out any coal and we will turn it out, but we "will not exercise the favouritism of turning out one "man's coal merely because another man would like "to have his coal in instead."

12,139. Still, a certain amount of selection must have been exercised originally, not perhaps from favouritism, but I presume from some special circumstances?—When we speak of originally, we are speaking of what occurred 25 years ago.

12,140. Has the practice existed ever since the formation of the line?—Yes. I should have explained that this system was originally established on the Stockton and Darlington Railway, the first coal railway, where many of the directors were coal owners themselves, and where coal was a great business. They adopted the depôt system with an agent under the company as the best means of removing difficulties and fostering the trade, and of getting rid, as far as they could get rid, of favouritism. That system has forced its way steadily on from the Stockton and Darlington line to one part of the North-eastern system, and then to another part of the North-eastern system, and finally to the whole of the North-eastern system,

12,141. Are the directors of the North-eastern railway coal proprietors also?—Some of them are.

12,142. And some have depôts?—Yes.

12,143. And some have not?—I should think that all the colliery proprietors that we have, being owners of great leading collieries, are sure to have depôts more or less, still they complain like others that they cannot get depôts enough.

12,144. (*Mr. Glyn.*) I suppose that if they failed in delivering the quantity they would be turned out the same as others?—Just the same.

12,145. (*Capt. Galton.*) So that the system has grown up with the railway?—The system has grown up with the railway and has been forced on by experience. I may say also that when the system was questioned, as it was very much, the directors invited all the colliery owners to come to them and to suggest what improvement could be made, but the colliery owners were so entirely satisfied that only one colliery owner came, and that was merely to see what was going on. The people who attended the meeting were the coal merchants, all of whom were dissatisfied, and their dissatisfaction we hold to be a conclusive proof of the benefit of our system.

12,146. (*Chairman.*) Besides the coal which you supply to your own stations, you send a good deal of coal and coke out of the district, do you not?—Yes, large quantities.

12,147. Do you allow any coal owner to send coal in that way?—Yes.

12,148. Anyone that applies to you?—Anyone that applies to us.

12,149. (*Capt. Galton.*) The collieries could not exist if you did not allow them to send coal?—There are two classes. Many coal owners do not trouble

* See question 12,152.

themselves about the land-sale trade; many of them have a local land-sale trade in coals, and many others have a great shipping trade.

12,150. Still the shipping trade is conducted by railway?—Yes.

12,151. No colliery could exist from which coals did not go by rail?—Yes, that is so, but the system which I am speaking of does not apply to shipping, because there you get the second great principle at work, namely, that the coal is got rid of the instant it is got to the terminus.

12,152. (*Chairman.*) I think you stated that Mr. Wooler did not represent the Chamber of Commerce?—I will read a letter which I received from the chairman of the Chamber of Commerce. "Pierremont, "Darlington, 15th February 1866. Dear Sir.—The "evidence which Mr. Wooler tendered to the Railway "Commission was his own voluntary act; he was not "authorized or even requested to give evidence on "behalf of the Chamber of Commerce here. I am, "respectfully, Henry Pease, Chairman, to Captain "W. O'Brien."*—One allegation of Mr. Wooler is with regard to passenger fares. Mr. Wooler complains on the part of the Darlington Chamber of Commerce, that the company's passenger fares in the Newcastle district are high. The tables which the Darlington Chamber of Commerce submitted to the Commission in proof of this complaint will probably be considered its sufficient refutation. They show that the first-class fares vary from $2\frac{1}{2}d.$ to $\frac{3}{4}d.$ per mile, and the second class from $2d.$ to $\frac{1}{2}d.$, and the third from $1\frac{1}{4}d.$ to $\frac{1}{3}d.$, and the government fares from $1d.$ to $\frac{1}{3}d.$ He also complains that they are irregular, that is, not uniform per mile irrespective of circumstances. The directors considered this an advantage to the public as well as to the company. Any attempt to coerce railway companies into the adoption of the principle of compulsory uniformity of charge per mile will displace the parliamentary security on which railway companies have expended their capital, or will diminish the facilities now voluntarily given to the public, and if it were to take a practical shape, would probably combine both. I presume the Commission would not wish me to take up their time with any further remarks upon this point. He also complains that, dividing a fare at Pelaw, the sum of the two divisions is less than the total fare, which is correct. The line between Newcastle and Pelaw is common to the ordinary through train service between Newcastle and Darlington, and to the cheap train service between Newcastle, Shields, and Sunderland. The fares between Newcastle aad Pelaw are regulated by the scale applicable to the latter service, and those between Newcastle and Darlington by that applicable to the former, so that the difference referred to is merely a repetition in another form of the statement that the charges are not uniform per mile.

12,153. Where you have those very low fares, is the population very large?—Yes; there is the large population of Newcastle, the large population of Shields, and the large population of Sunderland, all within a moderate distance, and there we think that low fares are the best for us and for the public.

12,154. Are you of opinion that the railway derives an advantage in those cases from the low fares?—I am.

12,155. Are you of opinion that it would not be an advantage to lower the fares on the line generally to that scale?—Not to that extent; we are lowering the fares on the line generally, but not to that extent.

12,156. (*Mr. Gower.*) When you have lowered the fares, have you found that a loss has resulted to the company?—It is very difficult to give a clear answer to that question. In all instances that I know of we did lose at first. Whether ultimately we have not profited by it is quite another point, and does not admit of a positive answer.

12,157. (*Capt. Galton.*) Has the increase of the traffic been large where you have not reduced the fares?—The increase of traffic is moderate everywhere. No experiment has been made with sufficient accuracy to enable anybody to speak very positively upon that point.

12,158. Do you give great third-class accommodation upon your line?—Yes.

12,159. Was not there a complaint that you ran no parliamentary train from Penrith to Darlington?—That referred to the Stockton and Darlington section.

12,160. It was after you had obtained it, I think?—I dare say it was, but that section is under its own special management, and I cannot answer positively with regard to it.

12,161. Do they run a parliamentary train now?—They do.

12,162. For some time they refused to run it, did they not?—I think they did. There was some correspondence with the Board of Trade about it, and I think they ultimately agreed to run parliamentary trains.

12,163. (*Mr. Glyn.*) Is the Stockton and Darlington section governed and represented by its own board? Yes. There is a special clause in the Act of Parliament which provides that the management of the Stockton and Darlington section shall be continued under a separate committee, who in certain things, that is to say, in the general management of the railway, have the same powers as the board of a separate company.

12,164. It is worked by the North-eastern Company, is it not?—No; it is worked by itself, but it forms a part of the North-eastern line, and the money is divided without reference to where it is earned.

12,165. But all the receipts go into the coffers of the North-eastern Company?—Yes, into a common purse.

12,166. Are the two companies' stocks amalgamated?—No. The Stockton and Darlington is a section of the North-eastern Railway, but they take their dividend on the same principle as many other sections do, namely, a per-centage out of the total net profit.

12,167. Is it a guaranteed dividend?—No.

12,168. Then it varies according to your own rate of profit?—In each case it varies according to our own rate of profit; their preferential stock is secured under the powers of the Stockton and Darlington section.

12,169. And do you find the working plant?—They had their own working power, and it suits them to have it still.

12,170. Is it turned over to you?—No; they keep their own management of the line,

12,171. In fact the management is entirely in their own hands?—Entirely.

12,172. Do they fix their own rates?—Yes.

12,173. (*Chairman.*) Has that arrangement been found to work well?—The two boards do agree exceedingly well, and the arrangement works very well. Whether it would be a good arrangement under other circumstances is of course a different question.

12,174. (*Earl of Belmore.*) With regard to the reduction of passenger fares which you spoke of just

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* The following letter had been received by the Secretary in answer to the Circular (Appendix H), sent to the Chamber of Commerce, Darlington:—

Chamber of Commerce, Darlington,
May 17th, 1865.

W. Pole, Esq.,

Sir, *Royal Commission on Railways.*

Referring to your Circular of 5th April last, I have pleasure in informing you that Mr. W. A. Wooler, of Sadberge Hall, in Darlington, will be glad to come before the above Commission.

The evidence he wishes to give will have reference principally to the high rates charged on the North-eastern Railway, the difference of such charges, and inequality of treatment under similar circumstances by the same company in different cases.

If you wish for further particulars I shall be glad to furnish them on receiving instructions from you as to the shape you would like them in; also please say when it will be necessary for Mr. Wooler to be in town.

I am, &c.

Secretary, (Signed) R. F. Laidler,
Royal Commission on Railways, Secretary.
House of Lords,
Westminster, S.W.

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now, was it a reduction to any great extent?—It is going on now.

12,175. I mean was it to any great extent in the way of per-centage?—It will be to a very large extent by the time it is finished. We are taking three years to do it; but it involves a very large amount of money.

12,176. Are you reducing your passenger fares gradually so much per cent. one year and so much another?—We told our proprietors that we were going to do it largely, but that the loss might be so serious that we must spread it over at least three years; and during those three years we are reducing the fares in various ways so that it may work out about that time.

12,177. In your opinion would a general reduction of fares to any great extent be profitable, or the reverse, to the railway company?—My own opinion is that a general reduction of that kind is a loss; but there are many cases depending upon particular towns where I think a reduction often is a distinct gain. In excursion trains and things of that kind I think low fares are the best; but a general reduction of first-class and second-class fares I think must be attended with considerable loss to the railway company.

12,178. (*Capt. Galton.*) Do you believe that a reduction of the third-class fares would be attended with great loss to the company?—Yes.

12,179. Considering that the amount of third-class traffic would be increased?—It would be increased at the expense of the second-class.

12,180. You do not consider that any great increase of *bonâ fide* third-class traffic would result from increasing the number of trains, and giving third-class return tickets?—If the reduction was very large there would be a large increase of third-class traffic, partly occasioned by the transference from the first-class and the second-class to the third class, and partly by additional passengers; but I do not believe that there would be an increase in the passenger receipts of the railway.

12,181. Was not this the ground upon which the North-eastern Company refused to run a parliamentary train upon the line between Penrith and Darlington, that the receipts from passengers upon that line were less than one-third of the total receipts of the line, and that therefore they were not in respect of that line a passenger railway under the meaning of the 7th and 8th of Victoria?—I understand that that was the contention.

12,182. Is not the North-eastern Railway itself gradually approaching the condition of its passenger receipts being considerably less than its receipts from minerals and goods?—They are less.

12,183. Is not each year the proportion of goods receipts become greater?—I think it is.

12,184. Therefore it may be expected, may it not, that in process of time they will arrive at the same ratio of receipts, and then cease to be a passenger railway within the meaning of the Act?—That may be so, of course, but it is very difficult to say. I do not know that then it would cease to be a passenger railway within the meaning of the Act. I apprehend that once having come under that Act they are always under it. But it is a law question upon which I am not informed.

12,185. (*Chairman.*) Now will you go to Mr. Wooler's general complaints?—The first allegation, in questions 9679 to 9682, is to the effect that at the time of the protracted storm and frost of Christmas 1860, a director of the Stockton and Darlington Railway got a promise that the North-eastern Company would allow him to use the Stockton and Darlington chaldron waggons for the coal trade to Yorkshire, a permission not granted to other parties; that, tempted by an increase of 3*s.* per ton, he took advantage of this permission, and sent so large a quantity, that he filled not only his own depôts, but those of other colliery owners, and that in consequence of the Stockton and Darlington waggons being so sent with household coals over the North-eastern Railway to Yorkshire, the iron furnaces on the Stockton and Darlington Railway were in distress for want of coals, and one was for three hours without any fuel. The imputation intended by this statement to be cast upon a director of the Stockton and Darlington Railway is quite clear; it is a mere fabrication of Mr. Wooler's, and is utterly untrue. The facts of the case are these:—In December 1860 there commenced a season of excessive and protracted cold; the consumption of coals increased so fast that the depôts, although well stocked at the beginning, began to run low. As the cold continued large subscriptions were collected, and coal clubs established in the towns and villages for the supply of coals to the poor, which materially augmented the demand. The whole stock of the company's coal waggons was brought into full operation, and this, though equal to all ordinary circumstances, was not more than enough for this occasion. We were getting through, however, tolerably well, when the canals and navigations which intersect the southern part of Yorkshire became frozen; the stocks of the dealers in water-borne coals were exhausted at once, and the whole pressure came upon the railway company, who were called upon suddenly to supply the deficiencies of the trade by water, which, over a wide district, is as large as, and in many cases larger than, the trade by railway. Every possible exertion was made by the company to meet the demand; no expense of any kind was spared, and the staff were worn down with the work carried on incessantly by day and night, and it was impossible to relieve them because fresh hands in such circumstances are worse than useless. The company's power of supply is of course measured by their existing stock of coal waggons. These were conveyed over the line and emptied into the depôts and returned as fast as possible to the collieries; but difficulties sometimes occurred there, many of the chief collieries having an equally pressing shipping trade which could not well be interrupted, and the pitmen only working short time and very irregularly during Christmas and new-year's day holidays. At York we succeeded in avoiding an actual stoppage, but so very narrowly that the depôts were quite emptied every afternoon, and the public were dependent upon what was received from the collieries during the night for their being able to obtain a fresh supply the next morning. Other places were worse off. There was a great deal of misery, especially among the poor, and the prospect of an actual dearth of coals was imminent and caused much anxiety. At that time the use of the chaldron waggons with cast-iron wheels was prohibited on the North-eastern main line and principal branches, such waggons being unfit for rapid transit; under the special circumstances, and as the only available expedient, I begged the directors to permit this rule to be waived. They acceded to this, and I urged in the strongest manner the secretary of the Stockton and Darlington Company to allow their chaldron waggons to come upon our line, requesting him to try and induce the coal owners to check the shipping trade to some extent, and turn those coals upon our line, and as this would injure the traffic of the Stockton and Darlington Railway to the benefit of the North-eastern Railway I promised that no exertion should be spared to get the waggons returned home with the utmost despatch. We were also in hourly communication with the collieries and their agents, pressing them to send us coal of any kind, in any quantities, and in any way. I consider that the North-eastern Company and the public are under obligations to the Stockton and Darlington Company, and to the coal owners, for in some degree acceding to our entreaties. Some collieries who had their sidings full of waggons loaded with coals for shipment sent them at once to the North-eastern stations; others followed the example. The result was that we received 1,562 chaldron waggons of coals from 18 different collieries, from any body indeed who would send them, and this just enabled us to keep the supply up till fortunately a thaw set in. The imputation of unfair dealing in allowing one coal owner not only to fill his own depôts, but

those belonging to other collieries, is palpably absurd. Where a coal owner had any coals in his cell, it was not interfered with; but where the cells were empty, and people clamouring for coals, and a train came in with more waggons from one colliery than the cell allotted to that colliery would hold at one time, the waggons were of course not allowed to stand idle in the sidings, but were tipped at once into one of the vacant cells and sent back for a fresh load. As to the inconvenience experienced by the ironmasters, I am greatly surprised to find it was so insignificant, and that the only case Mr. Wooler heard of was merely a delay of three hours. I am satisfied that every ironmaster in the Tees district, in weighing his own convenience, or even an interruption of his trade, against the sufferings of a great many thousand people from being deprived of fuel during such intense cold, would take a different view of the case from that put forward by Mr. Wooler. I have also inquired of Mr. Mac Nay, and he tells me that he never heard of this complaint, and in fact does not believe it.

12,186. (*Lord Stanley.*) Are we to understand you that you, as a railway company, take it upon yourselves, if there is a demand in two quarters, to consider whether the demand in the one quarter is more urgent than in the other, and to decide whether you shall supply the ironmasters first, or whether you shall supply the persons who are in want of fuel first—do you think that as a commercial company those considerations enter at all within your powers and scope of action?—Possibly they ought not as a commercial question, but when a whole country is clamorous for coals in winter it is unavoidable that we should try and relieve the distress if we can do so, especially if any parties who have a supply of coals in their hands are willing to do so.

12,187. You think that you have a right to depart from the simple rule of executing the first order first?—No, we certainly do not claim any such right. We represented to the coal owners that the public were in great distress, and that we should feel obliged if they would send us what coals they had, and we relaxed our own rules with regard to the waggons to facilitate the matter. I may add that the increased trade during the period of extreme pressure was productive of little, if any, advantage to the company in consequence of the increased expense of working; instead of engines being run at regular hours and with ordinary loads, they were kept ready, and run as coals arrived at our junctions; and were then sent to the particular places where the want was greatest. Considerations of profit in working the trade were for the time made entirely subservient to the one object of preventing any place from being altogether without coals.

12,188. (*Mr. Glyn.*) In fact you were trying to meet a case of emergency?—Yes, we were. I can assure the Commission if they had seen the state of the country at the time, people coming 20 miles to our depôts to get a little coal, they would have considered that we were quite justified in the course that we took.

12,189. (*Chairman.*) This was under special circumstances; do you know of any other cases where you have done the same sort of thing?—That was the worst case I ever knew. The next complaint of Mr. Wooler is with regard to the trade at Croft, in questions 9687 to 9698. The allegations are that the company would not give him a depôt at Croft, that they made an improper extra charge, and that they stopped the practice of the waggons being emptied by means of baskets into carts; and further that he "could," which I presume is a misprint for "would," have sold coals at 3*s.* per ton cheaper than the price at which other coals were sold there. The circumstances took place in 1859, and the facts are as follows:—The Croft depôts are situated 2½ miles from Darlington, where the Stockton and Darlington Railway (at that time belonging to an independent company) joins the North-eastern Railway. They are accessible only by a branch which is a single line joining the main line about half a mile south of Darlington. Formerly there was a large number of cells at Croft, but about 25 years ago, on the opening of the Great North of England Railway from Darlington to York, the Croft coal trade was transferred almost entirely to other places on the railway. The cells which were thus not wanted were allowed to go out of repair, and at the time in question there were 10 cells available, eight being for coals, one for lime, and one a spare cell. The sales in 1858 were only 2,871 tons, and were chiefly of coals supplied by the collieries on the Stockton and Darlington Railway and sent in Stockton and Darlington waggons. The sales being small and the depôts numerous, it was not till then considered necessary to place the trade under any regulations, and coals from any colliery were sent there. This gave rise to the usual complaints. There were so many sorts of coals that they had to be kept in the waggons, and the sidings were blocked up. Orders were sent from the public to the collieries; individuals requesting that they should be supplied with single waggons, and even half waggons of coals, which had to be kept separate from all the rest till it was convenient to receive them. The expense and labour of unnecessary shunting was more than the whole value of the dues; and the Stockton and Darlington Company complained of the intolerable detention of their waggons, which often stood a week and sometimes a fortnight before they could be unloaded. The system of allotting the cells was therefore adopted on the 1st of January 1859. The return of sales on which the allotment was made was for the 10 months ending 31st October 1858. The directors allotted the eight cells to the eight collieries who in that period had sold most coals at Croft, and it was settled that six cells should be allotted to collieries on the Stockton and Darlington Railway, and two to collieries on the North-eastern Railway. It appeared from the returns that Mr. Wooler's colliery of Cold Knott had during the period of 10 months sold only three tons four cwt. Not only had he therefore no right to a cell, but there were 20 other collieries who had a prior claim for consideration. We have an arrangement under which a person wishing to have a special waggon from any particular colliery not sending to his station, may have it on payment of 1*s.* per ton extra. This extra charge does not cover the extra cost of shunting required to keep this one particular waggon separate from all the others, the extra detention of the waggon and the occupation of the sidings, but it is allowed as a convenience to individuals, so long as it does not interfere with the proper working of the general traffic. Mr. Wooler took advantage of this permission to get waggons sent to Croft, and then refused to pay the extra charge. He seems to represent that sending waggons in this way and getting people to empty them into carts by means of baskets was a convenience to the company. It is however an aggravation of all the difficulty on account of the occupation of the sidings and interruption of other waggons till they are cleared. The directors considered that Mr. Wooler had no right by a contrivance of this kind to place himself in a position superior to that of the many other collieries whose coals were in greater demand than his own. They also considered it necessary to resist the establishment by any coal owner of a right to send any waggons he may think fit to the sidings at any of the company's coal stations without restriction, because the exercise of such a right would at once fill the sidings and stop the railway traffic. They accordingly refused to carry any more coals for Mr. Wooler except under the usual conditions. The value of the Croft trade in 1858 was 179*l.*, the expense of the agent 68*l.* If to this were added the detention of waggons and the cost of haulage of a very small trade over a very short distance and by separate engines, in quantities averaging from two to three waggons a day, it would be seen that the Croft coal trade did not pay even working expenses, and produced nothing in respect of the capital expended there.

12,190. (*Capt. Galton.*) Were the coal depôts at Croft in a dilapidated state?—Yes, there are a cer-

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tain number of them which in the course of the last few years have become dilapidated, but at the time that he spoke of there were 10 cells, which were in good order, and which were occupied by other coal owners, and we refused to be at the expense of putting more cells in repair for a trade of only 2,871 tons.

12,191. Had he ever offered to put one in repair at his own expense if you would let him have it, and was that offer of his refused?—Yes. We refused to let any one have rights of property over our ground, and we say that 10 cells was more than was required for 2,871 tons. There is also an allegation by Mr. Wooler connected with the West Hartlepool waggons, that we have different rules with regard to coke and limestone, and he says "the limestone belongs to a "director, and the coke belongs to me."

12,192. He says that they will not give the same facilities with respect to coke as to limestone, is that correct or otherwise?—Our rule is to give coke waggons to everybody that applies, whether he is director or anybody else. There are other rules with respect to limestone which equally apply to a director as to anybody else; the same facilities in the same trade are given to everybody. There is a further statement about coke which was sent to Glasgow, and with regard to that I state this on the authority of Mr. MacNay,—"With reference to the "allegation about coke to Glasgow there is no dif- "ferential rate, but I did hear that the quality of the "coke sent by Mr. Wooler was so very inferior that "the parties refused to take it, and gave the preference "to a better quality of coke, which in all proba- "bility did command a better price but not through "any difference in the rates, as these were uniform "throughout."

12,193. His allegation was, I think, that a director had got a more favourable rate than he had?—Yes, and that I contradict distinctly.

12,194. There was another allegation, was there not, that once he had to load a ship with coal, and that the mineral manager took the waggons which had been allotted to Mr. Wooler and loaded them with his own coals, and prevented him from sending coals to this ship?—It may have been the case I mentioned, that the coal owner, instead of sending the coal to the ship, sent it to land sale on the North-eastern Railway.

12,195. (*Mr. Gower.*) You have no local railway competition throughout your district, have you?—Nothing worth mentioning. We have private coal railways from the pits to the sea, which of course are in competition with us, but we have no public railways except the Blyth and Tyne.

12,196. In consequence of that private railway competition, are your rates lower than they are on those railways?—No. I think we all carry at much the same rate. We have recently made an arrangement by which Lord Durham, who had his own railway, transfers his coals to the North-eastern line.

12,197. Have you canal competition on a part of your system?—Yes; on the southern part of the Yorkshire end of our line we have canal competition.

12,198. Does that influence your rates at all?—Yes.

12,199. To what extent?—I am afraid I could hardly say.

12,200. (*Chairman.*) Have you made arrangements with those canals?—I think with the Aire and Calder, we have; not an arrangement but a sort of understanding, that we shall go on as we have been doing, that neither shall attack the other.

12,201. (*Mr. Glyn.*) Do you carry at equal rates with them?—No; we do not consider that at all; they make their charges and we have made ours, and the result is that a large quantity of coal is carried by water and a large quantity by rail, and we have no other understanding but that we shall not each of us begin a competition with the other; at all events not without notice.

12,202. (*Chairman.*) Are you mutually satisfied at present?—Yes.

12,203. (*Mr. Glyn.*) You do not reduce your rates one against the other?—No; we are not to do that without giving certain notice.

12,204. (*Lord Stanley.*) I suppose that is rather a matter of amicable understanding than capable of strict definition?—Quite so; it is merely an amicable understanding.

12,205. (*Mr. Gower.*) Are you proposing any extension of your railway in this coming session of Parliament?—We have some bills before Parliament this year.

12,206. Are there any railways projected in the district independent of your lines?—Yes, there is one considerable one which is promoted in opposition to us.

12,207. Between what points?—It is from Skipton by Wharfdale to Leyburn, and so by Yarm to Middlesbro'.

12,208. (*Chairman.*) Part of that line was got last session, was it not?—Yes, a little bit; a few miles near Grassington.

12,209. (*Mr. Glyn.*) In fact it was from Middlesbro' to Settle?—Yes, or rather to Skipton.

12,210. (*Capt. Galton.*) In fixing your rates do you allot anything for terminal charges?—No, we do not allot anything for terminal charges; our rates include all our terminal expenses.

12,211. Are your rates then in excess in some cases of your parliamentary limits to an extent which would cover the terminal charges?—Yes.

12,212. Do you see any objection to having the maximum terminal charge fixed by Act of Parliament just as the maximum mileage rate is fixed by Act of Parliament?—If it is a fair maximum I see no objection to it.

12,213. Do you think that it would be possible to fix a maximum which would be fair all over the country?—Any maximum that you fix may be fair on an average, but I think it must be unfair under particular circumstances.

12,214. (*Mr. Gower.*) In short, a maximum which would be fair under extreme circumstances would be of very little use under ordinary circumstances?—If it is to be a maximum it must be large enough to cover short-distance traffic, and if it is large enough to cover that, it is larger than the railway companies of their own accord would adopt for other traffic.

12,215. (*Capt. Galton.*) Is it larger than what the railway companies of their own accord adopt for short-distance traffic now?—They do not, properly speaking, adopt any charge; they do get to a charge, and if you deduct from it the toll, that leaves a sum which they call their terminal expenses.

12,216. And which varies in every case, I suppose?—It will vary from the highest charge put on in any case to the lowest.

12,217. About what is the highest, should you think; I am not speaking of London, but at any town in the country?—I fancy that 2*s.* 6*d.** is probably the highest that is actually charged.

12,218. (*Chairman.*) For what description of goods would that be; coals are nothing like so high as that I presume?—No; coals are very different. Timber is a bad thing to deal with; for a short distance there is a loss. Then again, if you take a very expensive article, like silk for instance, there you charge the highest terminal, you adopt a rate in fact which includes a high terminal.

12,219. (*Capt. Galton.*) Why does silk require a high terminal? What is the expense upon it?—It is not with regard to expense altogether, but there is great risk attending the carriage of it and it is in small packages.

12,220. You charge that, do you, as a sort of insurance against risk?—We do not charge it distinctly as insurance, but it is a charge by which we do get in some sort insured.

12,221. You put, in fact, very much more than your maximum parliamentary rate upon it in order to insure

* Afterwards altered by witness to "2*s.* 6*d.* or 3*s.* 6*d.*"

yourselves against damage?—In order to protect ourselves against risk and all other expenses.

12,222. (*Mr. Glyn.*) Then I understand you to say that a general uniform terminal rate, if taken at a proper rate to remunerate railway companies, would on the whole be rather too high and onerous for the general traffic of the country; that is to say, that it would barely cover the expense in the larger places, but it would fall heavily upon some of the smaller ones?—It is so. It would barely pay us in the one instance, and would more than pay us in the other instance.

12,223. (*Chairman.*) Is there not a regular scale of terminal charges in force at the clearing house in all arrangements between different companies with regard to the interchange of traffic between different companies?—The division of the through rate is arranged through the medium of the clearing house, but the clearing house in itself has no power to settle anything about rates or terminals, but the companies amongst themselves, from the intricacy of the accounts must go by some rule, and they have fixed what are called "clearing house terminals" for division amongst themselves, and as the companies are on the whole in similar positions it signifies very little what those terminals are.

12,224. (*Mr. Glyn.*) Is not the information as regards terminals rendered to the clearing house by each company itself?—The companies have agreed to a particular terminal, and under their instructions it is charged through the agency of the clearing house.

12,225. (*Earl of Belmore.*) It does not follow, does it, that because it is charged through the agency of the clearing house it is the charge that you have actually paid upon any particular class of traffic?—No, there is no connexion between the two.

12,226. (*Capt. Galton.*) In the clearing house the terminal charge is 4*s.* per ton, is it not?—Yes.

12,227. That is to cover the two terminals?—That is the terminals on the division of the through traffic.

12,228. 2*s.* per ton terminal at each station?—Yes, but not for London.

12,229. An allowance of a rate of 8*s.* 6*d.* per ton for London and 4*s.* per ton for the country is made for terminal expenses on goods traffic when carted, and 1*s.* 6*d.* per ton when not carted?—Yes, it is 4*s.* at each end carted, and 1*s.* 6*d.* not carted.

12,230. Would it be unfair to fix that rate in an Act of Parliament if it is what the railway companies have themselves adopted as a fair rate?—No, you must distinguish between the two things; one is the charge to the public and the other is the charge for division between the railway companies. Supposing that two railway companies were in exactly the same position it would not signify whether that 1*s.* 6*d.* were 5*s.* or 10*s.* or 6*d.*; the result would come out the same, for what you lost on one you would gain on the other. Therefore there is no connexion between what is called the clearing house terminal and the charge to the public.

12,231. Then practically the terminal charge becomes a means of enabling a company to get a larger amount of mileage rate than they otherwise would get?—No, it has nothing to do with the mileage rate; it enables the company to cover the expenses that they have incurred by becoming carriers instead of doing the old original duty of railway companies, which was merely conveyance upon the railway itself from point to point.

12,232. (*Earl of Belmore.*) It means the haulage of goods by means of locomotives, the railway companies using the carriages or trucks of private owners?—Or their own. It is merely the use of the road from point to point and the use of engines and waggons.

12,233. Do you consider that terminal charges include the remuneration to the company for these services?—Not at all; the terminal charges are totally distinct from what the toll is given for. The word toll originally was taken from the canal acts, and toll applied to railways meant exactly what toll applied to canals now means, namely, the use of the road and nothing else.

12,234. (*Capt. Galton.*) In the Acts of Parliament there is invariably a scale of tolls put in, is there not, in case the railway is used by other parties, and also a scale of charges to be taken or an additional sum to be charged when locomotive power and waggons are provided?—Yes.

12,235. Therefore the charges that you make under that head are independent of the question of terminal charges?—Yes, certainly.

12,236. Terminal charges, as I understand you, are what would cover the cost of the collection and delivery of goods, and those expenses which are incidental to the invoicing and booking?—No, they involve a great deal more than that, and are quite different from that. The toll in the first instance is a canal toll which is charged for the use of the road, and it is that plus the cost of the engine and waggons, and that is all. In addition to that the company undertakes carriers' duty, for which it charges terminal charges.

12,237. What do you define the carriers' duty to be, independently of carrying goods on the railway?—Everything other than what is included in the word "toll" as defined in the canal Acts, and the addition made to that in the railway Acts of the haulage from point to point. Every other service is a carrier's service which the company have a right to charge for and for which they do charge terminals.

12,238. The Act of Parliament says, does it not, that for that they may charge a reasonable sum?—No, the Act says that they may charge a reasonable sum for certain things, but it does not limit it, and the right to charge for terminal duty is their right as carriers.

12,239. Do you mean that in addition to what the Act says they may charge as a toll or rate per mile, they may charge a reasonable sum for the other services?—When they do the other services they may charge for them.

12,240. (*Earl of Belmore.*) Do you include station accommodation amongst those other services?—Yes.

12,241. In the case of passengers would you put an extra price upon their tickets in addition to your maximum parliamentary rate under the head of station accommodation?—That point has never been raised, and as it has never been raised I am unable to give an opinion about it. Of course no terminal is charged for passengers.

12,242. (*Mr. Glyn.*) Will you state to the Commissioners what you would include in your calculation in making up a terminal rate, and whether you include capital laid out in stations, and what other things besides that?—First, there is the capital laid out for stations, warehouses, and sidings and all the fixed appliances, cranes, platforms, weighing machines, roads, and other property. Then there are all the working charges, repairs, renewals, and insurance of property, porterages and labour of all kinds, clerkage, shunting by horses or engines, gas, rates, straw, damages and compensation, cartages, and all those other services which are incidental to the duty of a carrier.

12,243. (*Chairman.*) Would you include clerks employed in making out the accounts connected with the railway?—For delivery to customers we should have a right to do that.

12,244. (*Mr. Glyn.*) You have had great experience for many years with regard to the interchange of traffic with other companies; have you ever found any difficulty in making arrangements in any way with those with whom you are in immediate connexion?—We never have much difficulty; we dispute sometimes, like other commercial bodies, but ultimately all those things are settled.

12,245. Have you ever found any difficulty in getting traffic in your part of the country conveyed to Liverpool or Manchester, or any other place?—No, not the least; railway companies are too happy to get traffic from wherever they can get it.

12,246. Do you make through rates whenever you are asked to do so?—The only difficulty which I have

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experienced has been with companies in Scotland, and ultimately that has yielded to representations and a little pressure without the necessity of any legislative enactment about it.

12,247. You never find it even necessary to go so far as to say that you would cease to book through for them ?—No ; it has been rather that they would not book through with us.

12,248. Was not it rather that they would not carry on for you ?—They would not book through with us. It was with regard to Aberdeen ; we wanted rates down north of Aberdeen, and the company north of Aberdeen said that they thought they made more by local rates than by joining in through rates.

12,249. Is not the real difficulty that arises in making a through rate for continuous traffic a desire on the part of those companies whose receipts are not very large to adhere to their local rates ?—I think that that is the chief difficulty ; but my experience has been that ultimately they see the necessity of falling into the general system.

12,250. (*Chairman.*) When a through rate is made, is it the general practice that each company takes its mileage share and nothing more ?—That is generally the practice.

12,251. Do you ever make an exception to that ; do you ever allow a larger share than that ?—Yes, we do.

12,252. (*Mr. Glyn.*) Do you find much difficulty in arranging for the conveyance of your goods ; do you often find impediments at junctions ?—Not the slightest.

12,253. Wherever you establish through rates with another company, do you always find that company ready to do its part in the arrangement ?—They do their part more or less well according to circumstances, but there is never any real obstruction.

12,254. In point of fact, so far as that matter is concerned, the Act of Mr. Cardwell, as you remember, has never been virtually brought into operation at all, because the voluntary action of the railway companies has rendered it unnecessary ?—So far as my experience goes, everything that that Act directs to be done has been done voluntarily without parliamentary interference.

12,255. Do you apply the same remark to passenger as well as to goods traffic ?—Exactly the same remark.

12,256. Do you apply the same remark to all branch lines, that they always arrange so as to fall in with the great arteries, the main lines ?—No, I should feel that that is a matter in which you cannot interfere with the discretion of companies. As a rule, they do the best for their general interests, and I think that it would be monstrous for one company to insist upon another company running branch trains unnecessarily merely to suit the convenience of the first company.

12,257. Taking the case of a passenger going from Newcastle to Liverpool, which do you call the direct route, and how many hours would it take ?—There are nine routes between Newcastle and Liverpool ; the one principally used is by Normanton, or the one by Leeds to Liverpool ; both of those are used.

12,258. (*Capt. Galton.*) I suppose the route used would entirely depend, or nearly so, upon the facilities given by the trains of the North-eastern Railway Company ?—Or by the trains of other companies going forward from the North-eastern termini.

12,259. I mean the trains which run to suit the other companies' trains ?—Or the trains of other companies which run to suit ours ; it is a matter of mutual arrangement.

12 260. (*Mr. Glyn.*) Are we to understand you to say that you can book through from Newcastle to Liverpool by nine routes ?—Yes.

12,261. (*Capt. Galton.*) Can you take a through ticket by any route ?—I am not sure whether through fares have been established by all the nine routes or not.

12,262. Is there any route by which you can take a through ticket to Liverpool ?—Yes, by the Normanton route, by the Leeds route, by the Carlisle route, and by the Tebay route.

12,263. (*Mr. Glyn.*) Can you do so by your own route, by the Newcastle and Carlisle ?—I believe we can ; I do not at this moment recollect.

12,264. (*Chairman.*) You are not of opinion that any amendment of Mr. Cardwell's Act is called for, or any additional enactment bearing upon the interchange of traffic between different railway companies ?—I am of opinion that nothing more is wanted at present. As a general rule I think we find that commercial matters cannot be carried on by a system of penalties ; I would far rather leave it to the operation of the pressure of companies and of public opinion, because at last you get that done voluntarily and willingly, which if it were done by the force of an Act of Parliament would create hostile feelings and interruptions.

12,265. (*Mr. Glyn.*) The Commission have had complaints from one or two quarters that the trains on many branch lines do not meet other trains at their junctions with the main lines, but I presume that your experience would lead you to say that that nearly always arises from the difficulty of making the through quick trains dovetail with the slower branch trains in the different districts ?—I should think that we have more experience of that than any company in England. Every effort is made to make the trains fit, and when they do not fit it is from the necessity of the case. You may remedy any evil but only by producing still greater evils. We run an unnecessary number of trains to meet that very difficulty, and still it exists. I would also say that the real remedy for all those evils is to be found in the companies being in a prosperous state. The moment their dividends get up then the whole stream of accommodation is increased, trains are run and facilities of all kinds are given without hesitation, because all those facilities really mean the company going to an increased expense.

12,266. (*Capt. Galton.*) You consider that if the dividends of companies rose to a good margin of profit on most lines the accommodation would then be very considerably increased ?—That is a point on which my opinion is very strong indeed, and I go by the experience of the North-eastern Company. The North-eastern Railway Company, before 1854, was in difficulties about its dividends. In that year we amalgamated with neighbouring companies and succeeded in putting the company on a sound financial basis, and there was no longer any fear as to our debentures or preference stock. It took two or three years to make ourselves perfectly sound and safe, and during that period we did not apply for for any extension at all. After that our traffic increased, our position was strengthened, and since then, according as we have been able to do it, we have gone on increasing the accommodation. In 11 years we have expended upon new lines and branches, all in our own district, and none of them for aggressive purposes, about 2,000,000*l.* ; we have spent in improving the existing lines more than 2,000,000*l.* ; we have spent in rolling stock a million and a half; we have come under obligations to construct new lines, costing more than two millions ; we are going to Parliament this year for new lines for another million ; and we have given orders for the construction of rolling stock now to the amount of 400,000*l.* During that time we have reduced our passenger rates ; we have reduced our goods rates ; we have reduced our coal rates ; we have extended the system of return tickets, and all those minor conveniences greatly ; and over the same lines of rail we have increased the number of passenger trains 20 per cent. I believe that what we have done is to some extent done by other railway companies, and I am quite sure that if our dividend goes on increasing we shall go on at this work in an accelerated ratio ; I hold, therefore, that it is nothing but perfect security for our money and a fair prospect of a good dividend that is wanted, and this country will be covered with railways far more than it is now, and their charges will be lowered.

12,267. (*Earl of Belmore.*) Do you generally run your passenger trains with full loads, comparatively speaking ?—No ; the truth is that the passenger service

has very little reference to the actual load. We find in thinly populated districts that it takes a certain number of trains in the day, say five, to give what I would call the minimum of accommodation, and we run that number of trains without reference to the number of passengers.

12,268. (*Capt. Galton,*) You mean five trains in each direction?—Yes; we look upon that as giving a fair service.

12,269. (*Earl of Belmore.*) I presume that you limit the number of carriages that you put on to a train according to the number of passengers who, you think it probable, will require to be carried?—We put on more than we have any expectation of passengers ordinarily coming to fill, so that we should be prepared for the fluctuations of traffic.

12,270. Do you think that if the fares on your line were materially reduced, you would run your trains with a larger number of passengers in those carriages than you do at present?—We should run them with a larger number of passengers, and we should have a larger number of carriages.

12,271. (*Mr. Glyn.*) There has been an extraordinary development of trade in the north-eastern district, has there not?—Yes, there has, especially in goods and minerals.

12,272. Dating, I suppose, back to about from 1847 or 1848, or perhaps later than 1850?—Later than that I should say.

12,273. (*Chairman.*) May not a portion of your district be considered as purely agricultural?—A large portion.

12,274. Do you find that the traffic in that part of the country has increased?—The passenger traffic is increasing very little, and I think that the first-class passenger traffic generally is not increasing much over the railway. It is the lowest class that is increasing most.

12,275. (*Capt. Galton.*) And not, I presume, from the transfer of the second class to the third class?—There is a large transfer always going on, but of course one is unable to say the amount.

12,276. Still if persons travel twice third class for once second class, that remunerates the company, I presume?—It would not remunerate the company so well; but of course a passenger may travel oftener. But if you carry a man one journey for twopence, it is better to carry him that one journey than two journeys at one penny each.

12,277. (*Chairman.*) In the agricultural district has there been an increase in other descriptions of traffic?—There has been an increase in goods, that is to say, in agricultural produce. I think that that is connected with the improvement of farming.

12,278. Do not you find that farmers, as a class, travel about more than they did?—No; I mean that the increase has been with regard to manures and all the articles that enter into the farmers' consumption. We have a larger traffic in those things.

12,279. Do not you think that the farming population travel about more than they did?—The increase of the passenger traffic in a purely agricultural district is very slow.

12,280. (*Mr. Glyn.*) With regard to the interchange of traffic between companies, does not a great deal of that interchange arise from agreements between companies?—If there is any probability of traffic being valuable, a company will take advantage of particular opportunities to get an agreement, then that settles it for the future.

12,281. That settles it for the future, but it does not legalize it for the future, does it?—Some of those agreements are scheduled to the Acts and legalized, and have the binding force of an Act of Parliament.

12,282. But you must, in point of fact, get an Act of Parliament to give legal effect to an agreement of that sort, otherwise you run the risk of its being put an end to at any time, do you not, by an adverse shareholder?—No; I think that if the agreement itself is valid it will bind the company without any reference to the action of a shareholder.

12,283. Supposing there were a legal difficulty as regards the power of those agreements, would not it be rather a public benefit if by some general Act they were allowed to be registered, and in some way have the force of law, so that they might not be interrupted?—That idea cuts two ways. The instant you attempt to bind the companies permanently to anything that they never can escape from in any way, you increase the disinclination to go into those agreements. Our feeling in the railway world has been that it was a mistake to make very long agreements. That we ought to make short agreements with a view of modifying them as circumstances altered. And I think that many general managers would say that a short agreement will last longer than a long agreement.

12,284. If not interfered with by any adverse party you mean?—When once you have got an agreement it goes on unless there is a very strong reason indeed for terminating it, especially if it is so short that it can be modified to meet changing circumstances. There is very little disinclination to make agreements, but there is a great disinclination to be tied up for any long period of time to specific arrangements when the circumstances may have entirely altered.

12,285. You work under several agreements at the present moment, do you not?—A great many.

12,286. On the whole they work very satisfactorily, do they not?—I think they all work satisfactorily except what is known as the English and Scotch traffic agreement, and there we made, I think, a mistake in making a long agreement, and the consequence is that with seven or eight parties to it we cannot modify it, because any one company stops the action of the modification. We are therefore struggling on under that agreement, which does not suit the existing state of things.

12,287. Of course that would be very much met by a periodical revision, and a clause in each agreement providing for that?—Yes; if we had made that English and Scotch agreement for five years only instead of making it for 14 years, we should have been working under it amicably now.

12,288. (*Chairman.*) One point on which the Commission are required to make inquiries is whether any considerable reduction in the cost of conveyance may be practicable; do you see any possibility of reducing the cost of railway conveyance?—With regard to that point I may say that we are all struggling every day to reduce the cost, but so far from succeeding in it we shall I think increase the total cost.

12,289. You think that there is more probability of an increase than a decrease?—I think there is, for this reason, the tendency of all companies is to work better and quicker, and that means cost. Any mechanical improvements in engines or motive power are slight, and anything we have hitherto got affects the cost of conveyance very little. In fact the rise of coke in the last 12 months would neutralize all the improvements in engines for the last 10 years.

12,290. (*Mr. Glyn.*) Can you have any stronger inducement on that head than the desire that the directors have to make good dividends?—The company's interest is the strongest motive that there is to work with the greatest possible economy, and the only fear on the part of the public would be lest they should carry that desire too far.

12,291. They always, as soon as they can with propriety and safety, adopt any suggestions that may tend to economy in cost?—Yes, it is their strongest interest to economise in every possible way, but what we have seen press upon the board of directors is the dividend. If that is low the economy is carried perhaps to an extreme extent, but the moment that the dividend gets to anything reasonable the door is opened to expenditure in the way of very largely increasing the accommodation.

12,292. (*Capt. Galton.*) What do you call a reasonable dividend?—Mr. Hudson used to say that 10 per cent. was a constitutional dividend, but many applications are made for a reduction of rates by parties representing that their traffic is crippled by the high

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railway charges, and you will find those very men getting up limited companies, receiving an enormous amount for good will, and guaranteeing 10 per cent. for five years, and yet they expect that the reduction is not to fall upon them but upon a railway company dividing like ourselves 5 per cent.

12,293. Do you consider that any improvement could be made in Acts of Parliament in the classification of goods so as to make them uniform?—There is no doubt that the parliamentary classification is very defective. At the same time I am not aware of any evil that has resulted from its being defective. If one knew of any evil, then one would like to alter it and meet that evil, but I am not aware of any.

12,294. Practically it is not adhered to much, is it?—Yes, it is adhered to closely as a maximum. Practically the parliamentary toll is our maximum.

12,295. The classification is very much that of the clearing house, is it not?—The classification adopted by railway companies in making their charges is that of the clearing house, but there are a great variety of local classifications which differ from that. But the parliamentary toll, which is a different classification, is still perfectly valid for its purpose, that is to say, it is the maximum.

12,296. Is not it such a classification that no person consulting the Acts of Parliament could possibly tell what he would have to pay for sending a particular description of article from one end of the country to the other?—That is an evil, but it is an evil applicable to every possible classification. No person, by looking at any classification, can tell what he has got to pay.

12,297. He could tell what maximum rate he would have to pay, could he not, if the classification was uniform?—Yes; he could do so under any classification. He can tell now, under the parliamentary classification, what the maximum is, just as well as he could if you altered the classification.

12,298. Is it not the fact that under the parliamentary classification at present, on one railway, goods fall into one class, and upon another railway the same goods fall into another class?—I believe that the parliamentary classification is nearly the same in all Acts of Parliament, but you know how that is better than I do.

12,299. (*Mr. Glyn.*) Do you not think, after the experience of 35 years, that it would be desirable to revise the classification?—I see no objection to it at all. On the contrary, I think it does not look well to have a parliamentary classification which is not founded upon common sense.

12,300. (*Capt. Galton.*) Do you think that it would be advisable or advantageous, as regards the public, if the rates which were charged by railway companies were accessible to the public?—They are accessible to any person who chooses to ask for the information for the purposes of trade.

12,301. Could they be published?—I think not. Our local rates may amount to perhaps between 3,000,000 and 4,000,000, to say nothing of the through rates.

12,302. Then that is the cause. You give a special rate in every case, I suppose?—No; we wish to have as few special rates as we can, but we are driven to it by the necessity of the case. You must have rates between every station and every other station first. You then have seven or eight different classes of rates. Then you have a whole multitude of exceptions to those rates again, so that the rates between any two stations may be a very great number, and if you come to multiply that as between all the stations, you get to millions.

12,303. If it was the object of a railway company to simplify the rates, it could probably have laid down a certain scale of terminal charges which would be charged, and a mileage rate which would be applicable to a large number of stations?—No doubt, if it was the object of railway companies to do that, they could do it, but it never can be their object, because it is distinctly contrary to the public interest, and it must injure trade. They carry it out now as far as ever they can.

12,304. How is it contrary to the public interest that they should define their rates in that way instead of in charging the rates a lump sum?—Because, I think, the definition which you gave would produce a uniform rate.

12,305. No, I did not say a uniform rate. I said a mileage rate. Would you not classify it under certain stations?—If you mean that it is to be a varying rate, that is our practice now, and where the trade will admit of it we do group certain stations together, charging the same gross rate though the mileage is different.

12,306. But what safety have the public under the present arrangement, that one individual may not be more favoured than other individuals. What means would anyone have of detecting that if it was done?—I do not know that there is anything to prevent the board of directors charging a low rate to an individual, or, in fact, doing anything else that is wrong, and trusting that they shall not be found out, and I think that would occur under any possible system.

12,307. (*Earl of Belmore.*) The injury in a case of that sort would be not so much to the public, but to their own shareholders, towards whom they would fail in their duty if they charged a lower rate than they ought to do?—It really amounts very much to that. If carried to any excess it would be almost a malversation of office, it would be particular favouritism to one particular person, which we suppose would not be done without a reason, and which in such a case would be an improper reason.

12,308. (*Capt. Galton.*) With respect to goods traffic, and the amounts that you are liable to pay for damage, there are certain goods which are classified under what was the Carriers' Act, and in respect to them the liability for damage is limited, is it not?—Yes; in that case as carriers we have that protection.

12,309. In cases of other goods there is no limit, is there?—None by the Carriers' Act.

12,310. Do you think it desirable that a certain limit should be afforded in such cases, and that insurance should be required beyond that?—Yes; I see no objection to the protection given to carriers being revised and adapted to the altered state of things. Companies now protect themselves as well as they can by making a special arrangement for hazardous articles not included in the carriers' list of protected articles.

12,311. With respect to passenger traffic, do you consider that any limit should be fixed for the amount to be paid for injury to passengers, and an insurance required for any sum beyond that?—That question has been a good deal discussed, but I do not think that any plan has been suggested which would be likely to meet the views of Parliament.

12,312. Do you consider the present arrangement a good one for enforcing care on the part of railway companies?—In that respect any system would do that. Of course if companies are liable to heavy damages there is a strong pecuniary interest on their part to take every care; but that is not the difficulty which has been felt; the difficulty which has been felt has been in the case where two men pay the company the same sum of money and both are injured; one man gets damages to the amount of 10,000*l.*, and the other to the amount of 1,000*l.* Whilst I do not say that the present system is free from defects, yet I confess myself unable to suggest a legislative improvement upon it.

12,313. (*Mr. Glyn.*) Do you think that it would be possible to improve it by the question of fact being left to a jury, and, the facts being ascertained, the question of the assessment of damages being left to some other tribunal?—I am afraid that in this country anything that appeared to trench on the privileges of a jury would not meet with favour.

12,314. In fact sometimes are not excessive damages given by juries, even upon the admission of the judge himself, who has tried the case?—There is no doubt that a jury is a very unfair tribunal towards the wealthy railway company.

12,315. (*Earl of Belmore.*) I gather from your evidence that you do not think it would be practicable by any change in the law to secure a more economical,

safe, expeditious, punctual, and cheap transit of passengers and merchandise?—I think those are matters which the law could do nothing in.

12,316. (*Chairman.*) Have you ever considered the question of the transference of the railways to the Government?—Yes.

12,317. What is your opinion as to the advisability of such a step?—Speaking as a shareholder I should be most delighted if the Government would entertain such a proposal.

12,318. (*Mr. Glyn.*) Under a guarantee?—I take it for granted that they would have to pay more than the thing is worth at the moment, and such a proposal would be very acceptable to the shareholders. But in a country like this for the Government to undertake the management of commercial transactions like that of the whole carriage of the commerce of the country I think is the wildest scheme that I ever heard of, and I should hope that it never will be entertained, and that this country will take warning from what they see going on upon the continent in that respect.

12,319. A suggestion has been offered in some quarters that the Government, instead of managing the railways, might acquire the property of the railways, and let them out to parties who would be willing to lease them; do you think that that would be open to the same objection?—I think that that is the worst suggestion that has been made yet. I conceive that if you separate the ownership of the line from the man who leases it you will introduce every possible evil that can be imagined. The men who would have the working of the traffic would not be the men who lay out the money to provide the conveniences for working the traffic. Suppose that a new siding is wanted, in such a case it must be laid down by the Government who have no interest in laying it down, because their rent is secured; and the lessees are not likely to expend capital upon other people's property; therefore the siding would not be laid down, and the traffic would not be carried at all. And the lessees having no permanent interest in the property, or in conciliating the public, would be very much worse to deal with than the present railway companies.

12,320. (*Capt. Galton.*) Have you any owner's waggons on the North-eastern line?—We have a few of the colliery owners, but not a great many private waggons for goods; we prefer having them all the property of the railway company; we think that that plan works better, but we never make any difficulty if anybody likes to send his own waggons.

12,321. Have you any regulations to prevent the detention of owner's waggons, so as to insure that they shall be returned to their owners with as great rapidity as possible?—On our own line they are worked just like our own waggons and sent back exactly in the same way.

12,322. You would not allow them any demurrage if you detained them, would you?—No.

12,323. Do they ever make complaints to you of the detention of their waggons?—Not so much on our line. The private waggons on our line in the coal trade chiefly go to places beyond our line, and they chiefly go, not to stations, but to private sidings—sidings of ironworks, and that class of people, over whom the company has no control. There they are detained a long time, and I am sorry to say that our own North-eastern waggons are detained a very long time also.

12,324. But you charge demurrage in such cases, do you not?—No; we can get no demurrage in such a case; the owner of the works says that he will not pay demurrage whatever happens; and the railway companies say, We will not pay demurrage because the waggon is not detained by us, it is detained by the owner of the works; and therefore between the two we get no demurrage, and we are driven to choose between going without demurrage and standing the loss, or giving up the trade.

12,325. Do you bind yourselves in forwarding goods to deliver them within a specified time?—No; in that case we are bound generally by our practice. If we were in the habit of delivering goods, say in 24 hours, and if any person came to us and tendered goods for a particular place, there would be an implied contract that we were bound to deliver them there within about 24 hours.

12,326. Do you consider that any advantage would result from legislation upon the subject of the punctuality of passenger trains?—I think great disadvantage would arise, because the instant you attempt to control commercial bodies by penalties, they are bound to protect themselves, and therefore the moment that you insist upon punctuality, it would be attained by the only practicable means, namely, by going so slow that you are sure to be in time.

12,327. Is it not better to be sure to be in time than to expect to arrive at one time, and to arrive an hour too late?—I think not. I am afraid that if a passenger were going from London to Edinburgh, it would be no comfort to him to be four hours longer on his journey, in order that another person should not be 10 minutes late between York and Darlington.

12,328. You think that the less interference there is by the Government with railway traffic the better?—I do not say that we should wish to be exempt from the control of Parliament, but generally I say that ours is a commercial concern, and in the case of all commercial concerns the more Government will let them alone, the better the work will be done for the country as well as for ourselves. We merely ask to be let alone, especially by the Post Office and the Board of Trade. The Post Office have taken from us our parcel traffic under powers acquired distinctly for no other purpose than the carriage of letters. We are quite ready to do anything that may be wanted for the letters, but we feel it very hard that those powers should be, as we think, abused for the purpose of transferring the receipts of a large parcel traffic to the profit of the Post Office, that is to say, of the country generally, and taken from the railway company, the railway company being at all the trouble and expense.

12,329. If the railway companies had organized an efficient parcels traffic, do not you think that they could compete with the Post Office upon their own lines?—Certainly not. The Post Office having got an award for carrying letters at a certain rate, choose to call parcels letters, and they thus get them conveyed without paying a single farthing to the railway company.

12,330. Is there any properly organized parcels traffic between the different parts of the country on railways?—There is.

12,331. Could you put a parcel on the railway at Liverpool or Newcastle, for instance, and have it delivered the next morning at Southampton?—No, that is what the Post Office cannot do; but we can deliver it the next morning in London. The Post Office by their present system take a parcel and deliver it the next morning in London without paying the companies one farthing for it, and they take the whole of the profit.

12,332. But they pay, do they not, in proportion to the weight of the mails that they carry?—No.

12,333. Or the number of bags that they carry?—No, they do not.

12,334. (*Mr. Glyn.*) That is to say, if you want to make them do so you must do it under arbitration?—We go to arbitration, but the arbitrator, as I dare say you know, will not go into that question at all. We are quite willing to carry the letters, and to make no complaint, but under the guise of carrying letters quickly and cheaply the Post Office take parcels which really belong to the railway traffic.

12,335. (*Capt. Galton.*) Ought not you to be able to carry parcels quite as cheaply as any one, seeing that you are in possession of the line and must run but one train for the Post Office?—No, we cannot. Those parcels are carried from Newcastle to London on the railway without the Post Office paying anything for it; we are at the expense and they get the whole of the money.

12,336. If you carried the parcels yourselves you

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could do so perhaps at a cost of little or nothing, as the train must run, and therefore you could organize a service, could you not, which could compete with the Post Office ?—Certainly not; because the Post Office use our expenditure and spend nothing themselves; it costs the Post Office nothing.

12,337. (*Earl of Belmore.*) Do the Post Office pay you anything for the conveyance of letters ?—Under the present system the Post Office can order a train to be run at any hour they like, and they can put on a carriage or anything they please, and go to arbitration to settle what they shall pay for that carriage. That arbitration is given under the feeling that letters should be carried at the least possible cost to the country, and my complaint is that parcels are carried by the Post Office without any additional payment to the company. If the company put them into the company's van the receipts would go into the company's coffers, but because they are carried in the Post Office van the Post Office gets the whole of the profit.

12,338. (*Mr. Glyn.*) Supposing that the carriage of parcels involved the carrying of a large extra weight, the arbitrators in that case would assign a larger payment, would they not?—I have no great faith in what arbitrators would decide. The feeling that the postal service of the country is to be conducted quickly and cheaply, is such an overwhelming feeling in their minds that I do not think the companies get full justice in the arbitrations.

12,339. (*Capt. Galton.*) The Post Office complain, do they not, that they do not get justice?—They certainly do.

12,340. (*Mr. Glyn.*) On the other hand, the companies say the arbitrators generally decide in favour of the Post Office ?—They do.

12,341. (*Earl of Belmore.*) Do not the Post Office pay the companies which convey their mails a certain rate per mile?—Yes, they do, and the rate is settled under arbitration.

12,342. It makes no difference whether they carry a large mail or a small mail, a large quantity of bags or a small quantity of bags, by any particular train?—There are limits within which it would make a difference.

12,343. But the number of parcels which the Post Office now carry does not up to this time make their number of bags exceed those limits?—No; because when you put on a large travelling Post Office, you may carry tons of parcels in it without filling up the space.

12,344. (*Chairman.*) Do any other points occur to you upon which you think you could give information which would be of use to the Commission?—Nothing occurs to me just now.

The witness withdrew.

Adjourned to Tuesday next, at 12 o'clock.

Tuesday, 20th February 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEORGE CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
J. R. M'CLEAN, ESQ., PRES. INST., C.E.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

J. Allport, Esq.

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JAMES ALLPORT, Esq., examined.

12,345. (*Chairman.*) You are General Manager of the Midland Railway Company ?—Yes.

12,346. Have you had an opportunity of looking at the evidence given before this Commission containing complaints against the Midland Company ?—I have.

12,347. Will you be good enough to favour the Commission with any observations you may think proper to make on the evidence as it affects your Company ?—Yes; the first evidence that I have observed in which the Midland Company is alluded to is the evidence of the first witness in the printed book, Mr. Charles Clark, of Liverpool, in which he speaks of the various rates from Liverpool as compared with other towns; and in replying to this evidence I think it will shorten the examination considerably if I state that there are many witnesses who allude to the low rates from Gloucester as compared with Liverpool. It is true that the rates are very low from Gloucester, and that is entirely owing to the exceptional circumstances in which Gloucester is placed. Gloucester is a very inconvenient place as a port. The expenses in reaching Gloucester for the shipping are very much greater than to Liverpool, or to many other ports. There is also canal navigation, which is expensive, and the Midland Railway Company have been compelled to charge exceedingly low rates to enable the Gloucester merchants to get into any of the Midland towns. I think that that will account for the low rates. It is brought as a charge against the Midland Company, that while they charge these low rates from Gloucester, they charge very much higher rates from other places; but the rates are given in the Appendix, and will be found at page 474. In answer to question 7, Mr. Clark states: "From Liverpool to Sheffield, about 73 miles, the "rate on sugar is 23*s.* per ton. From Hull to "Sheffield, 76 miles, it is 13*s.* 4*d.*" There again it is entirely owing to the peculiar position of Sheffield; there is a free water navigation to within a very few miles of Sheffield, and I believe the canal navigation dues to Sheffield altogether do not exceed about 1*s.* 6*d.* per ton from Hull to Sheffield, consequently it involves a very low rate if we are to get any portion of the traffic at all. And even at this low rate the bulk of the timber from Hull goes by water, a very small portion of it goes by railway. The general answer, of course, to Mr. Clark's statement, that there should be a uniform mileage rate is, that that would simply have the effect of destroying the railway communication altogether from Hull to Sheffield, as the railway companies could not carry all their traffic at such exceedingly low rates. In answer to question 67 put by the honourable member for Liverpool, he says, "I "have a letter here which I received from a gentleman "who is a very large shipowner, and a member of the "Mersey Dock and Harbour Board. It is a private "letter, from which I will read an extract. He says: "'The Staveley Ironworks Company had a large "'quantity of railway material to send out to India, "'and my firm made proposals for its conveyance to "'Liverpool, which arrangement would probably "'have been carried into effect, but on looking into "'the comparative cost of railway carrriage to "'London and Liverpool it was found that the goods "'would be sent to the former place for 3*s.* per ton "'less than the latter, while the distances are "'respectively, in round numbers, 170 miles from "'Staveley to London, and only 70 miles from same "'place to Liverpool.'" There is some mistake there, because the rate from Staveley to London is 12*s.* 6*d.* a ton, and from Staveley to Liverpool it is 10*s.* per ton, so that Liverpool there has an advantage, although I admit that the rate is very low to London, which is purely in consequence of the very cheap water con-

veyance from Staveley. Staveley is situated on the Chesterfield Canal, a few miles from where it debouches into the River Trent, and the rates are necessarily low.

12,348. (*Capt. Galton.*) What competition is there from London to Staveley by water; does the Trent at all assist that?—Yes; and there is a very large trade to London, which is shipped on the Trent at various places—at Keadby, at Goole, and at Thorne.

12,349. And it is so carried coastwise?—Yes.

12,350. It is found to be worth while to tranship the goods into a larger ship at the mouth of the Trent?—No, not at the mouth of the Trent; the goods are transhipped into coasting vessels at many of the smaller places on the Trent, Gainsborough for instance. Vessels of 300 or 400 tons will come up to Gainsborough, and many of larger size will come up to Goole. Sea-going steamers come to Goole from Hamburg, and there is a very cheap water conveyance from the whole of that part of the country to London.

12,351. I believe there are no tolls scarcely on the Trent?—I believe that the only toll on the Trent, as far as the navigation extends—to Burton-on-Trent—is only 1*s.* a ton.

12,352. (*Mr. Horsfall.*) Do you never take iron direct from the Staveley Ironworks the whole way by railway to London?—Yes, certainly; but I am accounting for the low rate that we charge for it. If we were to charge what I should consider even a moderate rate from Staveley to London we should get no traffic at all; it would all go by water, every part of it.

12,353. Still the fact remains that you do charge much lower rates from the Staveley Ironworks to London in proportion to the mileage?—Yes; and that is owing to the competition; on all parts of our railway we do that; but that I shall come to in a subsequent part of the examination.

12,354. The fact, as stated by Mr. Clark, is substantially correct, only you have assigned a reason for it?—No, it is not correct. Mr. Clark states in his evidence that the rate to London is 3*s.* per ton less than to Liverpool.

12,355. With reference to the inequality of the rates, is he not substantially correct?—No, on the contrary; the rate to Liverpool is 2*s.* 6*d.* less than it is to London, instead of being 3*s.* higher.

12,356. But, taking the mileage, he is substantially correct in his statement, is he not?—Quite so, if you take the mileage; but in estimating what the cost of the iron will be either in London or Liverpool, you do not take the mileage, whether it goes 1,000 miles or 10 miles; if the cost price is 2*s.* 6*d.* a ton less in Liverpool than in London, the Liverpool merchant has the benefit of that. It matters not to the merchant or to the shipper how far a commodity has been carried; the question with him of course is the cost price of the article when delivered on board ship.

12,357. (*Capt. Galton.*) Is it not possible that Mr. Clark's calculations have been made in this way, that he has added to the railway carriage the freight from Liverpool?—I think not; his words are, in answer to question 67, "On looking into the comparative cost "of railway carriage to London and Liverpool, it was "found that the goods would be sent to the former "place for 3*s.* per ton less than the latter, while the "distances are respectively, in round numbers, 170 "miles from Staveley to London and only 70 miles "from same place to Liverpool." He confines his remarks to purely the railway carriage. The cartage question I will leave. Then there is a question about the equality of charges, and I probably had better leave that question, because a great many of the witnesses deal with the equality of charges as Mr. Clark does.

12,358. (*Mr. Glyn.*) You propose to treat that question generally?—Yes, I think it will save much time. Then Mr. Clark is wrong in this; in answer to question 63, which is, "Are there not two lines of railway "belonging to two companies which lead from Liver- "pool to Leeds?" he says, "I think it is one; the "Lancashire and Yorkshire Company have a line to "Leeds." There are practically three or four routes from Leeds to Liverpool; there is one by the London and North-western, one by the Lancashire and Yorkshire, one by the Great Northern, Manchester, Sheffield, and Lincolnshire, and one by the Midland in connexion with the Manchester, Sheffield, and Lincolnshire, and all four routes are competing as between Leeds and Liverpool.

12,359. (*Capt. Galton.*) He says, in answer to question 66, "We cannot go to one company and "say, 'what will you take our goods for,' and then "go to another company and ask them what they "will carry them for, because they all charge the "same?"—Yes.

12,360. Mr. Horsfall then puts this question, "What you mean is, that if there were a dozen "railway companies, so long as such a combination "exists, no better terms can be made." He implies that there is no real competition?—There is no doubt that all competition by routes ultimately resolves itself into similar charges being made by two, three, or four different companies; it must inevitably come to that.

12,361. You mean that the railway companies agree as to what charge they shall make between Liverpool and Leeds?—Quite so.

12,362. (*Mr. M'Clean.*) And, generally speaking, they are reduced charges?—Not generally, for it has frequently happened that competition has brought about increased charges. I shall have occasion to mention several cases in which competition has really brought about increased charges, and one occurs to me at this moment, as between Nottingham and Derby. The Derby rates are in no case higher than the Nottingham rates, but they are in many cases lower. (*Mr. John Patterson's evidence referred to.*) I observe that a question was put to Mr. Patterson at 254, "Have you any reason to suppose that there "is any favouritism shown to certain persons in "these varieties of charges, or is the variation regu- "lated by any principle?" The answer is, "I think "it is regulated by some principle, but I cannot tell "you what that is. I think, however, that it leaves "it open to favouritism." The same remark applies to a variety of questions which were put to that witness. In my experience I may say that I do not know of any instance of favouritism that may be inferred from that answer; certainly not on the Midland line. I believe there is not an instance that can be brought against the Midland Company in which one trader has been favoured over another.

12,363. (*Mr. Horsfall.*) You do not say that a party sending a large quantity of goods does not get a lower rate than a party sending a smaller quantity.—Not from the same town, or where any particular trade is settled in a district, as the coal trade is in Derbyshire and in Nottinghamshire, or as the iron trade is in various parts of the Midland counties. Take, for example, the silk trade of Derby; we do not give a large trader a benefit over a smaller one; all parties in the district have the same rates. That was the principle adopted years ago by many of the large companies, but when I took the management of the Midland Company I abolished the system that was in operation there. I did not consider it fair to a man of small capital, because it was as much as he could do to contend with the large capitalists even at the same rates, and gradually all those differential charges were abolished with reference to persons in the same trade in the same district. I do not mean to say that if I took a truck of pig iron from Lincoln to a small station on the line, we should charge at the same rate as we should charge for a truck of pig iron from Staveley for a similar distance, because the circumstances would not be analogous. But if you take the Staveley ironworks, or the Clay Cross ironworks, or the Park Gate ironworks, they are in the same district, and the rates charged are the same to all those parties.

12,364. Is that the case at Burton?—Yes.

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12,365. You do not give the large brewers there any preference over the smaller ones?—The Midland Company do not do so. Some years ago I am sorry to say that an arrangement of that kind was made, not by the Midland Company, but by the then manager of the London and North-western Company, and two large brewers had a great advantage given to them. The agreement was made without the knowledge of the Midland Railway Company, and the Midland Company fell in with it afterwards, but I expostulated with the parties about it, and ultimately the other brewers finding it out demanded to be put on the same footing as the larger brewers. The Midland Company at once assented to it, but to this day from that time the London and North-western Company have never participated in it, although they take the larger share of the proceeds. We gave drawbacks of seven years standing to all the small brewers, and placed them on the same footing as the two larger ones, Bass's and Allsopp's; there is no brewer at Burton, and in fact no trader, who is placed in an invidious position by our system. I may state that it is not with any desire to cast blame upon any neighbouring company that I have stated what I have; it was the system that was adopted at that time by many other companies, and it was generally thought that it was a correct system, but it is not so. (*Mr. Charles Clark's evidence referred to.*) Referring again to the evidence given by Mr. Clark, of Liverpool, I may observe that there are several discrepancies in his rates. In Appendix A I see that one rate is quoted "from "Bristol to Bradford, 26*s.* 3*d.*" It is 23*s.* 4*d.* "From Bristol to Leeds" it is quoted as "24*s.* 2*d.*" It is 21*s.* 8*d.*, and there are a variety of discrepancies of that kind, although I do not know that they amount to any great matter, but it is as well to be correct. A table which I will hand in represents the rates as given by Mr. Clark, and the distances, and also the actual distances and the correct rates. (*The following was handed in.*)

Between	Nature of Traffic.	Mr. Clark says		Midland Co. says	
		Distance.	Rate.	Distance.	Rate.
			s. *d.*		*s.* *d.*
Bristol - and Birmingham -	Sugar and Sundries	94	12 1	91	12 1 ctd.
" " Burton - -	" -	124	19 7	120	19 2 "
" " Bradford -	" -	221	26 3	217	23 4½ "
" " Blackburn -	" -	183	27 1	183	27 1 "
" " Dudley - -	" -	110	15 10	92	15 10
" " Leeds - -	" -	196	24 2	203	21 8 "
" " Manchester -	Sugar - -	178	22 1	173	20 0
" " Sheffield - -	Sugar and Sundries	180	17 6	175	17 6
" " Stafford - -	" -	108	22 1	118	22 1
" " Stourbridge -	" -	110	15 0	87	14 7
" " Worcester -	" -	66	10 0	65	10 0
" " Wolverhampton -	" -	92	17 1	97	17 1
Glasgow - " Birmingham -	" -	300	25 0	296	25 0 ton lots. 27 6 less "
" " Bradford -	" -	207	25 0	205	25 0
Hull - - " " - -	" -	70	15 0	68	13 4
Liverpool - " Birmingham -	" -	97	16 8	98	16 8
" " Burton - -	" -	90	19 2	106	19 2
" " Bradford -	" -	73½	17 6	70	17 6
London - " Burton - -	" -	125	23 4	122	23/4 Itn. Groceries 21/8 Sugar.
" " Bradford -	" -	208	23 4	198	23 4
" " Leeds - -	" -	186	22 6	192	21 8
Goole - " Sheffield -	" -	55	10 0	55	13 4
Glasgow - " " -	" -	294	27 6	250	27 6
" " Worcester -	" -	300	30 0	315	30 0
London - " Sheffield -	" -	164	17 6	161	17 6
Bristol - " Burton-on-Trent -	Timber and Deals	125	12 0	120	10 5
" " Birmingham -	" -	94	10 0	91	10 0
" " Derby - -	" -	136	11 4	133	11 4
Grimsby - " Bradford -	" -	80	9 0	122	9 2
" " Derby - -	" -	94	9 2	96	9 2
Gloucester - " Burton - -	" -	87	7 0	83	7 0
" " Birmingham -	" -	56	6 6	54	5 6 S. S. 6 6 deld.
" " Derby - -	" -	99	8 0	96	8 0
Hull - - " Burton - -	" -	122	9 8	105	9 8
" " Birmingham -	" -	134	14 2	135	14 2
" " Derby - -	" -	111	9 2	110	9 2
" " Bradford -	" -	67	9 0	69	9 2
Hartlepool - " " -	" -	75	9 0	84	9 2
Liverpool - " Derby -	" -	92	13 4	94	12 6
Liverpool - " Bradford -	Chemicals -	70	15*s.* to 20*s.*	70	15 0 S. Class.
Newcastle-on-Tyne " " -	" - -	108	15 0	110	15 0 S. Class.
Liverpool - " Leeds -	" - -	74	15 0	75	15 0
Newcastle-on-Tyne " " -	" - -	98	13 4	98	No rate.
Liverpool - " Wakefield -	" - -	71	15 0	78	15 0
Newcastle-on-Tyne " " -	" - -	125	13 4	112	20 0

12,366. The table handed in by Mr. Clark is substantially correct, with the few exceptions to which you have alluded?—There are a great many exceptions.

12,367. But not to any great amount?—No. (*Mr. John Patterson's evidence again referred to.*) In answer to question 228, in Mr. Patterson's evidence, he states, "A dealer in Derby who is in the habit of "attending our market stated recently to one of our "largest factors in Liverpool that he was unable to "buy a parcel of Indian corn that he offered to him, "because it would cost him 3*s.* a quarter to carry "it from Liverpool to Derby, whereas he could "carry it at the rate of 1*s.* 6*d.* from Gloucester, the "distance between the places being nearly the same." The name is not given, but it will be found in the subsequent evidence of Mr. Wheeldon of Derby, and he brings it as a very serious charge against the Midland Company. Now the Midland Company are not carriers from Liverpool to Derby, nor have the Midland Company a line from Liverpool to Derby, nor have they in fact to Manchester. A line is now in course of construction, but for years the Midland Company had very great difficulty in getting either to Manchester

or to Liverpool. I merely allude to that, because it is brought as a charge against the Midland Company.

12,368. (*Chairman.*) The traffic goes for a short distance over the Midland line, does it not?—It goes for a short distance over the Midland Railway, and probably it may be as well if I put that matter right now, although I should come to it in better order afterwards. It has been stated by three or four witnesses from Derby that the Midland Company are the only company there, and that there is no competition. That is not so. The North Staffordshire Company are at Derby by their own trains and agents, and they fix their own rates; we have nothing to do with what they charge over the line from Willington, which is a run of about six miles into Derby; and with regard to the rates either from Manchester or Liverpool, or from any part of the London and North-western line, it is just as much the property of the North Staffordshire as any other part of their system, and they fix the rates.

12,369. (*Capt. Galton.*) Can they make use of the line?—Yes; I think they had a lease of it for seven years, which expired several years ago, but we have continued it, and we are perfectly ready to make it in perpetuity, and if they like they may fix their own rates, and we shall take our mileage proportion after deducting the working expenses.

12,370. (*Mr. Glyn.*) Can the North Staffordshire Company give a rate to Derby to traders without coming to the Midland Company?—Yes; they have never come to the Midland Company; they have never consulted the Midland Company in any way whatever, and it has only been within a very recent time that we have been allowed rates from Liverpool to Derby. The London and North-western Company always refused to give us rates, until the Buxton line was opened, and from Derby to Manchester also. We never carried a ton of goods from Derby to Manchester after the opening of the North Staffordshire line until, I think, within the last two years and a half.

12,371. (*Capt. Galton.*) Until after the connexion of the North Staffordshire Company with the London and North-western Company had ceased?—No, not until after another route was opened. We have opened a route by way of Buxton in connexion with the London and North-western Company, which made a shorter route to Manchester and Liverpool than by the North Staffordshire route; and then the London and North-western Company, but not till then, gave us through rates; up to that time we carried nothing.* So that it is not the fact to say that the Midland Company only are at Derby.

12,372. (*Mr. Horsfall.*) I do not see in the question you have referred to that Mr. Patterson alludes to the Midland Railway Company?—No, perhaps not. He says, "A dealer in Derby," and I alluded to that incidentally, because that dealer subsequently gave his evidence. I mean Mr. Wheeldon, and he gives, I think, the letter which he had written to Mr. Patterson.

12,373. It does not follow that Mr. Patterson alluded specially to the Midland Company. I rather gather from his evidence that he did not allude to the Midland Company?—Probably that may be so. I do not know. I referred, however, to this question, because it bears upon the subsequent examination of two or three gentlemen from Derby. At question 267, Mr. Patterson is asked, "Can you give any other "illustration of this system besides the case of Hartle-"pool?—Yes, Morecambe, which is used by the Mid-"land Railway Company for the purpose of carrying "at lower rates than those from Liverpool." Then at question 271 he is asked, "What difference in the "rate charged is there between Morecambe and places "at equal distances as compared with Liverpool?—"From Morecambe to Manchester the distance is 56 "miles, and the rate is 8*s.* 4*d.*, while at the same time "the rate from Liverpool to Manchester, which is a "distance rather under 32 miles, is 8*s.* 4*d.*" That does not apply to the Midland Company. The London and North-western Company are at Morecambe, and they charge what rates they think proper; we have nothing whatever to do with those rates from Morecambe to Manchester, although the port at Morecambe belongs to the Midland Company; the dock and the railway belong to them; but the London and North-western Company are in the same position at Morecambe that the North Staffordshire Company are in a Derby.

12,374. (*Earl of Belmore.*) Has the Midland Company no railway to Morecambe?—It is the Midland Company at Morecambe; but the London and North-western Company have rights there, and they fix their own rates.

12,375. (*Capt. Galton.*) The Midland traffic, I believe, goes to Morecambe along the Skipton line?—Yes, entirely.

12,376. (*Mr. Horsfall.*) It is still the Midland Railway, although the rates are fixed by the London and North-western Company?—Yes, it may be turned into a charge against the Midland Company for making those rates, but if I was manager of the London and North-western railway I should be prepared to defend that rate, because I think it is perfectly defensible; my object, however, is to show that it is not the Midland Company that fixes the rate. In fact, it seems to me that there is a very strong desire on the part of the Liverpool gentlemen to absorb nearly the whole traffic of the kingdom, for they are not satisfied with what they have got. In Appendix B., the exports from Liverpool are set out, and there has been great complaint about the low rates to Gloucester, but I find that poor Gloucester has not more than about 46,000*l.* worth of exports, whereas Liverpool has 64,000,000*l.*, and yet they are not satisfied.

12,377. (*Lord Stanley.*) Do you consider it the duty of a railway company to endeavour so to regulate the trade as to distribute a certain share to each town in such manner as seems to them just, or is it not rather their business to take such traffic as may be offered to them without asking any further questions?—I think it is the duty of managers of railways to develop the resources of their districts to the utmost possible extent; that is the principle that has influenced me. If I saw an opportunity of developing a trade at Gloucester, so long as the rates left a profit, I should most undoubtedly endeavour to do it, without reference to the rates from Liverpool or London, or elsewhere; the only question would be whether the rates would leave a profit. I think it is the duty of railway managers, both in the interest of the companies and of the public, to do so, and it would, in my judgment, be a national calamity if the whole trade of this country were to be concentrated in one port, which is what the Liverpool gentlemen would certainly bring about if their views were to prevail.

12,378. What have you to do with its being a national calamity, if trade is concentrated in one port? Is it not the business of a railway company to carry as much as they can get to carry, and to make as much profit as they can?—Yes; but I spoke just now, as a member of the community at large, and perhaps I should not have done so. I certainly do consider it my duty, as manager of the Midland Railway to develop the resources of the district to the utmost extent that I can.

12,379. (*Chairman.*) Is it the interest of the railway company to develop the traffic which requires encouragement?—Quite so, and if we did not do that, what would be the effect? Take, for example, the case of Derby; from Gloucester to Derby the entire line belongs to the Midland Company, and I apprehend there is nothing in any of our Acts to prevent the Midland Company from carrying traffic from Gloucester to Derby at such rates as it pleases, provided they are within the maximum of their parliamentary

* I may also state that for a time the North-western Company sent the Liverpool traffic for Derby *viâ* Buxton and the Midland, which is the shortest route, but they have recently taken it away from us, and told us it is not their intention to send it *viâ* Buxton, but *viâ* the North Staffordshire route.

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tolls. With regard to fixing rates it will probably be better that I should explain how they are fixed. A timber merchant at Gloucester would write to me, and he would say, "I can do a trade at Derby, but your "rates are so high that I cannot get into the market. "If you can reduce your rates 1*s.*, 2*s.*, or 3*s.* a ton, I "can put a trade upon your line which will be a "benefit both to you and to me." My business then is to inquire whether that statement is correct, and if I find it is correct I give him a rate, and the result is that he brings traffic upon the line.

12,380. (*Lord Stanley.*) May it not be put in this way, that as long as your charges are within your maximum parliamentary tolls, and you only charge what the law of the land entitles you to charge, no one town or community has any right to complain because you happen, with a view to your own advantage, to charge a lower rate to another ?—That is my view of it.

12,381. You put it simply on a commercial ground, and not with reference to holding the balance evenly between one place and another ?—Yes ; the question simply is, Is there a trade to be had; are the rates remunerative, and can we do it. Those three questions being answered in the affirmative, we carry the traffic.

12,382. (*Mr. Glyn.*) Your object is to make a profit ?—Yes.

12,383. (*Mr. M'Clean.*) And that profit varies upon different articles ?—Yes.

12,384. On some articles you obtain 10 per cent., while on others you obtain 20 and 30 per cent. ?—Yes, taking the average of our rates, and probably you may put the working expenses of the Midland Railway, including all charges, at 50 per cent., but we carry a great deal of traffic costing us probably 80, 85, or even 90 per cent., but so long as there is a profit we are willing to carry it. (*Mr. Hilton Halhead's evidence referred to.*) I find that Mr. Halhead, in answer to question 427, says, "From Liverpool to Burton-on-"Trent the distance is 90 miles, and the rate charged "is 15*s.* a ton. From Hull it is 122 miles, and the "rate charged is only 9*s.* 8*d.* From Hartlepool the "distance is 154 miles, and the rate charged is 10*s.* 10*d.* "From Bristol the distance is 125 miles, and the rate "charged is 12*s.* From Gloucester the distance is "87 miles, and the rate charged is only 7*s.*" That is perfectly true, and the same explanation applies to that. Burton is very favourably situated as to water communication for Hull, Grimsby, and Hartlepool, and the whole of the east coast. But Mr. Halhead in his evidence makes mistakes as to the distances. For instance, he says, "From Hull to Burton the distance "is 122 miles," whereas it is actually only 105 miles. I apprehend that the route he has taken is by way of Normanton, but the route the traffic takes, and upon which we base our rates, is the one by the Manchester, Sheffield, and Lincolnshire line, by Lincoln.

12,385. (*Mr. Horsfall.*) What is the actual distance by railway ?—105 miles.

12,386. Still the fact remains that a lower rate is charged for a longer distance ?—Yes.

12,387. (*Capt. Galton.*) The traffic is not upon your line ?—Not from Liverpool to Burton.

12,388. The low rate is charged upon your line, and the high rate upon the other lines ?—Yes ; No part of the line belongs to the Midland Company from Liverpool to Burton, excepting a few hundred yards. The North Staffordshire line comes to our station, they fix their rates, and they pay us for the use of the station. I think it is half a mile or a mile toll.

12,389. The rate from Gloucester is fixed by your company ?—Yes, it is fixed by us entirely. (*Mr. Charles Stead's evidence referred to.*) I observe that Mr. Stead, whose examination commences at 437, speaks very favourably of his arrangement with the Midland Company ; but there is one question which evidently led the Commission into error. He speaks of the value of the traffic from his works at Saltaire to Manchester as 70,000*l.* per annum.

12,390. (*Capt. Galton.*) I think he stated that he received goods of the value of 60,000*l.* or 70,000*l.* per annum ?—Yes; but in answer to a subsequent question (508), "The practical result of your agreement is, "that the Lancashire and Yorkshire Company lose "the whole of your traffic from Manchester ?" he says, "Yes, the whole of it ;" and in answer to question 509, "Do you know what it amounts to in "value ?" he says, "It is certainly not less than "70,000*l.* a year ;" the fact being that the entire traffic from Manchester to Saltaire amounted in a year to 457*l.* Mr. Stead also alludes to the difference of rates, and it is very difficult to follow these witnesses, because in frequent cases they are not comparing the same commodity, for instance, Mr. Stead is comparing the rate from London to Saltaire, or from London to Bradford, which is upon the raw material, with the rate evidently for manufactured goods as between Saltaire and Manchester. In answer to question 459 he goes on to give the rates downwards from London to Saltaire, or London from Bradford, from Manchester and Liverpool, but he is not comparing the same commodities. After the manufacture of the raw material, of course it becomes more valuable ; there is more risk attending it, and the rates are higher, according to the classification ; and all I wish to say is that the evidence is calculated to mislead the Commission. (*Mr. John S. Wright's evidence referred to.*) Mr. Wright, of Birmingham, in answer to question 628, states, "Our "rate to London is 27*s.* 6*d.* per ton ; to Sheffield, "which is a less distance, it is 40*s.* per ton." Mr. Wright is altogether mistaken.

12,391. He speaks of the low rate from Birmingham to Bristol, and of the high rate upon the same article from London, he says, "Molasses, for instance, an "article that is used in Birmingham, both for manu-"factures and for food, is brought at 12*s.* 1*d.* from "Bristol ; but from Liverpool it is 16*s.* 8*d.* Molasses "and sugar are both in the same category. From "London the rate is 21*s.* 8*d.*" ?—He says that "on "hardwares our rate to London is 27*s.* 6*d.* per ton ; "to Sheffield, which is a less distance, it is 40*s.* per "ton." The rate for hardwares from Birmingham to Sheffield is 17*s.* 6*d.* a ton instead of 40*s.*

12,392. (*Chairman.*) Has that been so for some time past ?—Yes, for years. But there again, unfortunately, the witness is comparing two different articles, which I shall have occasion to call attention to repeatedly in the evidence. It is true that we have a rate of 35*s.* per ton, not 40*s.*, as stated, between Birmingham and Sheffield, but it is for cutlery and other valuable manufactured goods, articles of very different value as compared with hardwares. I may state that for steel, which is a staple commodity of Sheffield, we have very low rates—much lower rates upon steel from Sheffield to all the ports of the kingdom than we charge upon steel in other places ; for instance, Birmingham is not a steel manufacturing place, and our rate for the carriage of steel from Birmingham to London would be higher than for the carriage of steel from Sheffield to London, because there it is a staple commodity. But as hardware is the staple of Birmingham, Birmingham gets the benefit of it, and Birmingham is charged 25*s.* per ton for hardwares instead of 40*s.* per ton.

12,393. (*Capt. Galton.*) But that, Mr. Wright states, is the charge for a much higher class of goods altogether ?—Yes, a much higher class of goods. Then he goes on to state, "For the same class of goods "we pay 15*s.* 5*d.* per ton against from 21*s.* to 23*s.* to "Liverpool, or 40*s.* to Sheffield." The same remarks will apply from Bristol to Birmingham ; there is a cheap Severn navigation up to Worcester and Stourport, and there is a very cheap canal navigation to Birmingham, which compels very low rates from Bristol to Birmingham.

12,394. (*Mr. Horsfall.*) Is that navigation included in the rate that you charge ?—We charge by the railway.

12,395. Does your rate include the navigation

charge as well?—Comparing the Liverpool to Birmingham rate with the Bristol to Birmingham rate, the distance being about the same, there is great discrepancy in the rates. I am accounting for the low rates from Bristol to Birmingham by the cheap water communication existing between the two; there is a continuous cheap water communication between Bristol and Birmingham, and we charge low rates.

12,396. (*Chairman.*) And you would get no traffic if you did not?—No; and the same remark applies to a great many other things; he speaks of molasses and bacon.

12,397. (*Sir R. Hill.*) Is there not water communication in both cases?—Yes; but it is canal navigation the greater part of the distance from Liverpool. It is river navigation to Preston Brook; but from that place to Birmingham it is entirely canal navigation; whereas from Bristol to Birmingham it is a free navigation for nearly the whole distance, or nearly free.

12,398. How far is it free?—Either to Worcester or to Stourport. There are two canals; the Staffordshire and Worcestershire canal, which runs from Staffordshire to Stourport, and there is the Birmingham and Worcester canal, which falls into the Severn at Worcester. By either route they can get a very cheap rate from Bristol or from Gloucester to Birmingham. Up to the present time Bristol has been very disadvantageously placed; the tendency for the last few years has been to increase the size of all seagoing vessels. Bristol is on the Avon, and the expense of getting up is very great, in consequence of which many large shipowners will not send their ships to Bristol, but rather to London or to Liverpool, or Newport, and that is operating very disadvantageously on our traffic from the Severn ports. There is a little discrepancy in Mr. Wright's statement about the rates. He says that the rate upon copper from "Swansea to Birmingham is 18*s.* 2*d.*," it should be 16*s.* 8*d.*; and from Plymouth, "25*s.* 9*d.*," it should be 25*s.* He also states that glass from Birmingham is a very important trade, and he says that the rate to London, to St. Helens, and to Birmingham, is about the same. From Sunderland to London it is 32*s.* 6*d.*, from St. Helens it is 30*s.*, and from Birmingham it is 27*s.* 6*d.* There is a discrepancy about those rates. In answer to question 633, "That is to say the rail-"way companies do not allow two or three different "persons to combine to send their goods in one box;" he says, "No, they do not allow one manufacturer "sending three different articles, tubes, brass wire, "and iron wire, to one party, so to send them, but "they will be divided; the whole would be charged "per cwt. 2*s.* 6*d.*, but it will be divided into two or "three parcels, and the railway company will charge "separately for those parcels, thereby doubling the "rate of carriage on that particular cwt. of goods." If there were several bundles of brass wire going to one party they would not be charged separately.

12,399. (*Capt. Galton.*) Should you not charge them according to the highest class in that case?—No, not according to the highest class; suppose, for instance, there were 50 bundles of brass wire, we should charge them all together in the class in which the brass wire appears. We should not weigh the brass wire and the iron wire together and charge them at the same rate, but we should charge the iron wire at a lower rate than the brass wire and the tubes.

12,400. If you had brought to you a bundle of iron wire, or three separate articles, each of which individually would be charged for according to the rate fixed for "smalls," but, the three being combined, would they be charged according to the tonnage, or how should you deal with them?—If they were distinct articles, and not the same description of goods, we should charge for them separately, because they would appear in separate classifications altogether.

12,401. (*Earl of Belmore.*) If they were packed together in one box, would you take them as one box?—If the manufacturer packs them in one package, they go as one package, and then they are so charged, whatever the package may contain.

12,402. (*Capt. Galton.*) Mr. Clark stated that if they were in one parcel, the highest rate would be charged.—I think that is not correct. The practice, I think, is uniform; if there are different qualities of goods, we charge according to the class of each; take 1 cwt., 2 cwt., or 3 cwt. of iron, and a merchant also sends 2 cwt. or 3 cwt. of brass to the same individual, we should not put the two together and charge the highest class for both, but we should charge a rate according to the classification. We should charge the brass according to its classification, that being a more valuable commodity than the other. In answer to question 646, Mr. Wright, I think, would rather lead the Commission to suppose that the Worcester canal is a very unimportant means of competition with the railway, and that its wharf is outside the town. I have known the Worcester wharf all my life, and I know that it is a very short distance from the centre of the town, and so far from its being outside the town, as compared with our goods station in Birmingham, it is fully half a mile nearer the centre of the town than our station.

12,403. (*Capt. Galton.*) That, I believe, is the rule relating to "smalls"? (*handing the same to the witness.*)—Yes, but the goods that Mr. Wright alludes to in his evidence are not "smalls;" he is alluding to tubes and iron wire, and brass wire, and those articles are not sent in small quantities, and therefore not affected by that rule; they are always sent in large quantities. Suppose a man has 10 lbs. of brass wire and 15 lbs. or 20 lbs of iron wire, and a small lot of gas tubing, amounting to 30 lbs. or 40 lbs., then those three "smalls" would be put together and charged at one rate, and not according to the rule that I have been alluding to, where there were several cwt. of each. These tubes are sent in very large quantities.

12,404. You were alluding to goods that would be very heavy, and be charged according to a class rate?—Yes; quite so.

12,405. (*Mr. Horsfall.*) Does not Mr. Wright draw a distinction between the Worcester Canal Company and the old Birmingham Canal Company?—Yes. The Birmingham canal wharf and the Worcester canal wharf are within 200 or 300 yards, less probably, both of them being centrally placed, and as conveniently placed for the town as they well can be.

12,406. Mr. Wright states that the Birmingham Canal Company had the fixing of the rates, and not the Worcester Canal Company. Is that so?—No; certainly not. In answer to question 645, "Have any "of these railway companies in Birmingham made "themselves owners or lessees of any of the canals," he says, "There are several canals that are now owned "in our neighbourhood by railway companies, and "with others they have made arrangements by which "practically we have to pay the same rates by the "canals as we do by the railways. For instance, the "Shropshire Union Canal belongs to the London and "North-western Company. They bring goods from "Liverpool to Birmingham." Now, it is perfectly true that the old Birmingham canal is guaranteed by the London and North-western Company, and it practically belongs to them, but that does not apply to the Worcester canal. He says: "The Worcester and "Birmingham Canal is free from railway control, but "that only comes to the confines of Birmingham, for "to come into the town it would have to pass over "the old Birmingham canal, which is in the hands of "the London and North-western Company, and conse-"quently they fix such rates as prevent competition."

12,407. Is that so?—Not at the town of Birmingham. It may be so going forward from Gloucester or Bristol to Wolverhampton or to Liverpool, or any part of that district. Of course the Birmingham Canal Company would have had a voice in fixing the rates through from Worcester to Wolverhampton, but certainly not from Worcester to Birmingham; it passes over no part of the Birmingham canal.

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12,408. Mr. Wright states that it does ?—Yes ; but with all deference to Mr. Wright I fancy I know that that is not correct.

12,409. (*Chairman.*) Then Mr. Wright is mistaken in the answer given to question 646, "Has not the "Worcester Canal Company got a wharf of its own "in Birmingham ?—On the outside of Birmingham "they have ;" and also in the answer given to question 647, "Is it not very near the centre of Bir- "mingham ?—No ; there the old Birmingham canal "begins."—Yes ; he is quite mistaken. The two canal wharves are very close together, but the Worcester canal is the most central in the town of Birmingham. I come now to a very important answer given by Mr. Wright to question 278 : "Can you "suggest any reason for that difference ?—The best "I think that I can give to that question is one that I "believe was given by the chairman of the Midland "Railway Company some time ago to parties who "were largely interested in the trade of Sheffield. "The Sheffield people, I believe, had complained very "much of the high rates to Sheffield, the matter "being entirely in the hands of one company from "Birmingham, and he said—this appears as a quota- "tion—'although we are obliged on various occasions "'to compete and to charge very low rates, where "'we have the power of charging a high rate we are "'obliged to do so, and we take advantage of that in "'order to make up a dividend for our shareholders.'" I am glad to say that he merely says, "I believe." I have questioned the chairman of the Midland Company, and I was very much struck with the answer of the Chairman ; he denies ever having made such a statement.

12,410. Does this necessarily refer to the present chairman of the Midland Company ?—It may not refer to the present chairman, but I have mentioned it also to the late chairman.

12,411. (*Capt. Galton.*) Your policy is totally opposed to it ?—Perfectly so.

12,412. You fix your rate according to the price the goods will bear in the market ?—Yes. Then at question 683 he is asked, "Can you at all account for the "differences in charge ?" The answer is, "No ; "save that the Midland Company, in certain districts, "charge very low rates. We have no complaint to "make about the rates from Bristol and that district "to Birmingham. To Sheffield, on the contrary, they "charge very high rates, as compared, for instance, "with the rates from Newcastle, the goods coming "over part of their line, and the rates from Hartle- "pool, which are very much lower than the rates "from Sheffield." That is, lower per mile, but not lower in the aggregate from Newcastle. From Newcastle to Birmingham the distance is upwards of 200 miles, but from Birmingham to Sheffield the distance is much less. I assume that Mr. Wright must have given that answer on the supposition that he was correct in stating that the rate to Sheffield was 40*s.* as compared with 27*s.* 6*d.* to Liverpool. Mr. Wright also refers to the classification of goods, and probably that had better be deferred. Mr. Wright also complains, in answer to question 725, as to "travellers' "patterns." We have done all that we consider they could reasonably expect ; we charge half the rates that are charged for ordinary passengers' luggage, and if we did not do that, we should never get our passenger trains through. If we charged the same as for passengers' luggage, the passenger trains would never get through the country ; there would be so many goods taken with them as patterns if we made no charge at all, or the same charge as for ordinary goods, and we therefore charge half the ordinary passenger rate for excess of luggage. We consider that that is a very great boon to the traveller, because he can take his patterns with him at a very moderate charge. Mr. Wright also speaks about shifting the goods from one class to another. That is a very rare occurrence, but it does occasionally happen, as I shall have occasion to point out subsequently. In answer to question 753, after complaining so much of the railways, he acknowledges that "in Birmingham, within the "last 30 or 40 years, a very large number of new "trades have been developed, which has caused a "very great increase in the amount of goods carried." I may say that I know of no town which has improved under the railway system more than Birmingham has, and so far from having occasion to complain of them, I think it has every reason to congratulate itself that it is in so good a position. The trade of Birmingham, and the population returns will show it, has increased probably to a larger extent than in almost any town of about that size in the kingdom.

12,413. (*Mr. Gower.*) I suppose they do not complain of the existence of railways, but that they do not derive so much benefit as they might from them ? —It appears to me that they would rather confiscate railways for the sake of their own private benefit ; that seems to be the general argument. Mr. Wright also complains about glass ; he speaks of the low value and the high rate. We have two rates, one at the owner's risk and the other at the Company's risk. It is notorious that brittle articles are so treated ; they are liable by railway carriage to considerable breakage, and the Company has to satisfy very considerable claims for broken glass. I am not aware that the rate is to be complained of ; it is a very low rate from Birmingham to Bristol ; and there again we have put Birmingham, it being a staple trade, upon a very low scale of charge ; it is sent from Birmingham to all parts of the kingdom in considerable quantities, and so satisfied are the Birmingham people, as I apprehend, with our rates, that in one or two places we have built for them warehouses, especially for glass ; at Bristol we have gone to a very considerable extent in providing warehouse accommodation exclusively for glass.

12,414. (*Capt. Galton.*) You charge a low rate if not liable for the breakages, and a high one if you are ?—Yes.

12,415. And the trade prefer to carry at the lower rate and take the risk upon themselves ?—Sometimes the one, and sometimes the other. (*Mr. Charles Dickenson Sturge's evidence referred to.*) Mr. Sturge is the next witness, and he complains, in answer to question 785, of the Midland Company not giving such facilities as he thinks they should do, and speaks of the increase in the value of land in the neighbourhood of King's Norton. My answer to that is, that we run five trains each way per day to King's Norton, which is not a large place, and in that neighbourhood until a recent period there has been very considerable difficulty in obtaining land. The Baroness Windsor would not sell any land for building purposes. I admit that it is a very beautiful district, and if land could be readily obtained, it would be the interest of the Midland Company, and I am sure they would avail themselves of it, to encourage the building of suburban residences ; but there has been a very considerable difficulty until recently in getting land at all. There are two or three landowners there who have hitherto refused to part with their land, the Baroness Windsor especially, and she probably has the best sites for residences.

12,416. (*Chairman.*) Mr. Sturge states, "But on "the Midland line at the first station, King's Norton, "which is at a distance of seven miles, land was sold "a year or two ago at 60*l.* an acre, and near the "station more recently at 80*l.* an acre ?"—I am surprised to hear that statement as to 60*l.* and 80*l.* an acre, because the Midland Company had recently occasion to buy a little land at King's Norton, and they had to give 800*l.** an acre for it.

12,417. (*Sir R. Hill.*) Do you know how much the land there has increased in value since the railway was constructed ?—Not positively ; but I have no doubt that the land in the neighbourhood of King's Norton must have trebled in value at least since the railway was constructed.

* This sum was afterwards altered by the witness to 500*l.*

12,418. (*Lord Stanley.*) When you speak of land selling at 800*l.* per acre, do you mean ordinary agricultural land, or land to which a residential value has been given by the line passing near it?—No; we have recently bought land at that price where there are no residences, and we are now negotiating for an ordinary grass field; we have offered the man 500*l.* an acre, but he will not take it; there is no house near it.

12,419. (*Sir R. Hill.*) How near to the railway is it?—It is adjoining the line. We want it for railway purposes, and we shall have to give him more than 500*l.* an acre.

12,420. (*Mr. Horsfall.*) That is probably in consequence of the owner knowing that you must have it?—If we were to put it into an Act, a jury would give him what they considered its value, but if land can be sold in the neighbourhood of King's Norton station for 60*l.* an acre, I am sure that no jury would give him 500*l.* an acre.

12,421. (*Chairman.*) Mr. Sturge, in answer to question 788, says, that the land has not increased in value at all near the Midland station?—If the land is of so little value, I cannot understand how it is that people do not avail themselves of it, because there is between Birmingham and King's Norton an excellent turnpike road, and the country is full of population for the entire distance; the railway does not go so near as the turnpike road in some places, and for the accommodation of the public there are a number of omnibuses running throughout the day between King's Norton and Birmingham; it is a very short distance. I observe that Mr. Sturge rather praises the Midland Company for their low rates, but he says, in answer to question 813, "Are the delivery trucks fully laden "on the line for transmission to Gloucester?—The "railway companies send down the trucks by an "engine, and then they have one or two horses which "are used to move them to the warehouses, after "which they have nothing further to do with them "than to receive a consignment note." The object of this evidence is to show that there is no terminal charge at Gloucester. At question 808 he is asked, "Have you seen that memorial?—Yes, I have a copy "of it here, and there is one important point. They "approve of 2*s.* per ton for terminal charges, that is "1*s.* a ton at each end; but they do not seem to be "aware that in Gloucester the merchant loads the "trucks, and they never go into the station at all; "the whole of the loading is done by the merchant, "and consequently there is a very slight terminal "charge made." Then, in answer to question 813, he states, "The Railway Companies" (Midland) "send "down the trucks by an engine, and then they have "one or two horses which are used to move them to "the warehouses." It so happens that we have 27 horses employed to do this work, and we generally hire six horses throughout the year, sometimes on one day perhaps none, then the next six or eight, the next day 10 or 12. On the average we hire about six horses in addition to our own, and a very expensive operation it is. At Gloucester the engines do not go down to the docks, and the traffic has to be taken from the docks down to the railway, a distance of a mile and a half or a mile and three-quarters, hence the number of horses we are obliged to employ, but so far from being a trifling expense it is a very heavy one. Mr. Sturge also advocates a uniform rate.

In Appendix O., I find the statement of Lord Ashtown's colliery agent; and he says—"The natural "difficulty I maintain railways are designed in part to "overcome, and Government are acting in the right "direction in inquiring how they can be conducted so "as to serve the best interests of the people. The "people who live in the south and eastern counties can-"not compete with their countrymen in the north. A "brass founder in Birmingham loses a profit which a "brass founder at Sheffield gains in the very outset of "melting his metal in the price of coke; at Leeds the "brass founder can buy his gas coke for the furnace at "5*s.* 6*d.* per ton. At Sheffield 8*s.*; at Birmingham 15*s.*" I rather gather from this statement that he wishes it to be inferred that the price of coke in Birmingham is owing to the railway companies, and that Government should take some steps to put Birmingham more upon an equality with Sheffield or Leeds. It happens, unfortunately, that Birmingham is so placed that there is no coal suitable for coking purposes. The whole of the coke going to Birmingham has to be sent from very long distances, and the rates are exceedingly low. We are taking coke to Birmingham from Derbyshire at as low as a halfpenny per ton per mile, and I think that that is a moderate rate. I may state that the gas companies in Birmingham are now getting their coal from Derbyshire in consequence of the inferior quality of the Staffordshire coal for that purpose, but no blame can be attached to the railway company for that.

I observe in Appendix Q., that there is a complaint made by the Rev. James Field as to "want of cor-"respondence of trains on different lines in the midland "counties." He complains of a train not being able to get from Leicester to Northampton by way of Market Harborough, and states that the trains are badly arranged, purposely to prevent people from travelling that way. He must know very little of the system upon which these trains are arranged. The London and North-western Company from Market Harborough to Northampton must fit in their trains with their main line, and the Midland Company must do the same; and it is one of the most difficult things in railway management to fit branch trains in with two or three different main lines. It is almost impossible. It is perfectly true that the trains do not fit so well at Market Harborough as the public generally might think desirable, but it is entirely owing to that fact. The London and North-western trains running from Scotland or Liverpool to London must have branch trains to meet at Blisworth, and they must leave Market Harborough at a certain time. The Midland Company have connexions from the north at Normanton, and at various places their trains are timed on the main line, Market Harborough being on the main line of the Midland as to through traffic. If this gentleman had studied Bradshaw a little more he would have found that to get from Leicester to Northampton, if by way of Rugby, where the Midland line runs into the London and North-western main line, he would have found abundance of trains.

12,422. (*Capt. Galton.*) Would the charge be the same?—Yes, by both routes; but that is an incident that I do not see how it is possible to avoid.

12,423. (*Mr. Horsfall.*) Is there no truth in the generally received opinion that a jealousy exists between different companies as to trains meeting on a line?—There may be in one or two instances a little truth in it, but I can safely say that in the case of all the larger companies there is no foundation for such a statement. If you will take the London and North-western Company, the Midland, and the Great Western, you will find that the trains are made to suit the bulk of the traffic, and some inconveniences must necessarily arise. I will exemplify this by giving an instance of the Midland Company's trains from Bristol to the north. At Bristol we endeavour to fix our trains so as to be in connexion with the Bristol and Exeter trains coming from the extreme west—from Cornwall and Devonshire. We come to Gloucester, where we again meet the South Wales system; we come to Worcester, where there is a third system of the Great Western Company from London on the one hand, and from Hereford, Newport, and all that district on the other. We come to Birmingham, where we meet the London and North-western trains from a variety of places, and then to Burton where we are in connexion with the North Staffordshire line. At Derby we are in connexion with our own line to the east, and to various places. At Eckington we are in connexion with the Manchester, Sheffield, and Lincolnshire line; at Normanton, with the North-eastern line; and at Oakenshaw, with the Lancashire and Yorkshire line. I have mentioned these several junctions in order to show how impossible it is to fit a train running from Bristol to the north with all these various branch connexions,

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the main lines having far more important sources of traffic to accommodate than the few passengers who may wish to exchange from the branches. Practically, I think, there is very slight foundation for the public opinion, which I know is general, that railway companies purposely fix their trains so as to avoid meeting each other conveniently.

12,424. Take the two lines to which you have just alluded, the London and North-western and the Midland. A Midland train arrives at the junction at Lichfield with the Trent Valley line?—At Tamworth; we do not run to Lichfield.

12,425. But the South Staffordshire Company regulate their trains by yours, and your train leaves Lichfield five minutes before the train arrives from Liverpool?—I have no doubt that it is so, as you state it, but I was not aware of the fact.

12,426. There are several such cases?—I have no doubt it is so; but you will see, I think, at once, how impossible it would be for the Midland company running their trains to Derby from the north in connexion with the North-eastern Company from Edinburgh, Newcastle, York, and all that district, to do otherwise than they do. We cannot leave Normanton before their train arrives; they fix their own times, not with reference to the Midland trains, but with reference to the Great Northern trains through to London. From York to Normanton happens to be a branch of the North-eastern Company's line joining the Midland, and we depart from Normanton as soon as we can, that is, as soon as the North-eastern train arrives; but it never occurred to me to fix our trains leaving Lancaster, Leeds, and Bradford, with a view to fit into the London and North-western train at Lichfield to carry a passenger to Liverpool. It is too unimportant to justify the throwing out of gear, as I may say, the entire passenger traffic along the main line, from the north to Bristol on the one hand, and to London on the other.

12,427. (*Mr. Glyn.*) I suppose the principle you act upon is to accommodate the greater number?—Yes.

12,428. And to make the best provision for the larger traffic?—Yes.

12,429. (*Mr. Horsfall.*) I have been speaking of the South Staffordshire line and the Midland, the line running from Derby to Birmingham?—The trains from Derby to Birmingham are in connexion with the trains from the north. They do not start from Birmingham, except one or two early in the morning; the great bulk of the trains are in connexion with those coming either from the east, from Lincoln and London on the one hand, and from Leeds, Bradford, and the North on the other.

12,430. The South Staffordshire trains start from Derby?—No, they are the Midland trains. The South Staffordshire carriages are attached to the Midland trains at Derby, and they are detached at the Wichnor junction, and carried forward to Wolverhampton; the great object of those trains is to accommodate the traffic going to the towns in that district—Lichfield, Walsall, Wolverhampton, Dudley—and so on. It would of course be so much better if the trains could just fit in at Lichfield, to enable a solitary passenger to go forward to Liverpool.

12,431. (*Capt. Galton.*) Your trains at Leeds do not always accommodate the trains of the North-eastern Company which arrive at Leeds from the north?—At Normanton we do; we do not consider Leeds the point of junction with the North-eastern.

12,432. So that passengers who come from places between Thirsk and Leeds are most unfortunately thrown out?—Yes, they are sometimes; but you will see that between Thirsk and Leeds it is a very unimportant district as compared with Edinburgh to Newcastle, and York to Normanton, and there the small number of passengers must give way to the larger, and you will find that all our trains are arranged to fit in with the North-eastern trains at Normanton, which is by far the most important connexion of the two. At Thirsk the North-eastern train comes up from Newcastle to Thirsk, and it is there divided—it is perhaps an express train—at any rate, all their trains run faster as between Thirsk and York and Normanton than between Thirsk and Leeds; they endeavour to accommodate the district by calling at more stations between Thirsk and Leeds than between Thirsk and Normanton. Our trains are fixed with reference to those coming to Normanton, and we have to leave Leeds before the Thirsk portion of the train arrives, or we should keep all the northern passengers waiting at Normanton a considerable time.

12,433. (*Mr. Gower.*) Are you able to state that you fix the time of your trains solely with reference to the convenience of the public, and never with reference to driving the traffic in one direction rather than in another?—Yes. I go through these train arrangements monthly, and I can say most emphatically, and without fear of contradiction, that for many years past no train has been fixed on the Midland Railway with a view to obstruct passengers going in any direction they may think proper.

12,434. (*Chairman.*) In the early periods of the railway system was that practice adopted?—Probably it was, but it must have been many years ago. I do not think that any of the larger companies have done it for years past. It may be done now by some of the smaller companies, but I think it will be seen that it is too small and unimportant a matter to make it likely that a large company like the Midland, or the London and North-western would do it. The traffic is not large enough to justify such an obstruction to the public using the lines.

12,435. Are there not occasionally considerable inconveniences and detentions on branches of your own line?—Yes, there are, and we find the same difficulties. The line from Burton to Leicester is one; the great bulk of the traffic passing over it is either from Burton to Leicester, or from the North Staffordshire line, going from west to east, and great complaints are made that even our own trains do not fit in well at Burton to take passengers forward. We fix our trains, as will be seen by reference to the Midland time table, to suit the North Staffordshire trains on the one hand and the Great Eastern trains on the other. There is the line from Burton to Peterborough, and a very considerable traffic flows over it between the east and the west; that is one case, but there are many others on the Midland system where passengers are frequently inconvenienced because the trains do not fit in well.

12,436. Is there not another grievance—do not passengers complain that trains are advertised to fit in, and that they scarcely ever do, so that when they arrive at a station, and expect to be carried forward, they find the train has started half an hour before?—That will happen, it matters not who has the management of a railway; it must inevitably happen, and there are a variety of causes for it. For example, a heavy wind or a slight rain will sometimes make the rails so slippery that the engines cannot get on. Again, sometimes we find, although we know not the cause, that enough passengers would come to fill a train, while at other times it will be nearly empty. If we knew exactly what traffic we had to carry by every train we could provide properly and efficiently, but it must inevitably happen, under all circumstances, that delays will take place.

12,437. The train from Leeds to Derby, which is advertised to meet the train from Ambergate to Buxton was for weeks together not in time at Ambergate for the Buxton afternoon train?—Yes. That train is in connexion with the London and North-western line at Ingleton on the one hand, and with the North-eastern at Normanton on the other. In the summer time there is an enormous traffic passing to and from Scotland, and it is a very rare thing that we can leave either Ingleton in time or Normanton in time; it is no fault either of the North-western Company or the North-eastern Company, but from the mere weight of the traffic, and more especially from the great amount of luggage the passengers take

with them, the trains are delayed, and you will find that they are far more delayed from that cause than any other, from the numerous packages and luggage which passengers take with them. That train every year, for many years past, has been delayed, but in nine cases out of ten it has been owing to the late start either at Ingleton on the one side, or at Normanton on the other. The only remedy for it, and it has been discussed by the railway companies frequently, is for all the companies to take a longer time; if the London and North-western Company, for example, took an hour longer from Carlisle to London and the North-eastern Company would do the same from Newcastle to London it might meet the difficulty, but it is not a very desirable thing to alter your time table for those long trains more frequently than can be avoided. During the months of July and August the down-trains are late and the up-trains are punctual. During the months of September and October the up-trains are late, and the down-trains are punctual. Taking the same week, passengers seem to select particular days in the week, and on some days the trains keep time, while on other days they will not; for instance, on Monday very few persons seem to go on that day, and the trains are usually in time. If you altered your time table you would have to consume the time at the stations, and passengers would complain of that, so that upon the whole we have come to the conclusion that delays are unavoidable, and that it is better to submit to them than to alter the time table.

12,438. (*Mr. Glyn.*) There is pressure put upon you at a particular part of the year, both up and down the line?—Yes.

12,439. (*Capt. Galton.*) Do you make special arrangements and provide additional assistants when trains arrive to take out and put in luggage?—Yes, we generally put on a large additional force in the summer time, but if you take the guard's van or the railway carriages, there can only be a certain number of men at work, and the luggage gets so mixed, although unavoidably so, the object being to get the trains off as quickly as possible, that when a passenger gets to his destination there is a difficulty in finding it.

12,440. (*Earl of Belmore.*) Do you not think that this want of punctuality increases the risk of accident?—I think not; certainly not, if the slightest attention is paid to the signals.

12,441. (*Mr. Horsfall.*) The case to which I was alluding just now was Lichfield, where the London and North-western train from Liverpool arrives at 11.56 and the Midland train for Derby leaves at 11.55?—I think that is very likely.

12,442. That is one of the cases in which, for the benefit of the public, an alteration of two or three minutes might be made with advantage?—But the London and North-western trains have their connexions at other points and they must keep them, and we have the same. But if you take the case of a passenger from Derby to Lichfield going on from there to Liverpool, that is not the route which passengers would take, nor to Crewe either. No passenger would go to Lichfield to get to Liverpool direct from Derby.

12,443. But the intermediate residents between Crewe and Lichfield would do so, would they not?—On the Midland railway the only intermediate places are Willington and Burton, and at Burton they would again join the North Staffordshire railway and go on to Liverpool or to Crewe, and not go through to Lichfield.

12,444. I mean that the intermediate residents between Crewe and Lichfield would go to Lichfield to take advantage of those trains?—If it had been a matter of serious moment I must have heard of it, and I do not remember having received a letter upon the subject. No doubt it is as you state by the time bill, but the amount of inconvenience is so infinitesimally small that I do not think it would be prudent to alter the time tables and inconvenience the larger service.

12,445. (*Capt. Galton.*) With regard to the question of accidents, you stated that you did not think that unpunctuality was a source of accident if the signals were observed; is it not a fact that in almost every case of collision the trains have been unpunctual in some degree?—Yes, but that is not the cause of the accident.

12,446. Is it not the case that unpunctuality has very frequently been present, at all events in such instances?—A train a minute late is unpunctual, and probably there are very few trains that would run precisely to a minute, and a minute may cause an accident; but in all my experience I am bound to say that I do not remember any serious accident, or an accident of any importance indeed, arising from unpunctuality, or which could be traced to unpunctuality. The cause of nineteen-twentieths of the accidents that occur is, that the men get so accustomed, a driver, for instance, gets so accustomed to finding everything clear, and he is, perhaps, engaged with the machinery and a variety of things, that he does not look out for the signals as he should do.

12,447. If the train is unpunctual before him he runs into that train, whereas, if it had kept its time that time would have been so arranged that he should not come near it?—It would happen quite as frequently that the train running into the other was unpunctual. I do not think that it is always the train in front or the train that is run into that is unpunctual.

12,448. (*Mr. Gower.*) With reference to your former answer, are there any of the smaller companies in connexion with the Midland Railway Company which place difficulties in the way of meeting your trains?—I am not aware of any. I do not remember a single instance of obstructions of that kind being placed in the way; I may state that there might be, but I do not know of any instance myself.

12,449. (*Chairman.*) Now will you take Mr. Cox's evidence and make what remarks you think necessary upon it. You observe that one of his figures with regard to the rate from Matlock to Derby he has corrected in a foot note, but he states that the rate is considerably too high?—I am afraid that his correction does not meet the case at all. I will take first the answer to question 8579, where he says, "For instance, "if we want to send goods from Derby to Newark "which is only 33 miles, they charge us 10*s.* a ton, "and they will carry from Birmingham, which is 75 "miles, for 18*s.* 4*d.* a ton. At Birmingham sheet lead "and lead pipes are manufactured which come in con- "tact with our business, so that we pay seven-eighths "of a penny more than we do from Birmingham for a "greater distance. They will carry from London a "distance of 142 miles at 25*s.*" From London to Newark, I may say the distance is 120 miles, not 142. It is perfectly true that by the Midland route it is 142 miles, but as we are obliged to charge the same as the shorter route if we are to get any traffic, it is not fair to quote our longer route in opposition to the Great Northern. The Great Northern is the direct route from London to Newark, and we of course are obliged to charge the same rates. There must be some mistake in the latter part of this answer, "and that is "less than the Derby charge, and that is only 3*d.*" I do not quite understand that answer. From Derby to Newark the rate is 10*s.* a ton, and from Birmingham to Newark it is 20*s.* per ton for sheet lead. For lead pipes, where Mr. Cox is correct, it is 10*s.* from Derby and 18*s.* 4*d.* from Birmingham, but if you deduct the terminals in each case the Birmingham rate leaves more per mile to the Midland railway than the Derby rate.

12,450. (*Mr. Horsfall.*) What are the terminals in the two places?—Of course they would be the same in both cases. This rate is a collected and delivered rate. There is first of all the cartage to be considered. The cartage which we pay is 2*s.* 5*d.* and 2*s.* 6*d.* a ton, and that has to be deducted. Then, whatever terminal may be deducted for station purposes would be the same in both cases. Deduct what you will, whether 1*s.* or 2*s.* a ton, the remainder will

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give a better rate from Birmingham to Newark than from Derby to Newark.

12,451. But you say that the difference arises from the terminals?—No, I do not say that. I say that if you deduct the terminals in each case the mileage rate will then be better from Birmingham to Newark than from Derby to Newark. Then there is this evidence given by Mr. Cox at question 8582: "Have "you found yourself prevented from entering into "competition in certain districts by this inequality of "charge?—We have. We have been prevented from "sending goods on account of the inequality of the "charges, and also on account of the very extra- "ordinary delay that occasionally we have to com- "plain of. To Manton (for Uppingham) the Midland "Company will convey goods from Birmingham, a "distance of 93 miles, for 17*s.* 6*d.* per ton, whilst "the rate from Derby to the same place is 20*s.* for "only 48 miles." The distance is 53 miles, so that that is a slight mistake. Then, again, the traffic either from Derby or from Birmingham to Manton is so insignificantly small that the higher rate from Derby is not from any desire to favour the Birmingham dealers; for I cannot find any entry in our books from Birmingham to Manton for lead, either sheet lead or lead pipes, for the last two years. The traffic is so insignificantly small that it may be as Mr. Cox has said.

12,452. (*Chairman.*) Would that explanation apply to several of those charges?—Yes, to several of them. These are inequalities which necessarily arise. I may state that the total goods rates upon the Midland Railway amount to hundreds of thousands, and it is utterly impossible to prevent these little inequalities arising in those small places; but whenever they are brought under our notice we correct them, as far as we possibly can. But the most important matter which Mr. Cox has alluded to with reference to rates is the next.

12,453. (*Mr. Horsfall.*) Before leaving that point, may not this very high rate which Mr. Cox complains of prevent goods going to this place?—The honourable member misunderstands me. I said from Birmingham; the Birmingham rate to Manton being so much less per mile than the Derby rate. I cannot find that we have sent any of Mr. Cox's particular goods to Manton from Birmingham. I believe that whatever trade has gone into that district Mr. Cox has had the benefit of; but that really is a very small matter. Mr. Cox, in the answer to the next question 8583, says, "I have a very remarkable case to mention "from Ambergate to Derby—I cannot understand "this at all—from Ambergate to Derby is only 10½ "miles, and they charge us 8*s.* 4*d.* per ton, whereas "they go from Ambergate to London, 157 miles, for "12*s.* 6*d.*" Ambergate, I may observe, is a mere junction. It may be that Mr. Cox has sent a small package of lead there, and I believe that he did. The Midland Company built a station there a short time since, and some lead may have been sent from Mr. Cox's works for that station, and he was charged 8*s.* 4*d.* per ton for it. The charge of 12*s.* 6*d.* per ton is for pig lead, which is a very different article; but from Ambergate there is very little pig lead got. The succeeding part of his answer is most important.

12,454. (*Mr. Horsfall.*) Even though the amount is small there is very great irregularity in the rate, is there not?—The one includes collection and delivery, and the other is merely from station to station, not including cartage, that is a most important difference. It includes 2*s.* 6*d.* a ton which we pay to our agents at Derby, and it also includes delivery, if there should be any, at Ambergate, whereas the 12*s.* 6*d.* from Ambergate to London is simply from station to station, and is for pig lead, which goes in truck loads. In that part of the country, I find that the amount of traffic is utterly insignificant. His Grace will know Ambergate thoroughly well, and that there is no population there; it is a mere junction, and the traffic is so small there that it is quite insignificant.

12,455. (*Chairman.*) The junction may take it on to other parts, may it not?—No, they are all through rates through Ambergate, excepting from Ambergate itself. I think Mr. Cox corrected his figure as regards the Matlock rate from 16*s.* 8*d.* to 11*s.* 8*d.*, but 11*s.* 8*d.* is just as incorrect as 16*s.* 8*d.*

12,456. (*Mr. Horsfall.*) It appears to me that you solve all your difficulties by laying the blame upon the difference of terminal charge, but it is not supposed that the senders of goods in all those directions should know these matters which you gentlemen connected with railways are no doubt acquainted with?—We find that traders are thoroughly alive to all those differences. There is not a trader hardly upon the Midland railway who is not thoroughly alive to the difference between a station to station rate and a collected and delivered rate.

12,457. (*Mr. Glyn.*) They may have the fullest information if they only ask for it, may they not?—Undoubtedly; and in fact they do know about it; no one can dispute that for a moment.

12,458. (*Mr. Horsfall.*) Do you publish a list of your terminal charges?—We do not. With regard to the amount of traffic sent to Ambergate, it is so infinitesimally small, that it is scarcely worth while to refer to it, but the important part of the statement is the latter part of Mr. Cox's answer to that question, "From Matlock to Derby, which is only 16½ miles, "they charge" (*quoting the correction*) "11*s.* 8*d.*, "and they go from Matlock to London for 14*s.* 10*d.*" Mr. Cox is there comparing pig lead from Matlock to London with high class goods from Matlock to Derby, in the one case including collection and delivery, and in the other merely station to station. Then Mr. Cox goes on to say, "That is a serious thing to us, "because the greater bulk of our pig lead comes from "that district, and consequently those London gentle- "men can get it considerably less, amounting to quite "a small profit on their freight." I am very much surprised that Mr. Cox should make this statement, because I am sure he would not do it if he had spoken from his own personal knowledge. The rate for pig lead from Matlock to London is, as Mr. Cox states, 14*s.* 10*d.*; the rate for the same article from Matlock to Derby is 3*s.* 3*d.*, and has been so now, as far as I can go back, for the last 14 or 15 years. Instead of being 11*s.* 8*d.*, as he puts it here corrected, it is 3*s.* 3*d.*, and has been so for many years.

12,459. (*Chairman.*) Can you explain why he stated that; is not there some foundation or other for it?—Not the slightest foundation for it. What Mr. Cox has done, or rather some clerk of his, I suppose, who has put that paper in his hands, is this, he has taken our classified rate, and we have a rate of 11*s.* 8*d.* a ton for ordinary merchandise, for a box of goods or a packet of grocery, or anything of that kind; that is our rate from Derby to Matlock, which includes collection and delivery, but for pig lead, which Mr. Cox is here distinctly alluding to, and in fact he says pig lead, the charge is 3*s.* 3*d.* per ton.

12,460. (*Mr. Glyn.*) That is the regular rate?—Yes, it is the regular rate. Mr. Cox goes on to say that Mr. Wass, from whom he buys a considerable quantity of lead, sends it by canal. It is perfectly true that even at that low rate of 3*s.* 3*d.* per ton the great bulk of the lead goes by canal, but his Grace will know that Mr. Wass's position there is very much more convenient for the canal than it is for the railway. He puts his lead on at the Cromford wharf, and it is very cheap conveyance from Cromford to Derby, whereas it is a very heavy cartage from Mr. Wass's smelting works to the Matlock station, but he is comparing two totally different commodities. He might with as much propriety say that we charge, say 100*s.* for a ton of gold from Derby to Matlock, and charge 14*s.* 2*d.* for a ton of pig lead from Matlock to London, there would be just as much propriety in the comparison.

12,461. (*Chairman.*) Is there any other charge made by Mr. Cox which you think it necessary to refer to?—Yes. Mr. Cox goes on to talk about lead

from Newcastle to Derby, and in answer to question 8,585 he compares that, as he says, with coke from Newcastle to Burton. Lead does come from Newcastle to Derby, but coke does not come from Newcastle; the coke comes from the neighbourhood of Darlington, and for lead we find waggons and sheets, whereas for coke we do not find waggons or sheets; the coke burner finds them. Besides, I cannot understand why coke worth at the ovens, perhaps at the present high price of coke about 9*s.* or 10*s.*, should be compared with pig lead worth about 21*l.* or 22*l.* a ton; but as I said before, we find waggons in the one case, and we do not in the other.

12,462. (*Mr. Horsfall.*) A waggon will take much more lead than it will take coal or coke in weight, will it not?—No; we get about five tons of coke in a waggon, but we do not find waggons for coke.

12,463. What weight of lead would you put in a waggon?—We never put more than five or six tons; there is very little difference in that respect. Mr. Cox, in answer to question 8595, says, "When they "charge the same for 90 miles as they do for 59 miles, "for instance, I think that is a thing which we "ought to complain of. From London to Stamford, "where we send goods, they charge 20*s.* a ton; "Stamford is 90 miles from London, and it is only "59 miles from Derby, but they charge the same "price." There again he has fallen into the error of taking the longer route instead of the shorter one by the Great Northern, which is 85 miles. To Peterborough also Mr. Cox calls it 110 miles, whereas it is 75 miles by the Great Northern direct route. It is true it is 110 miles round by the Midland. Then this question is put to Mr. Cox, "Have you any water "communication at Derby," and he says, "Yes, but "they have bought it up." The next question is, "Is it in the hands of the Midland Railway Com-"pany," to which he replies, "Yes, they bought the "canal." The Midland Company has never had that canal either by purchase or lease in any way whatever, and I am not aware that any negotiation has ever taken place even for the purchase of that canal. And to show the contradiction of Mr. Cox, he himself in another part says that they have competition by canal, for Mr. Wass, because of the high charge from Matlock to Derby by rail, sends his lead by canal. But Mr. Cox is altogether mistaken in supposing that the Midland Company have either bought the canal, or leased it; it is not the case.

12,464. Has any other railway company done so?—No, it is perfectly independent.

12,465. (*Capt. Galton.*) Is it the canal of the Peak that you are speaking of?—No, it is the Derby canal. It runs from about four miles north of Derby, from a place called Little Eaton, through Derby, and runs into the Trent on one side and into the Erewash Valley Canal on the other, and it is as perfectly independent of any railway company as the Midland Railway is independent of any other railway company. Then Mr. Cox goes on with several of the other witnesses complaining about Derby being the monopoly of the Midland Company, and the rates being very high in consequence. I have been at the trouble of comparing the Derby rates with the rates of other companies, the London and North-western, the Great Northern, the Great Western, and the North-eastern for similar distances, and I cannot find that in any one case we are higher than those companies for similar distances under like circumstances. Again, all those Derby witnesses complain of there being no competition with the Midland Company, and they say how desirable it would be for the London and North-western Company to come to Derby. Take the Derby rates and the Nottingham rates. At Nottingham there is competition, and the distance between London and Nottingham and London and Derby being about the same. (I think Nottingham is about two or three miles nearer London than Derby). There is not a single instance of the rates being higher to Derby than to Nottingham, but in almost every instance the Nottingham rates are higher than the Derby rates. I hold in my hand a list of rates charged to those gentlemen, Mr. Cox, Mr. Renals, and others, and in every instance the rate is as I state, 27*s.* 6*d.* against 30*s.* for agricultural seeds; ale and porter 23*s.* 4*d.* against 25*s.*, and so on, and I would beg leave to hand in this table:—

MIDLAND RAILWAY.

RATES.

	1	2	3	4	5	Smalls.			Special Class.
	s.	*s. d.*	*s. d.*	*s.*	*s.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
London and Derby	25	27 6	37 6	50	65	1 3	1 3	1 3	20 0 ctd.
London and Nottingham	25	30 0	40 0	50	65	1 9	1 9	1 9	20 10 ctd.

Articles.	London and Derby.	London and Nottingham.
	s. d.	*s.*
Agricultural seeds	27 6	30
Arrowroot	27 6	30
Ale and porter (in casks)	23 4	25
Argols	23 4	25
Antimony ore	23 4	25
Bacon	23 4	25
Blacking	23 4	25
Blacklead	27 6	30
Butter, in casks	23 4	25
Candles	23 4	25
Cheese, packed	27 6	30
Coffee	23 4	25
Cotton and linen yarn, packed	27 6	30
Currants	23 4	25
Cocoa	23 4	25
Chicory (prepared)	23 4	25
Dates	23 4	25
Drugs, in casks	27 6	30
Dye woods	23 4	25
Earthenware, in crates	27 6	30
Eggs, in crates or boxes, O.K.	27 6	30
Emery	23 4	25
Glass, crown and flint, window, and rough plate, O.K.	27 6	30
Grease, in casks	23 4	25
Leather, undressed	27 6	30
Heavy machinery	27 6	30
Hardwood	23 4	25
Hides, foreign, as imported	23 4	25
Lard, in casks	23 4	25
Lac dye	23 4	25
Lead	23 4	25
Madders	23 4	25
Molasses	23 4	25
Mustard (seed)	23 4	25
Munjeet	23 4	25
Nuts	23 4	25
Oranges	27 6	30
Oil, in casks (such as are entered in first class of classification)	23 4	25
Orchilla, weed	23 4	25
Salt provisions	23 4	25
Paints and colours (in casks)	23 4	25
Pitch and Tar	23 4	25
Pearl shell	23 4	25
Prunes (in casks and boxes)	23 4	25
Rice	23 4	25
Raisins	23 4	25
Rags	23 4	25
Rosin	23 4	25
Starch	23 4	25
Sago	23 4	25
Soap (common)	23 4	25
Saltpetre	23 4	25
Sugar (in hds., casks, or bags)	23 4	25
Shumac	23 4	25
Scrap steel	23 4	25
Safflower	23 4	25
Sulphate of ammonia	23 4	25
Sheep wash, in casks	23 4	25
Tartars	23 4	25
Tallow	23 4	25
Tin (in blocks)	23 4	25
Terra japonica	23 4	25

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Articles.	London and Derby.	London and Nottingham.
	s. *d.*	*s.*
Turmeric	23 4	25
Tobacco leaf	23 4	25
Vinegar (in casks)	23 4	25
Valonia	23 4	25
Woad	23 4	25
Hams	27 6	30
Blankets	37 6	40
Books	37 6	40
Calicoes	37 6	40
Cheese, loose, ctd.	37 6	40
„ etches	30 0	—
Eggs in crts. or boxes, Co.'s R.	37 6	40
Hops	37 6	40
Leather, dressed	37 6	40
Linens	37 6	40
Mustard	37 6	40
Small wares	37 6	40
Stationery	37 6	40
Tea	37 6	40
Tobacco	37 6	40
Toys	37 6	40
Wines and spirits, in casks	37 6	40

12,466. Then the effect of competition as between Nottingham and London has not been to reduce the rates?—No, it has not. Mr. Cox, I observe, acknowledges that occasionally his people (I do not for one moment suppose that he would do it himself) pack his goods in casks so that the class may be avoided, or perhaps they declare them so as to get a lower rate. In answer to question 8,657, "You object to some extent to the "present classification of goods?" he says, "Yes, we "put the shot into casks for them sometimes and they "do not know what it is." That is a very questionable proceeding; shot happens to be in a different classification from lead, and of course if we find it out we make them pay, but unfortunately we are subject to this sort of thing all through the country.

12,467. Do you consider that you have a right to open the packages and see what they contain?—No, we never do inspect the goods further than the appearance; our people know what they are. We are so accustomed to goods, particularly those that are brought down by the parties themselves, which are collected from certain manufactories, that we know exactly what they are; but it is no uncommon thing for goods to be declared as one thing when they really are another. More especially does this apply to silk and very valuable commodities of that kind.

12,468. If they were damaged they could not under such circumstances claim for the value of such commodities?—No.

12,469. (*Mr. Horsfall.*) Is not the fact that shot is lead?—True, shot is lead, but it is a damageable commodity. We are obliged to be exceedingly careful with shot, if it gets wet it is thrown upon our hands, and we have to pay damages for it.

12,470. Would you have to pay if they had shipped it as lead?—No, not if they had shipped it as lead; I should hardly think that Mr. Cox would venture to declare it as lead, and then if he found it damaged to claim damages.

12,471. He does not declare it to be shot lead but he declares it to be lead, which it is in fact?—Perfectly true, it is lead. So cutlery you may call pig-iron because it originally comes from pig-iron.

12,472. (*Earl of Belmore.*) If you got a cask of shot, your people would not suppose that it was manufactured lead that was in the cask?—Yes, we get a great deal of common lead in casks, particularly scrap lead, for which we charge the lowest rates.

12,473. (*Mr Horsfall.*) Is not shot always shipped in casks, first put in bags and then in casks?—No, it is generally loose in bags. Great quantities of it are sent loose in bags; they are in small bags weighing about 28 lbs. I think that that will pretty well exhaust Mr. Cox's charges.

12,474. (*Chairman.*) Now will you come to Mr. Renals' charges, and give the Commission what explanation you think desirable with regard to them?—Mr. Renals complains of the rates for groceries, and it amounts to this, that sugars from London to Sheffield are charged lower than from London to Derby. It is perfectly true. First of all the cheap water conveyance, as I stated before, accounts for the Sheffield rate being so low. But there is another and a very important consideration. There is a very large sugar refinery in Sheffield, taking more sugar probably in one week than the whole town of Derby would take in six months; they get it in full loads, in fact, and on that account the rate is lower. But the principal reason of it being lower, as I stated before, is the cheap water communication between London and Sheffield.

12,475. (*Mr. Horsfall.*) Did you not state just now that you did not make any deduction for a large quantity?—Not to the same place. We charge to the grocer in Sheffield the same as we do to the sugar refinery; but for the purpose of getting a large quantity for the refinery we charge a lower rate; but we do not charge a different rate for it individually.

12,476. (*Capt. Galton.*) You give a low rate to the town?—Yes, we give a low rate to the town.

12,477. In order to develop the trade?—Yes, quite so; but practically we do not get the sugar trade from London to Sheffield. The great bulk of it goes by water still. I should think that fully four-fifths of it would go by water, in spite of this low rate. Turning to Mr. Cox's evidence, I see that Mr. Cox complains of the Midland Company charging for demurrage. I hold in my hand the only charge that has ever been made to Mr. Cox for demurrage, amounting to 3*l.* 15*s.*, extending over a very considerable period; and in that list there are 11 waggons belonging to other companies upon which we had paid the demurrage through the clearing house, and there are only three Midland waggons charged demurrage; but up to this moment Mr. Cox has refused to pay the amount, although 3*l.* 6*s.* out of the 3*l.* 15*s.* we have ourselves paid to other companies—the London and North-western, the North-eastern, the Lancashire and Yorkshire, and other companies. I do not think Mr. Cox has much to complain of there.

12,478. (*Mr. Horsfall.*) Mr. Cox was not speaking of individual acts of injustice towards him, but he spoke as representing the Chamber of Commerce?—He speaks, I think, mostly of his own case, with regard to this demurrage.

12,479. If he did it would be merely an illustration of the system?—Quite so; and I am quite prepared to defend the system. It is a very unfair thing that Mr. Cox, or any other trader, should keep our trucks standing under their load day after day. We allow them two clear days to take away their goods. Indeed, if we did not adopt some system of charge for demurrage we should have our stations so blocked up that we should never get the traffic through the country.

12,480. I was not speaking of the justice or the injustice of the claim. It may be perfectly right; but what I wanted to show was, that when you brought forward such a minimum amount of charge on the part of the company towards Mr. Cox he was not instancing that as a complaint of his own, but as a specimen of the general complaint of the trade?—I will refer to his evidence, and that will show that what I have said was correct. At question 8671 he is asked this: "Do you "consider that a railway company should be bound to "deliver goods within a certain time if they declare "that time when the goods are put into their hands?—"*A.* I think that they should, the same as with regard "to the time table; when you get into a train and "leave Derby at such an hour you expect to be in "London at the time mentioned in the time table. "*Q.* If goods are not delivered within that time you "propose that the companies should be subjected to "pay some compensation?—*A.* I think they ought "indeed, because they are very particular if we do not "fetch our goods away from them in charging us "demurrage."

12,481. Of course he is speaking there of the general principle, and not of his own individual case?—That may be, but I would rather gather from that answer that Mr. Cox was speaking of his own particular case, and I give that explanation. I am not aware of any complaint ever having been received from any person in Derby, with regard to those demurrage charges. It is a charge which is made throughout the kingdom. It is for the interest of railway companies that the goods should be unloaded. It would not pay to have a waggon standing under its load even at the 3*s.* per day which we charge for demurrage. We should make very much more out of our waggons. I have had a return made out of the average earning of a Midland waggon, which amounts to about 85*l.* a year, and you divide that by 300 working days, it will give a great deal more than 3*s.* a day; consequently the trader is benefited by it. In fact, in other words, it is finding a certain amount of warehouse room for him. Instead of taking the goods away to his own place, he chooses to let them remain in the company's trucks; but, having found him that accommodation, and merely making him the charge that we do for it, it is monstrously unfair that he should come and complain of it.

12,482. I am not referring to the justice or injustice of it; I am merely showing that Mr. Cox has not made this charge as an individual case, but as a specimen of the charges which are made?—I think I have sufficiently answered those charges.

12,483. (*Chairman.*) Have you anything further to state with regard to Mr. Renals' complaint?—In answer to question 8688, Mr. Renals not only referred to Sheffield but also to Chesterfield. Chesterfield, as I have before explained, comes under the same category as Sheffield, with regard to cheap water communication. And there again, I am sorry to say that we get very little of the traffic from London to Chesterfield. Mr. Renals repeats Mr. Cox's statement, that the Derby people are entirely in the hands of the Midland Company; that is not so. I may therefore explain that in addition to the North Staffordshire Company, being at Derby, the London and North-western are there also, through their agents; and I have a return laid before me weekly of the goods traffic from Derby to London, and all places in competition with the Midland by the London and North-western, and I find that they get very nearly one-half of the traffic out of Derby, and have done so for a long time past. Between London and Derby the London and North-western Company get very nearly one-half of the traffic.

12,484. (*Capt. Galton.*) How do they get into Derby?—We carry traffic for them. We have had an agreement with the London and North-western Company, and Pickford and Co., who are their agents, collect the goods in London and in Derby, and we carry them and deliver them over to them at Rugby. I have looked over the correspondence, and I cannot find a single complaint from the London and North-western Company, or from any trader, that traffic coming by way of the London and North-western line has either been delayed or treated differently from traffic coming by our own line from London.

12,485. (*Mr. Glyn.*) There is a fair interchange of traffic between the two companies?—Perfectly so.

12,486. (*Capt. Galton.*) The London and North-western Company employ their agents, Pickford and Co., to collect the goods from Midland stations?—Yes; the same rates are charged from Derby to London, so that if the London and North-western had a line of their own into Derby they could not do more than they do now. In fact they could not do what they do now because they would have to do the best they could, as we should not have through rates with them by way of Rugby, and at present, as I said before, they get half the traffic.

12,487. One of Mr. Renals' complaints was with regard to the classification of goods, have you anything to say in answer to that?—I thought it perhaps tiresome to allude to that; he speaks of nutmegs and sugar, or cinnamon and molasses, and he would have them all put in the same class. I should have made a remark upon that but I passed it over as I thought it was scarcely worth while for me to refer to it. They have nothing in my opinion to complain of as to the rates charged to Derby. Mr. Renals instances the falling off of Derby in consequence of what he chooses to call the Midland monopoly. He says, "The rateable value in "1855 was something like 106,000*l.*, it is now only "119,000*l.*, so that we have made very slight progress "indeed in these days of progress." And another witness says that the population of Derby has not increased more than about 5,000 in 10 years. That is a very unfair way of putting it. If you take the borough of Derby itself that is so, but Derby like all other places has surrounding parishes, and the parish of Litchurch is as much a part of Derby as Westminster is of London, in fact, more so. The population has been gradually increasing in that direction, and I find that the population has increased, including Litchurch, from 43,684 to 51,000 in the 10 years. But the great increase is in the parish of Litchurch, which has increased from 1,726 to 6,560, and he speaks of the trade of Derby diminishing.

12,488. (*Chairman.*) Is not that increase of Litchurch mainly owing to your works being at Litchurch?—No; I quite expected that that question would be put to me, but I have brought a map of Derby, which if the Commissioners will allow me I will lay before them, from which they will see that the blue represents the borough of Derby; they will also see the line running towards Birmingham, and the land about there is very favourable for building manufactories; from the London Road all the way down in that direction for fully three-quarters of a mile it is one continued series of works and manufactories of various kinds; I do not know of any place of its size that has increased more than Derby has. The cause of the falling off in the trade of Derby, of which Mr. Renals complains, is owing to the peculiarity of its staple trade, namely, silk. The trade of Derby, something like Coventry, is the fancy silk trade which of late years has very much fallen off, and it is perfectly true that the silk mills and the silk population of Derby has decreased. But it has gone to other places, Nottingham for instance has very much increased in silk, and Macclesfield, Leek, and all those places, are now becoming important seats of the silk trade; but the general trade of Derby and the general prosperity of the town has very much increased. I may state that there are about four or five very large important ironworks and mills, Eastwoods, Swinglers, and several others. I have spoken to those gentlemen, and I have spoken to the principal manufacturers and traders in Derby, and so far from the Derby people concurring in the statements that have been made before the Commissioners, if necessary I could have brought several of them who would say that they have in their respective trades been treated most fairly by the Midland Company. I may mention, with regard to the silk trade, that so long as the silk trade was really the staple trade of Derby, and very little of it was made at Nottingham, the rate to Derby was 2*s.* 9*d.* per cwt. or 55*s.* per ton, and to Nottingham it was 4*l.* a ton. Gradually Nottingham began the silk trade, and it has not been thoroughly equalized at the present moment. We charge 3*l.* per ton to Derby, and 3*l.* 10*s.* to Nottingham.

12,489. (*Capt. Galton.*) Why have you raised the price to Derby?—We have raised the Derby and lowered the Nottingham charges so as to put the two on the same footing. Silk is manufactured almost as much at Nottingham as at Derby, and we are gradually putting them both upon the same footing.

12,490. You have raised the Derby rate because there has been a diminution in the production, I suppose?—It is not so. Derby at one time refused to take any responsiblity for the carriage of silk; and then, we said, "We will have two rates, one at your "own risk, and one at the company's." We charge 3*s.* at the owner's risk, and 4*s.* 6*d.* at the company's risk.

12,491. Why did you raise it from what it was before?—We only raised it from 2*s.* 9*d.* to 3*s.* That is all the advance, and that was many years ago.

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I should think it is now 10 years ago, probably, and it has remained at the present rate ever since.

12,492. (*Chairman.*) Do you maintain that the gentlemen who came here on behalf of the Derby Chamber of Commerce do not represent what would be the manufacturers in the town?—No, they do not. As to Mr. Cox, taking the entire of Mr. Cox's account, it is a very small one, and Mr. Renals' is the same; and in the case of Mr. Nicholson, who represents the silk trade, his account is about 10*l.* per month. That is a very unimportant amount, and I should mention that he complains that the silk rate to Derby is 3*s.* per cwt., or 3*l.* per ton. A ton of silk is worth about 2,800*l.*, and if we take the risk ourselves we get 4*s.* 6*d.*, or 4*l.* 10*s.* for carrying a quantity for which we are liable to 2,800*l.*

12,493. (*Capt. Galton.*) You are speaking of the raw material, whereas he was referring to the manufactured goods?—Then the argument is still more in my favour. He speaks of ribbons being put on rollers, and that we charge the same rate for the manufactured article as we do for raw silk, on account of the weight of those rollers. But if you take 5 cwt. of raw silk, and 5 cwt. of the manufactured article, including the wood. The value of the manufactured article is very much greater than that of the raw material. But 3*l.* 10*s.* per ton, for an article worth 2,800*l.*, I do not think can be considered excessive.

12,494. (*Earl of Belmore.*) You think that Mr. Nicholson is unreasonable when he says, in answer to question 8778, "And you decline to pay that?" (meaning 4*s.* 6*d.* per cwt.)—"Yes, we decline to pay "that; we think 50 per cent. upon the actual carriage "a very heavy tax upon us."—I can only say that 4*l.* 10*s.* for a ton of stuff worth 2,800*l.* does not appear to me to be an excessive charge. As regards the population of Derby I find, including Litchurch, that the increase in the population is 17½ per cent. I have taken out a variety of manufacturing and commercial towns, including such places as Ashton, Aylesbury, Blackburn, Coventry, Derby, Dudley, Exeter, Gateshead, Huddersfield, Halifax, and towns similar in population, and I find that the average increase in all those towns amounts to 14·89 per cent., whereas Derby has increased 17½ per cent. I also find that one of the witnesses alludes to the rateable value. I find from the Derby and Litchurch poor-rate books that the value of the gross rental of property in Derby in 1855, including Litchurch, was 175,691*l.*, and that in 1865 it was 187,863*l.*, which is an increase of 12,172*l.* That I think is another indication of the prosperity of the town of Derby. If the Commission will allow me I will hand in these two statements.

RETURN showing the AVERAGE PER-CENTAGE of INCREASE in PLACES where the Population in 1851 was over 20,000 and under 50,000.

Places.	Population.	
	1851.	1861.
Ashton-under-Lyne	30,676	34,886
Aylesbury	26,794	27,090
Blackburn	46,536	63,126
Cambridge	27,815	26,361
Cardiff	20,424	35,541
Carlisle	26,310	29,417
Chatham	28,424	36,177
Cheltenham	35,051	39,697
Chester	27,766	31,110
Coventry	36,208	40,936
Cricklade	35,503	36,893
Derby	40,609	43,091
Dover	22,244	25,325
Dudley	37,962	44,975
East Retford	46,054	47,330
Exeter	40,688	41,749
Gateshead	25,568	33,587
Great Yarmouth	30,879	34,810
Halifax	33,582	37,014
Huddersfield	30,880	34,877
Ipswich	32,914	37,950
Macclesfield	39,048	36,101
Maidstone	20,801	23,058
New Shoreham	30,553	32,622
Northampton	26,657	32,813
Oxford	27,843	27,560
Reading	21,456	25,045
Rochdale	29,195	38,184
Southampton	35,305	46,960
South Shields	28,974	35,239
Stalybridge	20,760	24,921
Stroud	36,535	35,517
Swansea	31,461	41,606
Tynemouth	29,170	34,021
Wakefield	22,057	23,150
Walsall	25,680	37,760
Warrington	23,363	26,947
Wenlock	20,588	21,590
Wigan	31,941	37,658
Worcester	27,528	31,227
Yarmouth	30,879	34,810
York	40,359	45,385
Totals	1,283,040	1,474,116

POPULATION.

1851	1,283,040
1861	1,474,116
Increase	191,072, or 14·89 per cent.

COMPARATIVE STATEMENT of GROSS RENTALS of PROPERTY in DERBY.

	1855.	1865.
	£	£
Derby	151,197	154,709
Litchurch	24,494	33,154
	175,691	187,863
		175,691
Increase, 1865		£ 12,172

I observe that Mr. Nicholson is very anxious that silk should be taken out of the Carriers' Act. Of course everyone in his own particular trade would desire to see the risk thrown upon the company.

12,495. (*Chairman.*) What have you to say with regard to Mr. Wheeldon's complaints?—With regard to Mr. Wheeldon, he puts in a table, and he complains of the Midland rates to Liverpool. As I stated before, we were not carriers to Liverpool until a very recent period, and we have nothing to do with those rates. He then puts in a table from Edinburgh to London, Newark, Derby, Burton, and Birmingham. It is a difficult table to understand, and he gives a table from Manchester to Newark, Nottingham, and Derby, and another from Liverpool to Melton, Peterborough, Lincoln, Newark, Stamford, Grantham, Nottingham, and Derby. From Edinburgh to London we are not carriers; from Edinburgh to Newark we are not carriers; we are carriers from Edinburgh to Derby and to Burton and to Birmingham, and those rates bear a favourable comparison with the others. From Manchester to Newark we are not carriers; from Manchester to Derby we do not fix the rates; from Manchester to Nottingham, to which place we are carriers, and have a voice in fixing the rates, the rate is 12*s.* 6*d.*, whereas from Manchester to Derby the rate is 15*s.* In saying that we are not carriers to Derby, I mean that the rate is fixed by the North Staffordshire Company perfectly irrespective of the Midland Company.

12,496. Is it the same if the goods come by Buxton from Manchester to Derby?—Quite the same. We have no control over the rate; we are not at present in Manchester. When we are, and when we open our own line, those rates will probably be equalized.

Mr. Wheeldon also alludes to the rates from Derby to Uttoxeter, from Derby to Burton, and from Derby to Nottingham. To Uttoxeter, he calls it 19 miles, 5*s.* 6*d.* and 6*s.* 8*d.*; that is again entirely the North Staffordshire line. From Derby to Nottingham, which is 16 miles, it is 3*s.* 3*d.*; that is entirely the Midland line. From Derby to Burton, which is 11 miles, it is 2*s.* 6*d.* to 3*s.* 9*d.*; that again is entirely the Midland line. Also Mr. Wheeldon, like the other witnesses, says that by getting another railway into Derby they would have those rates considerably reduced.

12,497. (*Capt. Galton.*) Your argument is that all the rates which have been complained of, and with which the Midland have anything to do, are lower than the other rates which have been complained of, are they not?—Yes, they are; and they will bear comparison with rates from any other place in the kingdom under similar circumstances. Mr. Wheeldon also complains of the low rate to Burton as compared with Derby. There again the Burton trade is a very peculiar trade. There is probably more barley sent into Burton in one week than all the grain put together that is sent to Derby in twelvemonths. And, acting upon the principle that we have always done in developing the particular trade of a district, we have given Burton very low rates for the carriage of barley and malt from various parts of the country.

12,498. His complaint is that you have recently raised the rate from Burton to Derby?—We raised it from 2*s.* 6*d.*, I think, to 3*s.* 6*d.* per ton.

12,499. He says 3*s.* 9*d.*?—It is 3*s.* 6*d.*

12,500. That is a considerable rise of the rate from 2*s.* 6*d.* to 3*s.* 6*d.*?—I should say it is from 2*s.* 6*d.* to 3*s.*; and when you come to deduct for the station expenses, it is a very small rate.

12,501. For what reason did you raise it?—We went through the Burton and Derby rates, and there were some inequalities in the rates to Burton, from Tamworth to Burton and from Derby to Burton, and we rectified those inequalities; that was the object of it. There is very little traffic from Derby to Burton. No grain is grown in the neighbourhood of Derby of any importance; it is purely a grazing country; but the great bulk of the grain comes from Lincolnshire and Norfolk and the grain-growing counties. The same remark will apply to the table which he puts in in answer to question 8885. He gives the rates from Burton, Newark, Leeds, and Derby, to Lynn, Swaffham, Dereham, Fakenham, Snettisham, Narboro', and Wells. We are not carriers to Newark nor to Leeds for that description of traffic; and if you will compare Burton and Derby with Newark and Leeds they bear a very favourable comparison. I think I have gone through pretty well the evidence of that description.

12,502. (*Chairman.*) From Nottingham there is quite a different class of complaint with regard to the coal trade being limited to nine particular coal dealers. What have you to say in answer to that?—We had a very small coal wharf at Nottingham. We bought a very large quantity of land, about 15 to 20 acres, and we converted it into a coal wharf. The moment we did that almost every person in Nottingham began to receive coals, and the place became so utterly confused and so crowded that it was impossible to carry on the business. We were receiving constant complaints both from the consumers and the traders in Nottingham and the coal owners, and I went myself to Nottingham and spent nearly a day there for the purpose of investigating them, and I found that although we had appropriated so large a space to the coal traffic, the whole yard was so crowded that it was impossible to get rid of the trucks. I found upwards of 500 trucks of coal standing in the Nottingham yard, and it was quite impossible for any of the parties to get at them. I then ascertained that great numbers of them were small dealers receiving a single truck, and that others were private consumers receiving perhaps a truck. It was absolutely essential to take steps to put a stop to that state of things, and we selected the largest merchants, and said, now we can only accommodate a certain number who will want to stack a certain quantity of coals, so many hundred tons each. There is the land. If it had been large enough for a dozen, we should have selected a dozen, but it was not. But we said (and I wrote, I think, myself to two parties who had complained, not dealers, but consumers), if you consumers choose to form yourselves into an association to get a sufficient quantity of coal so as to have a portion of the wharf allotted to you we will do so. But so far from causing any complaint on the part of the public generally, it has had directly the reverse effect. The public generally are perfectly satisfied, and there is not a coal owner upon the line who is not satisfied, and the arrangement is now working admirably for everybody. I see there is one witness who states that it has had the effect of advancing the price of coal, but that is not so. The price of coal all over the kingdom has advanced, but I am assured by most of the important coal owners upon the line that that arrangement has not had the effect of advancing the rate; on the contrary, it has rather tended to reduce it, because the coal owners get their waggons back much more quickly now than they did when they were in that state of confusion, and they can afford to sell the coal cheaper than they did before. I observe that one gentleman, in speaking of favouritism, says that the chairman of the Midland Railway, Mr. Ellis, is a coal owner and proprietor of the Hucknell Colliery. Mr. Ellis, I should say, died before that colliery was opened. It is true that his son, who is also a director of the Midland Railway, is one of the partners in that colliery, but he has no more influence as regards the rates than any gentleman in this room; and he also states that two gentlemen, Mr. Jessop and Mr. Wright, who are partners in the Butterley Colliery, are connected with the Midland Railway. That is not so. Mr. Jessop and Mr. Wright have no more connexion with the Midland Company than with any other railway company. I am not even aware that they are shareholders. The inference intended to be drawn was, that those gentlemen who are connected with the railway have some favour shown to them beyond the general public, but there is not a particle of foundation for any such charge.

12,503. (*Mr. Glyn.*) Upon what principle do you let the occupiers into those wharves?—Upon the principle of the largest dealers. One of those gentlemen who complains has the bulk of his trade by canal, and I can only suppose that he wanted accommodation in the yard for the purpose of getting the yard blocked up. He would order a truck or two of coals to be brought to the yard, to the manifest inconvenience of every trader and every consumer at the station. In fact, we found it impossible to deal with the trade. I have no hesitation in saying that under the present system the public of Nottingham are supplied with at least 50 per cent. more coals from this station than they could be if there were 60 or 70 dealers, each having a single truck, or two or three trucks. The same system must be adopted by every company; upon the London and North-western Railway at Camden Town they are obliged to restrict the wharf to certain individuals. They have I think there, as we have, taken the largest traders and let them the wharf.

12,504. (*Capt. Galton.*) The North-eastern Company have adopted a somewhat similar plan over the whole of their line, have they not?—No; the North-eastern Company have adopted this plan, they sell the coal for the coal owners. They found the same difficulty that we did. They found that, perhaps, 50 or 60 coal owners were anxious to send to any one particular station, each having an agent. That was very expensive, and caused great confusion, and they said, we will appoint a clerk of our own, and he shall sell the coal; he shall not interrupt in any way the desire of the trade. What a man asks for, that he shall have; that is their system. We have not done that. I think that that system to some extent is objectionable. But we allow the coal owners to appoint their own agents, and we said to the coal owners, whom should you like to have appointed? We said to Butterley, to Claycross,

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and so on, whom do you wish to have wharf land allotted to? And we acted entirely upon the coal owners' recommendation.

12,505. The North-eastern Company give a great many more coal owners access to York than you give at Nottingham, do they not?—No.

12,506. They give about 60 coal owners access to York, as Captain O'Brien stated to the Commissioners? —I should think that there are more than 60 coal owners sending coal to Nottingham.

12,507. Did you not state that there were only nine? —I said nine dealers. A dealer buys his coal it may be from 10 or 12 coal owners. I can safely say without fear of contradiction that it is the only system that can be adopted with fairness to the company and to the public generally.

12,508. (*Mr. Glyn.*) Is it not a condition that those dealers should pass a certain quantity of coal through the wharf annually?—No, we selected those that we knew were the largest.

12,509. (*Chairman.*) Are you adopting the same practice at other towns?—At every large town on the line.

12,510. So that it is nothing peculiar to Nottingham? —Nothing at all.

12,511. (*Capt. Galton.*) Does not that entirely prevent any new coal dealer starting in Nottingham? —No, not exactly, If we find that a coal dealer wishes to start he would come to us and say, now, the Butterley Co. have agreed to sell me coals, and that being one of the largest collieries upon our line, we should at great inconvenience to ourselves accommodate the man.

12,512. Then you would turn out somebody else?— No, we should increase the number by curtailing the accommodation that the others possess. But if we say to the Butterley coal owners, is it your desire that this man should become your agent for the sale of your coals in Nottingham? And they say, "No we do not desire it," we should not appropriate the wharf to him.

12,513. (*Earl of Belmore.*) There is this difference between your company and the North-eastern Company, that they deal at their stations directly with the coal owner, whereas you deal with the coal agent or coal dealer?—No, we deal with the coal owners. We charge the coal owners the carriage; we have nothing to do with the agents. As I said before, we ask the coal owners whom they would like to have appointed as agents, and as a proof that it is satisfactory to the coal owners, there is not a single coal owner complaining.

12,514. (*Mr. Glyn.*) Do you let your wharf to the coal agents?—We do not let the wharf at all; we charge a terminal of so much per ton. We do not charge so much per year as rent for the wharf.

12,515. (*Earl of Belmore.*) You do not act in the same way that the North-eastern Company gave evidence that they do to the coal owners?—No; we charge the coal owners the dues.

12,516. You do not charge them a rent?—No; we do not charge a rent at all, we charge so much per ton; at Nottingham we charge 2*d.* per ton for terminals.

12,517. (*Capt. Galton.*) And all charges are paid by the coal owners?—Yes, all charges are paid by the coal owners.

12,518. Practically the way you put it would be this, that you ask the coal owners in the Erewash Valley to appoint nine agents for selling coal in Nottingham and leave it entirely to them?—We do not say nine. If it so happened that there had been ten or a dozen important coal dealers we should have curtailed the space of the others and have appointed those ten; but it so happened that there were only nine; it might have been that there would only have been eight or six, but we certainly take large dealers in preference to small ones.

12,519. Then Mr. Brentnall is not a large dealer, I suppose?—No, very small indeed by railway; he has a certain amount of trade by canal, and that is his principal trade.

12,520. Is that canal independent of the railway? —It is perfectly independent of us; it belongs to the Great Northern Company, and we have no control whatever over it.

12,521. (*Chairman.*) Do you wish to make any additions to your answers with regard to the complaints which have been made?—I think that I have pretty well exhausted them. There are many others, but the same principle applies to them.

12,522. (*Capt. Galton.*) You have not referred to the complaints of Mr. Corbett, I think?—I think Mr. Corbett's complaints do not extend to the Midland Railway, and Mr. Gentel also. I do not think that he complains of the Midland Railway at all; in fact it is remarkable to observe the almost unanimity (with the exception of three gentlemen at Derby) of all the witnesses in praising the Midland system. I wish to point out that if the Midland Company had been the obstructive which some of those gentlemen would lead the Commission to believe, I do not think there would have been the extraordinary development of the district which has taken place. I may mention that from 1850 to 1865 the increase, without a very much increased mileage, has been from 2,479,000 tons to 9,169,000 tons; whilst the passenger traffic upon the entire of the Midland system has only increased some 49 per cent., the mineral traffic has increased about 400 per cent., and the goods traffic between 200 and 300 per cent.

12,523. (*Capt. Galton.*) Mr. Corbett's answer to question 10,910, although not a charge against the Midland Company, bears a little upon the question of the Midland traffic. He complains that in sending his salt down through Bristol your waggons were detained a long time at Bristol, and that you charged him demurrage, although he had no possible control over them, because the salt was going on by the Bristol and Exeter Railway on to the broad gauge, and that the delay arose in consequence of the broad gauge railway not having provided trucks to take on the salt?—That is perfectly true; but you see we can only deal with Mr. Corbett in this matter. We say to him, we find you trucks to carry your salt to Bristol. When we start from the Stoke works we do not know that the salt is going by the Bristol and Exeter line.

12,524. Did not he get a through rate?—No.

12,525. He got a rate from you to Bristol, and from the Bristol and Exeter line forward?—Yes. It was Mr. Corbett's duty so to arrange his trade that that salt should be transferred from narrow gauge trucks to broad gauge ones.

12,526. You consider that he ought to have had an agent at Bristol to change it?—Yes. We have no control over the matter. The salt is standing in our yard in our trucks, and all we can do is to urge Mr. Corbett to unload the waggons as quickly as possible. We do not know where the salt is going to.

12,527. Practically, when he puts his salt in the Midland trucks at Stoke does not he forward it, or send an invoice with it showing that it is to go on to Exeter?—No; we only invoice to Bristol.

12,528. Do you invoice no goods beyond Bristol? —Not in the case of salt. It is only very recently that the Bristol and Exeter Company have allowed any goods to be invoiced beyond Bristol at all; they have only recently joined the clearing house.

12,529. Have they created obstructions in the way of traffic flowing in that direction?—I do not know that they are obstructions, but they have not had through rates; they have not given the facility of through rates till recently, but now they have done so.

12,530. Do you find the break of gauge a very serious inconvenience at Bristol?—A very serious inconvenience; the most serious inconvenience that we have to contend with on that part of our line is the break of gauge at Bristol and Gloucester. It has practically annihilated the whole of our trade at Gloucester with South Wales. Since the opening of the narrow gauge lines from Newport round by

Shrewsbury and various other places the whole of our traffic from South Wales has been annihilated.

12,531. Is the inconvenience such that the public suffer from it to a great extent or not ?—To a certain extent they must suffer.

12,532. I mean the public interests generally of the country ?—I think so, undoubtedly. The delay which necessarily takes place in transferring goods from the broad to the narrow gauge, or *vice versâ*, is very great, and it entails loss on the public. Take the case of Swansea. There is a very large copper trade from Swansea to Birmingham ; the whole of that at one time passed through Gloucester, and had to be transferred. You cannot calculate less than a day for the transfer ; and the entire of that traffic is lost now to the Midland Company, because there is a narrow gauge route through from Swansea through the country by way of Shrewsbury and back to Birmingham.

12,533. That goes a long way round, does it not ?—Not to Shrewsbury ; it goes by way of Stourbridge.

12,534. By Worcester and Wolverhampton to Birmingham ?—Yes, that is the route it takes ; but we have no power over that at present.

12,535. Do you find any inconvenience with regard to the lines in the south going towards Exeter and Devonport ?—Yes ; there is a very large traffic now absolutely sent through London, and by the London and South-western Railway, to Exeter, which formerly went by way of Bristol, and which would go by way of Bristol if there was not the break of gauge. In fact, so important have we considered the break of gauge that we have offered to the Great Western Company to contribute very largely towards finding the capital for laying down the narrow gauge from Gloucester to Swansea.

12,536. (*Chairman.*) Except in the instance of a break of gauge, do you think that any general regulations could be introduced to obtain facilities for the interchange of traffic between different railway companies ?—I think not. I think there is such a general interchange of traffic now between almost all the companies, that I do not think any legislative interference is at all necessary. I think it would be manifestly unfair if companies were compelled to adopt through rates with each other ; it would, practically, be a compulsory partnership.

12,537. (*Capt. Galton.*) Is it entirely that ? If you were compelled to give a through rate you would simply have the power of charging the maximum rate on the line of one company at all events ?—Let me give an instance. The Midland Company have spent millions in getting into the Derbyshire and Nottinghamshire coal-fields, for the purpose of carrying coals to various points. The Midland Company has a line one way from the collieries to, say, Peterborough, and there is a line also from the collieries, *viâ* Nottingham, to Peterborough. It would be manifestly very unjust to the Midland Company to say, although you have spent your money, and although you are willing to carry to Peterborough at the same rates, you shall be compelled to divide with the Great Northern Company. It is true we make arrangements, and have made arrangements, with the Great Northern Company, by which they get traffic, by way of Nottingham, to Peterborough, but that ought to be left to the private arrangement of the companies.

12,538. (*Mr. Glyn.*) Do not you, in fact, find in practice that the booking through both of passengers and goods from one company to another is carried on so satisfactorily as to obviate almost the necessity of having any further compulsory powers ?—It is so. I do not think that it could be very much extended without great inconvenience. Some of the witnesses talk about the compulsory booking through of passengers. We find it impossible to book through passengers on our own system. The number of tickets become so unwieldy and so extraordinary that we are obliged to divide our own system, and the same is the case with the London and North-western Company.

12,539. You do not even book through on your own system ?—No.

12,540. You do not book, for instance, beyond Birmingham, I think ?—We book from the principal stations ; for instance, from Leeds, Sheffield, Nottingham, or Derby we should book through to Worcester, Gloucester, Bristol, and so on, but from Darfield, north of Derby, to Desford or to Eckington on the Bristol and Birmingham line, we should not book through probably ; it would not be possible I mean, because it would be encumbering the stations with such an immense mass of tickets. The number would be so voluminous that no system of check which could be adopted would be sufficient.

12,541. (*Mr. Glyn.*) The restriction is absolutely necessary, and the system of through booking could not be carried out as a matter of clerical detail ?—Precisely so. I may mention that on the Midland Railway we have about 300 stations, and you must have 1st, 2nd, and 3rd class tickets, and including return tickets and special tickets altogether, we should require about six tickets for each station. But supposing each station only issued one ticket per day, still you cannot send to a station less than one hundred tickets, and if you multiply that by a number of stations it becomes so unwieldy that the tickets issued to the stations would amount to hundreds of thousands.

12,542. (*Capt. Galton.*) Each of your station offices must contain 3,000 boxes of tickets ?—Yes, and it would be perfectly unwieldy in practice.

12,543. (*Mr. Glyn.*) They could not be manipulated, I suppose ?—They could not. As regards passengers, I am sure all the companies are treating the public very fairly in booking through.

12,544. And as regards goods ?—And as regards goods also. It is a great inconvenience to the companies themselves not to have through rates. I admit that there was a time when through rates were refused in a variety of cases, but that is all gradually dying away ; there is very little of it now.

12,545. (*Capt. Galton.*) You consider that in the course of a few years at all events the railways will be worked almost as one system ?—I think so, leaving the companies to make their own arrangements.

12,546. (*Mr. Glyn.*) Take the other point of view. In forwarding on is it not to the advantage of every company that they should forward on both goods and passengers as quickly as they can ?—Quite so.

12,547. No delay or impediment is ever thrown in the way, for it would be against the working of their whole system if they did it ?—I do not think that it is to any appreciable extent carried on in any part of the kingdom. The Midland Company certainly was perhaps one of the first to adopt what I may term free-trade principles upon their railways, and we have for years been endeavouring to induce the companies around us to make through rates. Take the article of coal : for many years we tried to induce our friends, the London and North-western Company, to do so, and they refused until the last few years. Now we have a system of interchange of coal, and we take our mileage proportion without reference to any competing point. Take the case of London : we have our own line to London and we could carry a greater bulk of coal, but we are just as anxious that the London and North-western Company should carry all they can, and the same with the Great Western, and the same with the Great Northern. I have here a return of coals into London during the last year. It is a sheet which is issued by the Coal Exchange under the authority of the Corporation of London, upon which the coal duties are charged, and during the year 1865 the total quantity of coal carried into London was 2,733,000 tons, and of that 2,733,000 tons nearly 1,500,000 tons were from collieries upon the Midland Railway, not carried to London by the Midland Company, for we only carried 134,000 tons ourselves, but by the Great Northern, the London and North-western, the Great Western, and the Great Eastern Railway Companies that large quantities of coal was taken to London.

12,548. (*Capt. Galton.*) Still the distance that the coal would travel from the collieries on the Midland

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line would be for a considerable portion over the Midland Railway ?—Yes.

12,549. For instance it would go over your line to Rugby ?—Yes ; to Rugby for the London and North-western ; to Peterborough for the Great Eastern ; and to Nottingham for the Great Northern. All the collieries upon this list marked with a tick are collieries upon the Midland Railway, and the Commission will see what an immense number they are. If 20 additional lines were made into the coal district the coals would not go more freely on the respective systems than they do now.

12,550. (*Chairman.*) You stated, did you not, that from your own collieries towards Peterborough you would encourage coals being taken as much as possible on your own line ?—Yes, unless there is some equivalent given by the Great Northern Company. I say absolutely it would be manifestly unfair to compel us to divert that traffic by way of Nottingham instead of over our own line, although we have made arrangements with the Great Northern and the Great Eastern companies, who will take their mileage proportion of any rate which they themselves choose to charge, our object being to encourage the development of the coal traffic.

12,551. In all cases, if you make arrangements with other companies, do you get some equivalent from them in return for the facilities which you allow them for the coal being transported on their line ?—The coal trade is different perhaps to any other. The coal trade requires developing and sending to as many places as you can. Take the case of London. I believe that the sale of coals at Camden does not at all interfere with the sale of coals at King's Cross or at Paddington, and it is our interest not only to send all the coals we can to King's Cross, but all the coals we can to Camden. That is the interest which we have, because although we do not carry it over the whole length of our line, we have a certain distance,—to Rugby in one case and to Nottingham in the other,—and that is the advantage in the coal trade. With regard to ordinary goods traffic, we exchange with other companies on condition that they exchange with us.

12,552. Would the Great Northern give you any equivalent for allowing your coal to pass over their line to Peterborough ?—No ; but that was part of a general interchange of coal traffic between the two companies. There was a large district which the Great Northern Company had to supply with coals which we wanted to get at which they were supplying from South Yorkshire, and we said, now throw open your line to us and we will not exclude competing places.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Thursday, 22nd February 1866.

PRESENT :

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
E. T. HAMILTON, ESQ., M.P.
J. R. M'CLEAN, ESQ., PRES. INST. C.E.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

S. Clarke, Esq.
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SEYMOUR CLARKE, Esq., examined.

12,553. (*Chairman.*) You are General Manager of the Great Northern Railway ?—I am.

12,554. Have you had an opportunity to read the evidence given before this Commission ?—I have.

12,555. Have you observed any statements in it affecting the Great Northern Company, upon which you desire to offer any explanations ?—I have been very glad to find that the complaints made against the Great Northern Company are very slight indeed, and that, in fact, they consist almost entirely of the complaints of Mr. Smith, a grocer, at Lincoln, and Mr. Gentel, a corn merchant, in the same town. I have, if the Commission desire it, replies to all those complaints in detail, and I think they are satisfactory ones.

12,556. Without going into any great detail, perhaps you can give an answer to the general nature of the complaints, for I believe they are all very much of the same character ?—Yes, they consist chiefly in alleged grievances ; for instance, that the rates are not equally charged to those two gentlemen, as compared with the rates that are charged elsewhere. Mr. Smith, a grocer, complains that charges are made for lumps of sugar which are different from the charges made for sugar in hogsheads, and he complains that boxes of grapes, which are small and comparatively valuable things, are not charged according to the same rate as onions ; but the details into which he has gone are so great that, although I can give an answer to them, I do not think I can generalize them more than that. In answer to question 9064, " Was not that altogether a matter of " accident ;" he says, " If the 8 lbs. of grapes had " been put inside the box of onions, and it had been " all entered as onions, it would have come down " under one rate ; but these are the advantages that " the railway companies take of us, which we think " to be an injustice." Considering the difference between onions and grapes, I should think it would damage the grapes very much if they were put inside a basket of onions. But the principle upon which we make charges to people of this class I will explain. This retail grocer lives in the upper part of the town, and those who know the town of Lincoln well will be aware that the upper part of the town is on a very great eminence as compared with the lower part ; but we make no extra charge for delivering this gentleman's goods, although he lives at the top of the hill, as compared with the man at the bottom. It might be perhaps a grievance on the part of the man at the foot of the hill that we did not charge him less than we charge Mr. Smith ; but we have to generalize things, and not to select any one man, and charge him any particular rate. With regard to the classification of goods, we follow, as much as possible, the order as laid down by the Act of Parliament, although we raise the charge sometimes upon one class, such as " bags of grain and meal, and the like ;" we class them, and charge them in bulk ; but if they are separate goods we are justified in charging them separately, always however within the maximum charge, and very considerably so in most cases.

12,557. The objection of Mr. Smith appears to apply to your classification ?—Yes, I dare say the clearing house book has been put in here ; indeed, it must have been because the inquiries which have been made are based upon the clearing house classification. I mean the returns that were sent to be replied to by the several companies ; the classification is, to a certain extent, no doubt known in this room. I have read the evidence, not only as applicable to the Great Northern Company, but in general, and the complaints against the classification I find are somewhat numerous. The classification as it now stands is

the result of the experience of a great many years; it is revised in the last month of each year, so as to apply to the succeeding year; but the variations which have been recently suggested in a conference of the goods managers of the different railways are very slight indeed. Nobody, I should fancy, would suggest that onions and grapes should be put in the same class.

12,558. You say there is an annual revision of the classification?—Yes, at a conference which is held of goods managers. The business of all railway companies is managed by a man occupying the position I do, who takes the general charge of the whole. Then there is the passenger department, of which there is a manager, but he is called the superintendent. Then there is a goods' manager; and the departments are large and numerous enough to require separate heads for the several branches. The passenger fares come under the constant revision of the passenger superintendent. The goods rates come altogether under the charge of the goods manager.

12,559. (*Mr. Glyn.*) The goods managers, I believe, meet frequently in a year to consult and make arrangements as to reductions of rates?—Yes; there are conferences for all sorts of purposes, for regulating the Liverpool traffic, for regulating the Manchester traffic, the suburban traffic of London, and the traffic of London itself. There is one called the "Normanton Con- "ference," which embraces the railways in that part of the world; this business cannot be conducted under one special head, the system is too large.

12,560. (*Chairman.*) On these occasions are any complaints that have been made in the interval taken into consideration?—Yes, that is the object of the meeting, to set things right that are complained of; for example, if goods fall in value, or if it is found that in carrying them there is more risk than was expected, or if application is made to the railway company as the carriers, that the goods may be admitted into a lower class, &c., but I may say that the variations now are very slight.

12,561. (*Mr. Glyn.*) Are these applications for reductions always considered at these meetings?—Yes, and I will give you an instance of it. A grievance was made on the part of the sugar trade in general; it was not only applicable to London, but it was general, and they invited a conference with the railway companies in general. We met them, listened to their grievances, and it was found that, to a certain extent, we were able to meet them. The complaint of Mr. Smith, the grocer, was met by an alteration that was made quite irrespective of him and quite irrespective of this Commission. The complaint that he made about lumps of sugar being of a higher class than sugar in hogsheads was met, and now we have no difference in charges for lumps of sugar as compared with bags or hogsheads of sugar.

12,562. (*Mr. Hamilton.*) Does it rest entirely with the goods managers who meet in conference to vary the classification?—No; all the acts which they do are subject to the revision of the general managers, and, if necessary, of course of the boards of directors.

12,563. Still there is no power outside the railway?—No, not while we are within the maximum. When we are below the charges authorized by the Act of Parliament under which we are constituted, then there is no appeal beyond what may be the common sense of the case made by the parties with regard to some grievance under which they may think they labour; there is the vexed question of terminal charges.

12,564. On what principle is the classification based, within the maximum amount, of course?—Not always.

12,565. On what principle is it based;—is it on the amount that a particular class of goods will bear?—No; the classification has nothing to do with the charge. There are some thousand articles, glue, glue pieces, glycerine, goats hair, gums, &c. These goods are grouped or classed, but they are not charged; there is no charge carried out for them. If you will look in the margin of the list, you will see that "yarn" is in the second class, but "woollen yarn" is in the third. White zinc is in the first class, but the class has reference always to the Act of Parliament and to the toll clause in it. Then each Company has, at its discretion, to put a certain price against these goods as chargeable from London to Manchester, or from Bristol to Liverpool.

12,566. But not necessarily uniform in any one class?—No; all goods in the accepted class, or in the accepted classification, are charged at the same rate between any two places.

12,567. Take Mr. Smith's case, on what ground was there a different charge as between onions and grapes?—Because they are in a different class.

12,568. (*Lord Stanley.*) What is the ground for a different charge being made for articles that are differently classified. Is it that the one are supposed to give more trouble to those employed on the railway or require more care than another?—There are two grounds for it; first, there is the care that is necessary, and the trouble and the risk, and then there is a clause in the Act of Parliament which gives power to the companies to charge different rates for goods of different values. I have our Act before me in which there are the "Regulations for the tolls;" the clauses in the Act are not the clauses which are adopted by the railway companies; there are goods in several classes which are below, or at any rate do not exceed the amount that we are justified in charging. In the Great Northern Act of Parliament the first class, which is the cheapest, refers to coal and coke, cinders, and things of that sort, and curiously enough the next article which justifies rather a larger charge begins with dung and manures, and goes on to a higher class of goods, such as bricks, slates, and things of that undamageable character. Iron not damageable, and damageable iron; that is, comparing pig iron with sheet iron. Finished iron is subject to damage; for instance, if we do not cover the goods properly, or leave them exposed to the weather, we are liable to parties for any damage done.

12,569. (*Capt. Galton.*) Then your classification does not agree with the parliamentary classification?—No; in practice it is found necessary that articles should be immensely more subdivided, and when I read some of the things that are mentioned in the Act of Parliament, and which are comprised in a very few lines there, it will be seen that there are many things which never occurred to anybody before, and it would be plainly impossible in a thing which is dealt with so laconically as an Act of Parliament to comprise those things. In the third class there is sugar, grain, hides, Manchester packs, woollen and calico goods, earthenware, timber, hardwares, and so on.

12,570. Does the classification in the Act of Parliament embrace everything in the clearing-house classification, or is something which might come under class 3 in the Act of Parliament placed under class 4, or class 5 in the clearing-house classification?—Very possibly; no doubt it is so.

12,571. Then no attention is paid to the classification in the Act?—No, except as to fixing the maximum charge.

12,572. (*Mr. Hamilton.*) Have you any authority in that Act of Parliament for departing from it?—If we go lower, certainly.

12,573. (*Mr. Glyn.*) The only thing that governs you as to the charge is the maximum toll?—Yes; we cannot go beyond that, but as much lower as we please.

12,574. (*Capt. Galton.*) Do you charge for everything in the several classes of the clearing-house classification exactly the same rate as between any two towns?—No; there are exceptions no doubt.

12,575. Then what is the object of the classification if you make exceptions and depart from it in your charges?—The object is to generalize the charges applicable to those several things, but there are circumstances which do justify these exceptions, and which all railway companies are obliged in questions of competition, and chiefly sea competition, to adopt; that is, they charge upon goods lower than they appear in the classification.

12,576. If you charge a lower rate for goods, say in class 3, than that class would command, you would not

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remove them from that class into the next lowest class, but you would deal with them as a special case ?—Yes, and make an exception.

12,577. If you had introduced an article from a low class in the Act of Parliament into a higher class in the clearing-house classification, you would, in order to avoid charging more than the maximum, put upon that article a special rate ?—The exceptions are invariably reductions. If goods are classed generally in class 2, class 3, or class 4, as the case may be, and it is desirable, as between any particular towns, in consequence of water competition, which is the chief competition, that an exception should be made by putting that article into a lower class, it is done so as not to upset the general bearing of the classification as it stood.

12,578. (*Mr. Glyn.*) Do you give that answer without exception when you say that it is invariably in favour of the public ?—There is no alteration from the classification that is not in favour of the public.

12,579. (*Capt. Galton.*) Do you never remove an article from a lower class to a higher one ?—Certainly we may do that, but then it would be by general arrangement among the companies.

12,580. That would be against the public ?—Yes ; but it would not be in excess of the Act of Parliament.

12,581. Do you ever remove an article from a lower class in the Act of Parliament into a higher class in the railway classification ?—Certainly, if it does not exceed the maximum that we can charge.

12,582. Then you would be limiting your higher class to the maximum fixed by the Act for the lower class ?—Yes ; but the operation of the classification is not to enable us to charge more than the Act justifies. We have no power to do that.

12,583. Suppose that between two towns you charged your full maximum rates, and that you raised one of the articles from the lower class in the Act of Parliament to the higher class in the railway classification, would you not be then limiting the whole of that higher class to the maximum which you could charge for the lower class ?—No ; that is not the operation of it. If the goods are classed generally, and there is an exception necessary in order to enable the companies to carry a particular article, say flour, between any two towns; flour is in the second class, and we should make an exception, and charge it at a lower rate than the second class, but that would not lower all the articles in the classification ; if we put an article in a higher class one year than it was found necessary to keep it in the year before, that does not of necessity put out all the articles that are in the same class with it.

12,584. You simply move it from a lower class to a higher one ?—The tendency is always downwards.

12,585. Then the classification is wanted simply for general qualities of goods ; you make numerous exceptions from it ?—Comparatively speaking they are not very numerous exceptions. The classification is made according to the rule established among the railway companies as to what charges should be made for goods, and they are so specified in the clearing house table which is before you. That guides all those parties in making the charges, and it is very essential that it should be so, because in cases where several companies carry to the same town, and in fact there are three or four companies now carrying to most towns of importance, such as Leeds ; the Midland Company carry to Leeds, the North-western Company, the Great Western Company, and the Great Northern Company carry to Leeds—a regulation amongst those four companies is established that goods of a certain class shall be charged a certain amount, and it is not competent to any one company to alter the class, or to put an article specified in the fourth class into the third class, as that would immediately result in competition between the companies, which I need not say is undesirable, and if possible to be avoided.

12,586. (*Mr. Horsfall.*) Have you any classification of terminal charges ?—Yes ; the classification of terminal charges is much shorter, and is established by the clearing house. 9*d.* is the terminal charge for the mineral class ; 1*s.* 6*d.* a ton is the charge for station to station traffic, which means not carted. In the clauses for carted traffic it is 4*s.* in the country, that is, adding 2*s.* 6*d.* for the expense of cartage ; in London the "carted" terminal charge is 8*s.* 6*d.*, which is 7*s.* added to the 1*s.* 6*d.* terminal charge in London for station traffic only.

12,587. You have no maximum by the Act of Parliament ?—No ; but there is a clause in all the Acts which says that those charges shall be reasonable.

12,588. You endeavour, in your own opinion, to make them reasonable ?—Yes.

12,589. But suppose the public consider that they are not so ?—Then they have an appeal ; they have the power that everybody has to appeal against improper or unjust things, anything done beyond the powers of the Act.

12,590. What power have they to appeal ?—They can appeal to a court of justice.

12,591. Is not that a very expensive process ?—It is, no doubt ; but if every individual had an opportunity of raising an action with regard to some box of onions or box of grapes that was sent to him, as in the case of Mr. Smith, and it was not an expensive process, the litigation would be very great indeed.

12,592. Is it not desirable that there should be either a maximum rate fixed, or where any parties felt aggrieved by any charge that was made, they should have the power of appeal by some less expensive process than a court of law ?—I think it is very desirable that it should be laid down and defined in some way what companies are justified in charging for terminal services, and then I would readily admit that there should be an easy mode of appeal provided against any excess being charged. The whole system of terminal charges is misunderstood by the public, and misunderstood in consequence of the original object for which railways were constructed not being adhered to. They were originally constructed as a highway upon which any man might put his own vehicles and his own engines, and of course find his own premises at the end of each line, whereby a man who wanted to carry goods from Manchester to Liverpool might do so at a certain scale of charge that might be made, and then he would have had to do his own services. But now that all railway companies are carriers they have to find premises in which to deposit the goods that are carried, and these are almost always expensive, because they are obliged to be provided in towns, and not in outlying places where land is cheap. Expensive buildings are erected, and the cost of labour and all the incidental charges are now borne by parties who cannot charge more than a certain sum. But when the railways were in the hands of the carriers, or rather if they had been in their hands now, their power to charge would have been unlimited.

12,593. You used the words, "by parties who cannot "charge more than a certain sum," but that is by their own fixing ?—The railway companies are bound to charge what is reasonable for the services performed by them as carriers.

12,594. Suppose that a person who forwards goods considers the charge made by the railway company unreasonable, do you see any objection to that person being enabled to appeal to the Board of Trade to appoint an arbitrator who should decide whether the charge made was reasonable or not ?—I think that unless the maximum charge for terminals when fixed was unreasonable, it would be very unwise for such a power to be given, because you would then have the Board of Trade sending down an officer to examine into the circumstances, and there might be in the course of a year 50 appeals about 50 different things.

12,595. You do not object to the maximum being fixed by Act of Parliament ?—No.

12,596. (*Mr. Glyn.*) Would there be any difficulty in getting together the necessary elements to enable

you to arrive at that maximum ?—No; I know what they are.

12,597. Could they be arrived at without any difficulty by all companies ?—Yes. No doubt you will recollect that in the year 1861 the question was taken up by Lord Redesdale, and it was referred afterwards to the panel of chairmen of committees, and many of those gentlemen are still acting. The evidence was placed before them, and they almost came to a conclusion. I think we wanted 2*s.* 6*d.* a ton, and I think that some of the gentlemen thought that 2*s.* was enough, but they never came to a distinct conclusion about it after the evidence was given. I believé a compromise was talked of of 2*s.* 3*d.* a ton. I have a map here that I wish to show to the Commission (*handing in and explaining the same*). This map has been published, coloured as you see, by an arrangement between all the companies; we find there the termini in London, and the colours on that map signify the distances within which the railway companies are bound to deliver goods ; this is the outside circle (*pointing to the same*), and the Commission will see that the railway companies now have an immense service to perform.

12,598. (*Lord Stanley.*) Are those colours explained ?—Yes; they are explained on the map. No doubt the tendency of each year is to put more burdens, by way of expense, upon the railway companies, which is very much the result of competition among themselves. Suppose, for instance, we carted to Woolwich, which we do sometimes, another company would then cart a little further, and so on, and the companies, therefore, amongst themselves, have determined that this shall be the scale—and a most liberal one it is—that is mentioned in this book.

12,599. (*Capt. Galton.*) What is the short cartage rate ; is that charge less than the 8*s.* 6*d.*?—Yes ; but then these charges apply only to station to station traffic, and not where the goods are carried without any division between the carriage to King's Cross station as the terminus, and Moorgate Street or Belgrave Square; it is all included in that charge, and there is no knowledge on the part of the public who receive the goods as to whether part of the ultimate expense to them is for cartage or railway carriage.

12,600. They pay the 8*s.* 6*d.* for terminals in any case, as I understand you, within the brown line ?—Yes.

12,601. If carried beyond the blue line, an extra rate would be charged ?—Yes; the map shows the charge that shall be made by the railway companies who own carts and horses. The Great Northern Company have 800 horses employed in the delivery of goods, and if goods are carried from any manufacturing place, or from any place, at what is called station to station rates, then supposing the consignees of the goods, instead of sending their own carts and horses, order the company to deliver them, they do make a small charge beyond the station to station rate contemplated in the Act, and those are the charges mentioned in that book.

12,602. (*Mr. M'Clean.*) The station to station charges are included in the mileage rate ; the 1*s.* 6*d.* is not a separate charge ?—Yes.

12,603. If you were allowed to charge a penny a mile between London and Birmingham for pig iron, you do not add 3*s.* to that rate, but the 1*s.* 6*d.* is charged by an arrangement between the companies?—Yes.

12,604. It is not in addition to the rate fixed in the Act ?—No.

12,605. (*Capt. Galton.*) Do you charge nothing for terminals for that station to station traffic ?—Yes ; practically we do, if it places the thing within the maximum. The terminal charge is included in the rate, and the reason of that is this : suppose that from Aberdeen to London there is a through rate chargeable, beginning at Aberdeen distant 500 miles, it flows over the Scotch companies' lines, the North British line, the North-eastern line, and our own ; and then any division of the charge made to the public for the carriage of those goods is made on the mileage after a deduction of the terminal charge, and therefore the company owning the terminus or station from which the goods go, and to where they arrive have the benefit ; what is then left is divided on the mileage.

12,606. That is to say, the person sending the goods pays only a mileage rate ?—It matters not to him whether the terminal charge is recognized or not.

12,607. But he has not to pay anything more than the mileage rate ?—No.

12,608. (*Mr. Glyn.*) It is an arrangement made between the companies ?—Yes.

12,609. (*Mr. M'Clean.*) Are the rates which are set forth in the Acts of the various companies uniform ?—No.

12,610. Then the object of the classification for through traffic is, to make uniform rates among the different companies ?—The object of the classification for through traffic is, that there may be an uniform way of charging these goods ; but then each company has to apply its individual Act of Parliament to justify the charges which it makes for the goods in each particular class.

12,611. It is necessary to have a classification of the through traffic ?—Yes.

12,612. (*Capt. Galton*) Is it desirable, now that there has been so much experience in the carriage of goods, to revise the parliamentary classification, and make it accord more nearly with the classification which is actually in force ?—I do not see anything against it, but it would amplify all the Acts very much if you included all these things, and there would be a greater difficulty, if circumstances required alterations to be made, in making them.

12,613. There would be no difficulty in making any alterations in favour of the public ?—No.

12,614. The only difficulty would be in making alterations that operated against them ?—Yes.

12,615. (*Mr. M'Clean.*) Might it not be included in a general classification in a general Act ?—Yes ; and in two or three recent Acts it was included. I recollect a case in which the Great Eastern Company wished to make a line through our district, as we term it, and they published a classification which was almost a transcript of that which had been agreed to among the companies.

12,616. (*Mr. Hamilton.*) Is the rate laid down by Parliament different in the case of different companies ?—Yes ; it varies, but not much. In some cases it is $2\frac{1}{2}d.$ per mile ; and in other cases $2\frac{1}{4}d.$; but they are very similar.

12,617. (*Chairman.*) In practice, is the same classification adopted by all the companies ?—Yes ; by all the companies.

12,618. Have you a greater number of classes in practice than are contained in the Acts of Parliament ?—Yes ; and for this reason : we have what is called the mineral class ; that is a small class, which is even lower than the first ; then there is the 1st, 2nd, 3rd, 4th, and 5th.

12,619. How many classes are there usually in the Act of Parliament ?—I think five classes ; passengers and horses are not included. I see that there are six, but the sixth is very exceptional, it is for fish, feathers, cochineal, household furniture, hats, shoes, toys, and other articles, matters, and things which are seldom carried ; they are mostly articles of bulk and of very little weight.

12,620. (*Lord Stanley.*) Of little weight, and but little liable to damage ?—Yes.

12,621. (*Chairman.*) How many classes have you according to the clearing-house classification ?—I think there are seven, including the special ; there is the mineral class and the special class, the classes from one to five.

12,622. As a general rule the charges in each class are uniform ; for instance, between the same two points I presume you would charge the same for coal and for coke ?—No ; they are not both in the same class. They are in the same class in the Act.

12,623. I understood you to say that as a rule you charged the same rates for articles that were in the

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same class?—Yes, but exceptions may come in, and coke is a very good instance to show the difference between that and coal. Coke is much lighter than coal, and coke is much more valuable than coal. Although we carry coals in full train loads at three-eighths of a penny per ton per mile, we add 25 per cent. to that charge for the carriage of coke.

12,624. Are there many important exceptions to the rule?—Yes, but they chiefly arise in articles which come in great quantities and at a low price.

12,625. (*Mr. Horsfall.*) Do you provide the waggons for the carriage of the coal and coke?—We find the waggons, but not altogether; if we find them we make a charge. By our Act of Parliament we are exempted from finding waggons for the coal traffic, but we have a great many; a large number of waggons are constantly employed, there are almost as many private ones as we own. If a coal owner finds his own waggons then of course he charges the public anything he pleases, to cover his cost, but if he employs our waggons we charge him, as between the collieries and London, 9*d.* a ton.

12,626. (*Mr. Glyn.*) Do you not find the terminal charges in London increased by the great demands that are made by large houses, and the competition which is produced by quick delivery, and the greater expedition which is required?—Very much.

12,627. Is not that increasing almost yearly?—Yes.

12,628. In determining the average charge for London, it would be almost impossible, would it not, to fix it without a revision from time to time?—Yes, if the extent of the area is increased, and no doubt with regard to London it will increase, and greater expedition will be required, as you have said. With regard to the goods which are entrusted to us to carry from places perhaps 200 miles away from London about seven o'clock in the evening, they are delivered at the consignees' doors, say in Wood Street or in Cheapside, and other places, the next morning, and in the case of cloth, for instance, it is delivered by nine o'clock in the morning, and if these things are not delivered complaints are made, and the parties wish to know why they have not been delivered. Fish and meat come up by the night trains, and they have to be delivered in the metropolitan sale markets as early as three or four o'clock in the morning.

12,629. (*Mr. M'Clean.*) Are you liable to pay for damage in case of delay or non-delivery?—Yes, if there is culpable negligence on our part.

12,630. (*Capt. Galton.*) But you do not bind yourselves, I believe, to deliver goods within any particular time?—No; but the practice prevails, and if we exceed the usual delivery time which practice has established, then we become liable. Some goods are carried at the option of the owners at their own risk, and then we make a reduction in the charge in favour of the man who chooses to take the risk upon himself.

12,631. (*Mr. Horsfall.*) Do you make any difference of charge as between a large and a small quantity of goods?—Yes, in some very few cases.

12,632. Do you make that difference in the case of coal?—We do not carry less than a truck load.

12,633. Then a person sending a truck load would be charged the same price as another person sending 50 trucks?—Exactly the same.

12,634. (*Capt. Galton.*) Could any individual in London have a truck load sent to him at three-eighths of a penny per ton per mile?—Yes.

12,635. (*Mr. M'Clean.*) You do not require the coals to be sent in train loads, but in truck loads?—For our convenience we carry them in train loads; but 50 different persons might send a truck, or one person consigned to himself, and we should carry them as cheaply as if they were contained in bulk. We should not carry a man's truck of coal from the north and run it up by itself, but it would form part of a general train.

12,636. (*Capt. Galton.*) Do you find waggons for all the traffic you carry?—For all the goods traffic, except where there is an interchange of waggon stock between all the companies. I do not mean for the coal waggons; we have 4,000 or 5,000, and the rest are found by the public; but then they have to be reimbursed for finding them in the charges which they make to the consumers of the coal.

12,637. In working the traffic with these waggons, what arrangements do you make to prevent delays; do you pay any demurrage if you have detained the waggons for an unreasonable length of time?—No; but in practice we are so desirous, in consequence of the value of space, to get rid of them and send them back, that that question never arises. If a coal owner, or the consignee of the coal, kept a waggon belonging to the company standing in a siding, and did not unload it, we should charge that man demurrage on the waggon.

12,638. You charge those parties demurrage?—Yes.

12,639. (*Earl of Belmore.*) Do you ever deliver coal in London?—Not by our own horses. At one time we were coal merchants, but some members of the coal trade brought the matter before the Court of Chancery, and we were debarred from dealing in coal, and the result of that was that the public in general had to pay about 3*s.* a ton more for their coals. At that time we had a contract for coal cartage, but we never delivered coals by our own horses; it is a slow style of horse, and our delivery horses are frequently obliged to trot; but the coal-drawing horses are heavy animals, and they can only do that work; we contracted at so much per ton with a large contractor to do that work.

12,640. (*Mr. Horsfall.*) How much per ton?—I think it was 2*s.* 6*d.* per ton.

12,641. (*Mr. Hamilton.*) For long and for short distances?—Yes, anywhere within five miles; if I recollect rightly I think that was the limit. Now the coal trade of the Great Northern Company has gone entirely, and it has fallen into the hands of merchants or agents to the colliery owners in the coal districts, and they employ their own horses and carts; we find the station.

12,642. Are you justified in saying that the practical effect of that change of circumstances has been to increase the price of coals 3*s.* a ton to the public?—I should not like to commit myself exactly to 3*s.* a ton, but I am quite sure that it has increased the price considerably.

12,643. Independently of other causes?—Yes; I think it is evident, because there was another profit to be made by the coal merchant.

12,644. (*Capt. Galton.*) Had not the Great Northern Company, when they were coal merchants, to make a profit just as much as the coal merchant?—No; we added the price to our charge; we contracted with the coal owners a year at a time at a fixed price, and then we added the charge for carriage and the price for delivery, and we supplied the public on a large scale.

12,645. Your object was then, I suppose, to get the carriage of the coal?—Yes.

12,646. You did not care about a profit on the sale?—No.

12,647. (*Mr. M'Clean.*) And the public got the benefit of that arrangement?—Yes. Although I should not like to bind myself to 3*s.*, I have no doubt that 3*s.* was the increased price the public had to pay.

12,648. (*Chairman.*) Had you not to employ and and pay additional clerks to manage the sales of the coal?—Yes; we did employ additional clerks, but to a very small extent.

12,649. Did you make no additional charge to the public on that account?—No.

12,650. (*Mr. Hamilton.*) Have you ever applied to Parliament to be released from that disability?—No. The question was tried, and it was decided against us; we were restrained from acting as coal merchants in consequence of its being held that we were not justified in applying the funds of the shareholders to the purchase of coal to sell again.

12,651. You say that the public have been damaged by the change. Have the railway companies been damaged?—No, I think not. I do not think it would be worth the while of any railway company, now that the coal trade of London is so very completely established, to go into that trade again. The great object was, when almost the whole of London was supplied with sea-borne coal brought by coasting vessels, to get rid of the prejudice which people had against using what was called inland coal, and in order to get the South Yorkshire and Derbyshire coal, and this has now extended itself into the Durham coal field, into London, we bought the coal, carried it at a low rate, and thereby established a trade. I believe that the large quantity of coal now carried by railway to London is attributable to what was done by the Great Northern Company.

12,652. (*Mr. Gower.*) Is not the increase in the sale of inland coal in London attributable to the appointment of the agents you have mentioned?—No; I do not think the increase is attributable to that. I believe it is the result of the public being satisfied that the coals are better carried by railways than by ships. It is a question of price, and up to this moment the price of coal in the Pool regulates the price at the railway stations.

12,653. (*Capt. Galton.*) When you carried the coals and you were coal dealers, did you carry them also for other people?—Yes; do you mean for coal merchants?

12,654. Yes?—Yes.

12,655. (*Mr. M'Clean.*) Did you carry them in your own waggons?—Yes.

12,656. (*Mr. Glyn.*) Did you at the same time take the risk of bad debts?—Yes.

12,657. Without any extra charge?—Yes, and it is a curious fact that the amount of bad debts that we made was quite inappreciable. We had a well-organized system of collection, and we professed to make our charges for ready money; the large bulk of our charges were paid for by ready money, but we had a large amount of them on our books.

12,658. Did your charges for collection come out of the tolls?—We charged only for carriage and delivery.

12,659. (*Chairman.*) Is no restriction laid down as to the number of agents who may come to your station?—It is only limited by space, but we are always increasing the space at King's Cross. This year we shall apply to Parliament to give us powers to buy a large tract of land at Holloway which is now green fields, and we are about to purchase that in order to make extensive sidings, so that there may be a depôt outside the limit of the station, which will be the selling ground for the coal, and the depôt to feed this selling ground will be outside the boundaries of the station.

12,660. (*Mr. Glyn.*) Do you admit traders generally into your depôt, or how do you let the drops?—We let the depôts, into which the waggons having moveable bottoms drop the coals into bays, because the extent of space is limited; we charge 2*d.* a ton for the use of the bays, but a very large amount of trade is done in shovelling the coals out of the waggons as they stand on the sidings on the ground.

12,661. (*Chairman.*) May any person come there and order a certain number of waggon loads of coal?—Yes.

12,662. (*Mr. Glyn.*) At the sidings?—Yes.

12,663. (*Mr. Horsfall.*) When were you compelled to discontinue the trade as coal merchants?—Seven or eight years ago.

12,664. What was the price of coal at that time?—I do not know.

12,665. I believe the price of coal in London is now materially lower?—No; I think not; competition may have reduced it again, but I know that the immediate result of the Great Northern Company ceasing to be coal dealers was a large increase of price to the public, although competition may have reduced the price again. I believe that one result of the railway company ceasing to carry coal at the low rates they did has been that very much larger prices are obtained by the fortunate owners of the coal.

12,666. (*Mr. Glyn.*) You think that the public do not get the full benefit of the reduced rates?—Yes.

12,667. But the coal owners and the coal merchants do?—Yes; the coal merchants' profit is altogether a new element of charge to the public.

12,668. (*Mr. Hamilton.*) Statements have been made by one or two witnesses that preferences are shewn by coal carrying companies in favour of some collieries as against others. Is that so or not in your experience?—Not as far as we are concerned; it is one uniform system for all. There was the case of Oxlade *v.* the North-eastern Company, and I believe Mr Oxlade still labours under what he considers to be a grievance.

12,669. (*Mr. Glyn.*) How do you manage your coal trade at the small stations?—We let the depôts chiefly to local coal merchants, but we deal with the coal owners; we carry the coal, and they are responsible for what we charge for carriage.

12,670. (*Mr. Hamilton.*) Do you allow all the colliery owners equally to supply the depôts?—Yes, all of them.

12,671. (*Capt. Galton.*) You place no limit on the number for whom you carry coal, which I believe is what the North-eastern Company do?—We allow anybody to send coals at an established price, but of course we are obliged to limit this at the country places where there is only a much smaller amount of coal traffic; consequently at our small depôts we limit it to four or five local merchants. But anybody who wants a dozen trucks of coals may have them, and cart them from the sidings; we have thrown the thing thoroughly open, and there are no restrictions.

12,672. (*Chairman.*) I believe the rule of the North-eastern Company is to let their drops to the coal owners, and I understand that the custom of your company is to let them to the coal dealers?—Not entirely so, for some of the drops in London are occupied by coal owners.

12,673. Is it not the practice of the North-eastern Company to let them to coal owners alone?—I think so. Among the senders of coal to King's Cross yard there is the Silkstone Colliery owners and the Elsecar Coal-owning Company, which is a combination of coal merchants in the South Yorkshire coal field. Earl Fitzwilliam is the owner of the Elsecar colliery. Mr. Newton Chambers and others, who are largely engaged in collieries, and they have formed themselves into a company for the purpose of sending coal to London. Another very large firm is that of Rickett, Smith, and Co.; they are coal merchants. I mention this in contradistinction to the coal-owning company, who are large consigners of coal.

12,674. (*Mr. M'Clean.*) Are Rickett, Smith, and Co. liable for the freight?—To us, no doubt, they are.

12,675. Not the coal owners?—No.

12,676. (*Mr. Hamilton.*) You say that in some of the country places you limit the right of supply to a few only?—No, I beg pardon, that is not what I intended to say, but I may have said wrong. I meant to say that in country places, where the accommodation in the way of coal drops is small, we are obliged to limit the occupation of those to four or five coal merchants, but anybody who likes to order coals may have them and cart them from the sidings.

12,677. From any colliery?—Yes, we have no restriction whatever; whether it is the Derbyshire coal, or the South Yorkshire coal, or the Durham coal, or the West Riding coal, we are glad of any coal.

12,678. Has the coal merchant to whom you let the drops the power of restricting the supply to a few collieries?—Yes, that is to say he may buy coal from anybody he likes; we cannot tell him that he shall buy from the Elsecar Company or from the Thorncliffe Colliery.

12,679. (*Mr. Glyn.*) At any rate your sidings are open to anyone?—Yes, to anybody.

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12,680. (*Mr. Hamilton.*) Virtually the arrangement as to letting the depôts to these coal merchants has the effect of restricting the supply to certain collieries ?—Hardly so. We do not let any one place to any one particular man, and if John Smith occupies one place and Tom Brown another they can deal with anybody they please, but if we are not the owners of the coal we cannot allow the coal to lie there under the ken of nobody; they must be consigned to somebody who is responsible to the coal owner if he sends them, and he must see that the coals are not stolen or carted away ; they lie there at his risk.

12,681. Yes ; but if your station master or other officer of the company acted as agent for the public, then any person might send in any number of trucks of coal consigned to your station master with a view to sale ?—Yes ; but these coals are carted away sometimes in donkey carts, and sometimes in barrow-fulls, in London and other places, and we could not allow the station-master, who has all the station work to attend to, to be an agent for selling coals by the barrow-full.

12,682. (*Chairman.*) Do you allow a coal dealer who carries on a small trade to keep possession of a depôt ?—Yes; but we have this power, that if we find a man does not do trade enough to justify his holding a drop we give him a month's notice that he must go, and if there is a more eligible coal dealer we give him a chance.

12,683. (*Earl of Belmore.*) But the man you turn out, I suppose, has still the power to take away coal from your sidings ?—Yes.

12,684. (*Chairman.*) Does the unlimited power of any person who pleases to order coals in the way you describe, ever cause a blocking up of your sidings ?—No, we cannot allow that. If a man is ordering coal in quantities greater than he can sell, we say you must not have any more till you have got rid of your stock. In the country places, and also in London in proportion, although the space in London is much larger, if two or three consignees of coal were to order each a dozen waggons when they pleased they would block up the station.

12,685. (*Earl of Belmore.*) Can you refuse to forward waggons of coal if you think a consignee has already more than he can dispose of ?—Yes ; I think it is an assumed power ; but practically it works fairly well ; of course, if a man chose to be obstructive, we could charge him for demurrage upon the waggons standing in the sidings ; we do not exercise the power, except for the general conduct of the business ; we show no favour to anyone.

12,686. (*Mr. Glyn.*) You only exercise that power to keep your line open and clear for the general traffic ?—Yes.

12,687. (*Mr. Hamilton.*) I understand that as regards the public the terminal charge is included in the rate per mile ?—It is included in it.

12,688. In fact the public know nothing about it ?—Nothing whatever.

12,689. Would there be any objection to making that a distinct charge ?—No.

12,690. I mean objection on the part of the railway company ?—No ; provided always that the charge was recognized ; but if we were bound to make a charge for the use of the station separate from the charge for the carriage of the goods, and there was no defined charge in any Act of Parliament or any authority under which we could make that charge, there would be endless disputes. We now say among ourselves that we charge 1*s.* 6*d.* for station to station goods, and if the rate is 23*s.* from place to place, 3*s.* are deducted before the 20*s.* that are left are divided among the parties, but the public do not care, and they cannot care, supposing that we are within the maximum, whether that 1*s.* 6*d.* at each end is deducted before the division is made between the companies. If there was no system of terminals charged, there could be no system of through rates, and if through rates were to cease the public would be damaged.

12,691. You say that there could be no system of through rates if there was no system of terminals charged, but you do not mean that a separation of them would interfere with the existence of through rates ?—No ; but if there was a subdivision between the terminal charges and the rates for the carriage of goods, it must be on some recognized principle that would enable companies to obtain payment.

12,692. Do you mean a principle laid down by Act of Parliament ?—Yes, and very much in the way that was proposed when Lord Redesdale and the panel of chairmen of committees took the matter into consideration. I believe that it dropped through in consequence of the strong opposition that was made by the coal owners in the Durham coal field.

12,693. You do not consider that such a separation of the charges would be prejudicial to the railway companies ?—No, not if it was once fixed by Act of Parliament.

12,694. (*Chairman.*) What was the ground of the opposition on the part of the Durham coal owners ?—Because it was a maximum charge ; they thought they would get it exacted in respect of coals, and a strong opposition came up from Newcastle and Durham, and the thing was not carried out.

12,695. (*Earl of Belmore.*) What is your general terminal charge for coal ?—9*d.*

12,696. For any distance ?—Yes ; that is the maximum charge ; our own charge in London is 2*d.*

12,697. (*Capt. Galton.*) Is the 9*d.* in addition to the three-eighths of a penny per ton per mile ?—No ; we do not charge 9*d.*, we charge 2*d.* for the use of the drops.

12,698. The terminal charge is not at present at all in excess of the maximum rate authorized by Parliament except in the case where you cart the goods ?—And then it is not.

12,699. What I mean is, that there is no additional charge made to the public in any case for terminal expenses above the maximum rate authorized by Parliament except in cases in which you cart the goods, and for which service you are authorized to make a reasonable charge ?—Not beyond the charge including the charge for delivery in London. We are within the maximum charge authorized by the Act of Parliament ; there is no such sum as 3-8ths of a penny per ton per mile there.

12,700. You make no additional charge for the coal, as I understand you, either for terminal charges or anything else, except for allowing people to use certain cells, and for that you charge 2*d.* per ton ?—Yes ; but then our charge is very much within what we are authorized to charge by the Act.

12,701. Practically if the Company was authorized to make a charge for terminals, it would be in addition to the maximum rate, and in addition to what is now charged ?—Yes ; and that would be regulated by the fact of whether we could get the price or not, but we voluntarily carry at very much less than the authorized charge. Suppose an authorized terminal charge were to be the law, we should not charge it, because we could not get it in consequence of the competition with the water, and that would prevent us. I think that a terminal charge would not be applicable to the London trade, but it would apply more forcibly to the charge made for the conveyance of goods between towns and towns, including London especially.

12,702. (*Mr. Hamilton.*) The charge to which I was alluding was a charge that I thought you said had been agreed between the railway companies should be fixed at 8*s.* 6*d.*, deducting 1*s.* 6*d.* ?—Yes ; making 7*s.*

12,703. What does that represent ?—Horses and carts.

12,704. (*Capt. Galton.*) And bad debts ?—Yes ; and everything of that sort.

12,705. Is that uniform and irrespective of the distance of the cartage in London ?—Yes, the 8*s.* 6*d.*

12,706. (*Mr. Horsfall.*) You stated just now that the proposal of Lord Redesdale and the panel of chairmen of committees was opposed by the coal owners ?—Yes.

12,707. Was it not also opposed by the Great Western Company ?—I do not recollect that it was,

because, if I recollect rightly, the Great Western Company were concurring parties.

12,708. Have you any information upon which you found that opinion?—No. I know that I was examined about the charges, and I know that I gave evidence on one or two occasions for the Great Western Company in respect of the terminal charges; I think you will find that the Great Western Company would concur, and that the other leading companies would concur in having a maximum terminal charge recognized.

12,709. (*Mr. Glyn.*) If they did differ it arose upon the question of whether it should be 2*s.* or 2*s.* 3*d.*?—Yes.

12,710. You stated, I think, that Lord Redesdale and the panel of chairmen of committees nearly came to an agreement with the railway companies?—Yes.

12,711. But the Durham coal owners opposed it. Do you know upon what ground?—I think they were afraid that an exaction would be made in respect of the terminal charge that was not then made, and in an answer I gave to Captain Galton's question I said that it would not apply, because our charge is now so much less than the maximum charge, not because we have not the power to charge, but because our policy is to carry large quantities at low rates. The coal trade has been much developed since that time.

12,712. (*Earl of Belmore.*) You stated that the maximum terminal charge for coals was 9*d.* a ton; in what sort of case was that?—In a very short distance there is a coal field which we abut upon at Doncaster; and suppose, for example, we carried coals for the first two or three stations out of Doncaster, say five or ten miles, of course the waggon has to be used for a much less distance on the railway; the engine power has to be exercised for the purpose of carrying these coals four or five miles, and in those cases no doubt we do charge the maximum.

12,713. In cases where you employ your locomotives to take coal trucks from the private sidings of the coal owners, would you charge a higher maximum than 2*d.* a mile for coal coming to London?—No; not if it was carried for a through rate. I will endeavour to make that more clear; if the siding connecting the collieries with the main line of railway is of any length, of course the coal owner must either, by his own locomotives or by horse power, bring the coals to the siding that is parallel with the line of the railway. We never could leave part of the load on the main line, and run up to a colliery to get his 20 waggons out, for in that case the whole of the traffic must be stopped; the man is bound to bring his coals to a siding parallel with the main line. Then we leave the train under the protection of the telegraph signals, and detach the engine; we then hook on his waggons, and get them out in that way.

12,714. The charge of 2*d.* covers the terminal at both ends?—There is no terminal in the country, and of course, as I think you will understand, where goods have to be carried these short distances, the powers of the Act of Parliament are put into full operation, and it is a much less charge than if horses and carts were used.

12,715. (*Chairman.*) In those cases your total charge for a short distance would be above what you can charge by the Act, unless you take into consideration the terminals?—In some cases it would be so; but then comes in the question that I suggested before, that the original intention of railways was that other people might carry on them, and then of course they would find their own premises.

12,716. (*Mr. Hamilton.*) How long have you been carrying coal at three-eighths of a penny per ton per mile?—I should think for four years.

12,717. Is that a uniform rate for all distances?—No; of course it applies only to long distances, because the engine starts capable of exerting a certain power, and if it exerts that power for the whole distance, the full benefit is obtained for the company; but if half the load is left, say at half the distance, and another quarter of the load is left at an extended distance, when the engine come to the end of its journey it is exerting all its power for the purposes of a quarter of a load.

12,718. Within what limits does that apply; to what place, and from what place?—I would say York for the Durham coal. I think it is slightly above three-eighths of a penny per ton per mile from Doncaster; it is rather more from Derbyshire, because the distance is less.

12,719. What is the minimum distance in miles for which you would charge three-eighths of a penny per ton per mile?—The minimum distance is the whole length of the line, which is now 191 miles from London to York. We charge three-eighths of a penny per ton per mile for the coal delivered at Peterborough to the Eastern Counties Company, because that constitutes a part of the through distance, and we employ an engine to come from the north to finish at Peterborough, and go back again with part of the waggons. We have so regulated that that we do get the full power of the engine out of it; if the coal is only carried from the coalfield to Peterborough the Eastern Counties Company takes it on, and the charge is the same.

12,720. That is for the shorter distance?—Yes, but there is the operation of the engine there and back.

12,721. (*Capt. Galton.*) In each case you divide your line at Peterborough, therefore if you run your coal to London you run one engine to Peterborough from York, and next from Peterborough to London?—Not always; we do in delivering coal to the Great Eastern Company.

12,722. With your own coal trains, do you bring one engine through from York to London?—Not universally; we subdivide some of the trains at Grantham, some at Peterborough, and some at Doncaster, but that is in accordance with the convenience of the locomotive department.

12,723. Have you made any calculation as to the profit you make in carrying the coal at that rate?—No, but there are those who hold that it is carried at a loss at those rates. I do not entertain that view. I cannot tell you what the profit is of carrying a full train of coals at three-eighths of a penny per ton per mile, but it is a profit that satisfies us on our coal traffic.

12,724. (*Mr. Glyn.*) What is a full load?—With the new sort of engines that we use now, that is, making the tender available for pulling as well as for carrying water, by throwing the spare steam into a pair of cylinders on the tender itself, we carry 45 waggons; they hold 7½ tons, and they weigh 4½ tons; we carry 40 times 12 tons with one engine.

12,725. What is the weight of that kind of engine?—33 tons, not including the tender, or I think I may say 35 tons.

12,726. (*Mr. Hamilton.*) You would not be able to carry coal at that rate, but for the great improvement that has taken place in the mechanism of the locomotive engines?—We carried at three-eighths of a penny per ton per mile before this additional mechanism was put on the tenders.

12,727. (*Mr. Glyn.*) It makes a difference in the profit, does it not?—Yes, and in the occupation of the line; the great advantage with these additional engines and tenders is that there are fewer trips, and therefore they are more readily put out of the way in the sidings that are provided, and in the conduct of such a very large traffic as we have the coal traffic must give way to any goods trains; and again the goods trains are shunted into long sidings to let the passenger trains go by.

12,728. (*Mr. Hamilton.*) How much do you consider the power of the locomotive has been increased?—About 30 per cent.

12,729. And that the public owes very much to the open competition that has existed?—The general price of three-eighths of a penny per ton per mile is no doubt attributable to the competition between the sea borne coal and the railway borne coal.

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12,730. I mean that this improved locomotive is owing to the competition that has existed, and the necessity which railways were under of carrying coal at a reduced rate?—Yes; and it is more especially due to the necessity of having the line more readily cleared; the time taken in the case of a coal train is very much larger than that of a goods train, and very much larger than a passenger train.

12,731. (*Mr. Glyn.*) Does not that also arise from the fact that railway companies desire to economize the cost?—Yes.

12,732. And they are doing that month by month?—It is the constant aim of the locomotive engineer to decrease the price of his train per mile, that is to say, the expense at which he can carry a train for a mile, whether by the improved combustion of coal in the engines, or whether by any increase in the size of the cylinders or the fire-box, or the perfection of working the locomotive.

12,733. Do you know the present cost per train mile of carrying coal?—No; but the general cost of the engine is about 11½*d.*

12,734. (*Chairman.*) That is the cost of the engine alone?—Yes.

12,735. (*Capt. Galton.*) Does that apply to the whole of your engines?—Yes.

12,736. (*Chairman.*) Do you consider that a coal engine is above the average?—No, not very much.

12,737. Not more than a passenger engine?—No, because it travels so much more slowly; the wear and tear of a slow-going engine is less than the wear and tear of a fast passenger train.

12,738. (*Earl of Belmore.*) How many more trucks can one of the improved engines draw?—About 30 per cent.

12,739. (*Capt. Galton.*) How many miles do the engines run a day?—Never exceeding 200 miles. I meant my former reply to be in reference to the main line. We do not get nearly so much as that out of the short branches, six or seven miles long.

12,740. (*Mr. Horsfall.*) What amount of saving is effected by using coal in place of coke?—There is a saving, but whether it is 12 or 15 per cent. I am unable to say.

12,741. (*Lord Stanley.*) Is the substitution of coal for coke legal?—I am told that actions will lie against railway companies for not consuming their smoke, and we do profess to consume it.

12,742. (*Capt. Galton.*) Provided you consume the smoke there is no objection to the fuel you use?—No.

12,743. (*Chairman.*) Do you generally use coal for passenger trains?—Much more than we did.

12,744. With a proportion of coke?—Some coke; coal is almost exclusively used in the coal and goods traffic; the fire-box is made to consume the smoke from coal as much as possible, and to consume coke.

12,745. I believe you are not able to state what the cost to the company per ton per mile is, of conveying that coal for which you charge three-eighths of a penny per ton per mile?—No, I am not able to state it here.

12,746. Have the railway companies the means of ascertaining what it is?—Yes; it is capable of being estimated, but there are many elements to be taken into account, not only the cost of the engine, but there is the cost of the repair and maintenance of the line and renewals chargeable to revenue from time to time; and there is more wear and tear on a railway in carrying a heavy train of coal than in the case of a passenger train; the latter goes faster.

12,747. (*Mr. Gower.*) Must you not also include the cost of the return trucks?—Yes, everything.

12,748. You make no use of them, do you?—No, in the case of some of our own we do; but we cannot use the coal owners' waggons; they must go back empty; we load dung back, in some cases, in our own waggons.

12,749. (*Mr. Glyn.*) Is that the only instance?—Practically, we must keep the coal trucks in a state of constant pendulation between the collieries and the selling places, or a delay will take place, and delay means expense.

12,750. (*Earl of Belmore.*) You stated that three-eighths of a penny per ton per mile afforded you a profit. Did you mean by "profit" a profit over and above the working expenses, or a fair profit in the sense of a commercial profit on the capital invested?—It supplies a part of the dividend that we pay; it yields a profit over and above the working expenses.

12,751. You might carry, with a view of increasing your general dividend from other sources, without reference to the profit on that particular branch of trade?—It would not have that effect. If we carried at no profit, we should either charge so as to stop the trade, or the public would pay more; it bears a fair profit, and we are paying a fair dividend now; no doubt it contributes towards it, but not so well as the passenger traffic.

12,752. (*Chairman.*) Do you think that the expenditure under the head of "permanent way," is attributable more to the mineral traffic than to the passenger traffic in proportion to the mileage?—I am sure that there is more wear and tear in crushing the rails as the weight passes over them in the case of the coals.

12,753. (*Mr. Gower.*) What number of empty trucks can one engine take as compared with loaded trucks?—50 or 60 empty waggons as compared with 30 or 40 loaded; but that is limited to a great extent by the fact that we are obliged to put empty trains in sidings on the down journey as we take the full trains up for the more quick traffic to pass, and the shunting sidings will not hold more, and over-long trains are unmanageable; if you get a longer train than that, as the guard rides in the end van, if any communication has to be made between him and the engine man, whether to go on or to stop, it is almost a journey from one end of a train like that to the other.

12,754. (*Mr. Horsfall.*) Has your company considered the question as to the practicability of carrying passengers with more safety than at present by any system of communication between the guard and the passengers?—Yes, we have considered that matter very much. I was one of a committee consisting of the managers of the leading railway companies who went into that question after the murder of Mr. Briggs, and we examined nearly 193 inventions, some of them patented, some of them registered, all of them considered very clever by the parties. We did not find one of them that was practicable, the best of them was so delicate that I doubt whether it will succeed; it is an electric communication between the guard and the driver and the guard and the passenger; it is now in use on the South-western line, and it was only within a few days past that the directors of our company, after having considered this mode of communication, authorized its being tried, and we are now going to test it upon long traffic. It is more easy, however, to do it in a self-contained system like that of the South-western, where they do not detach the carriages at junctions; but I have always thought, and still think, that it will fail, if it fails at all, at the junctions where we detach the carriages. We shall try it on the trains running between Leeds and London; we detach at Peterborough the Lincoln carriages, and we detach at Grantham the Nottingham carriages; at Retford, the Manchester carriages; at Doncaster, the Wakefield carriages; and the main part of the train goes to York. If this invention will stand that test it will stand anything.

12,755. How will the passengers have access to this telegraphic communication?—There is a small circular glass placed in each carriage, inside which there is a small ivory knob, which, as is commonly the case, is depressed to place it in circuit, and that communicates with the guard; and the guard has another electric arrangement between his van and a sort of whistle or bell on the engine.

12,756. I suppose one great objection would be the probability of a passenger being unnecessarily alarmed and stopping the train without any necessity?—Yes. The managers who met together and discussed the

matter made a report, and very much at my instance this was added—that it would be impracticable to put any plan into operation until there was some legislative enactment which imposed penalties on parties who wantonly put the signal into operation. Without that I firmly believe that the remedy would be worse than the disease; for if we had frightened or timid people stopping the train because they thought that it oscillated a little too much, the chances are that collisions would constantly take place.

12,757. (*Mr. Hamilton.*) You say that it is in use upon the South-western line. What has been the experience of it there?—They have tried it for some months. I believe it has been tried twice, and on those occasions it was tried by officers of the Board of Trade, who did test it, and on one occasion Colonel Yolland was threatened that he should be taken into custody for doing it. It has been at work for some six or seven months.

12,758. The experience that has been gained did not lead, did it, to the apprehension that it would be wantonly used?—No. I do not think it is known yet that it is at work; but if it was established throughout the length and breadth of the land, and people could stop the trains, I am afraid that nervous people would do so, and that accidents would occur.

12,759. Have you seen it in the South-western carriages?—Yes.

12,760. Are there directions explaining how it is to be used in case of accident?—Yes, no doubt there are.

12,761. Is there any doubt that a passenger would understand how to use it?—I think it is put up experimentally, and I do not believe that there is any conviction on the minds of the travelling public that they can stop a train if they are so minded; it is only generally used in their long Portsmouth trains. I have seen them at Barnstaple.

12,762. (*Earl of Belmore.*) Is it practicable in this country, as in France, to enable the guard to communicate with the carriages, without stopping them, by means of a hand rail outside?—I think not. We fitted up a train some months ago with the foot boards outside, approaching each other so nearly as to allow for the buffing in the trains when they stop, and so that the guard could step from the end of one footboard to the end of the other, and we put round brass hand rails for the whole length, so that a man could get along. I dare say the men could be induced to do it, but I am satisfied, considering the numerous trains that we run and that pass each other, that accidents would constantly happen. There is another thing which has been very much commented upon as being good for the public, and that is the American plan of having a passage carried through the carriages. I think that that would not do in England. I fancy that passengers would not like to be subject to anybody walking through the carriages, especially for long journeys.

12,763. (*Mr. Glyn.*) Was it not stated in a report on the French railways that the practice of having hand rails was going to be stopped in consequence of the number of accidents which had occurred?—Yes; and since that I have seen in the newspapers that there has been an order issued by the Minister of the Interior that a system of signals should be adopted, but it is not, I believe, in operation yet.

12,764. (*Capt. Galton.*) Do you think that any legislative enactment besides this could be usefully made to promote the safety of the travelling public?—I think not, because the great object that all railway companies have is to carry the public as safely as they can. I consider the system according to which damages are levied is a very unfair one.

12,765. In what way?—Because any man can insure his life from accident, and we yet are liable to pay a man, who has perhaps, 100,000*l.* a year, compensation in case of accident, in proportion to his income, although he takes no more precaution for himself than a man with 100 pence a year.

12,766. Would you limit the amount that should be paid as compensation in a case where no insurance had been effected?—Yes.

12,767. But you would compel the companies, I suppose, to insure to any amount?—I think that some such suggestion might be carried out. I think it is desirable that the amount of the pecuniary liability should be fixed.

12,768. (*Lord Stanley.*) You know, I suppose, that the principle upon which compensation is adjusted is the same as that which applies to all other accidents; it is part of the general law of England?—We are mulcted under Lord Campbell's Act, and in the case of Mr. Pimm, who had a considerable income, and 9 children, we were made liable for their maintenance, and I think it cost the company 10,000*l.*, whereas, if he had had but one child, we should have had to pay much less.

12,769. (*Capt. Galton.*) Is it not the case that although you are limited as to the amount which the company can charge for a passenger ticket, the amount of compensation which you have to pay in case you injure the passenger, is unlimited?—Yes.

12,770. And you cannot protect yourselves by requiring persons who are of great value to pay a higher rate than those who are of smaller value?—No.

12,771. (*Mr. Horsfall*). Is not Lord Campbell's Act a part of the common law of the land bearing equally upon railway companies and ship owners?—I do not think it bears on ship owners.

12,772. (*Capt. Galton.*) Is it not the case that the shipowners are limited, as to the amount of damage they can pay, to the value of the ship?—Yes; I believe that so much per ton on the ship is all they can be called upon to pay.

12,773. (*Mr. Gower.*) Does not the unlimited liability contribute to the safety of the public?—I think not; if the amount of the compensation was limited I do not think we should be one jot less careful.

12,774. (*Earl of Belmore.*) Would it be in your power to put into operation as to passengers the same system that I think you said was in force as to goods, and charge a higher fare for a person who travelled at your risk, and a lower fare if he travelled at his own?—I think that that is quite capable of being carried out; If we are justified by the Acts of Parliament in charging 2*d.* per mile for carrying the man, if we charged something more and took the risk, that I think would be a reasonable contract between the company and the public.

12,775. (*Capt. Galton.*) In that case you would pay, in case of an accident when it was owing to your negligence?—To the maximum amount I think we should.

12,776. (*Mr. Hamilton.*) Practically, what is the largest sum you have ever paid in one year on account of compensations?—I do not recollect, but I can tell you what we have paid in the last half-year but one. We paid in the half-year ending June 1865 as compensation for accidents and losses, including law costs, 9,627*l.*

12,777. And what were your profits in that half-year?—We paid 7¼ per cent.

12,778. What was the amount of your profits?—In the net revenue account of the half-year ending June 30th, 1865, there was a balance of profit of 264,000*l.*

12,779. In six months?—Yes.

12,780. (*Capt. Galton.*) Did the compensations paid by the company include the goods as well as the passengers?—Yes; but the bulk of it was for passengers.

12,781. (*Chairman.*) Is the amount you have given about the average sum?—We paid in the year 1865 24,000*l.*, the capital of the company being 16,065,000*l.*

12,782. Do you consider that any arrangement could be made by which the punctuality of trains could be better secured than at present?—The difficulty as to punctuality is of course the speed at which the trains go, and the load that they carry; the public have such a desire to be carried quickly that punctuality can only be met, not merely by diminishing the speed, but by lightening the load, and we have it now

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in contemplation to duplicate the express Scotch trains and the Manchester trains from the 1st March, so that we shall have something like a margin to come and go upon.

12,783. You mean that you will send two trains to Scotland instead of one?—We contemplate sending two trains at 10 o'clock, and two trains at 5 o'clock during the summer, and I think we shall send two 12 o'clock trains, and two quarter to 3 trains when the Scotch traffic sets in; we often send two night trains.

12,784. Do you keep tolerably good time in the autumn?—It is worse in the autumn. We kept time, I admit, badly last year, and the directors, on my recommendation, have made up their minds to duplicate more of the trains than they did in the autumn of last year.

12,785. Do you consider that any legislative enactment could be passed which would improve the punctuality of the trains?—The result of it would be that the trains would go slower.

12,786. (*Mr. Glyn.*) Do you not find that the luggage which passengers carry with them at the time of year to which you are referring is the cause of delay?—Yes, it is occasionally, and we shall meet that by running shorter trains, which will be more easily handled, so that there may be an opportunity of recovering lost time at any particular station, where a crowd of people and luggage sets in.

12,787. It has been suggested that the safety of the public might be increased by the government having power to put inspectors upon lines of railway to inspect the permanent way from day to day, and to report upon it. Do you think that the vigilance of companies would be increased by that precaution?—I think that the result of an inspection established by the government would be to place the responsibility on the government, and would relieve the company of the liability which now attaches to them.

12,788. Practically, the necessity of keeping their own permanent way is so much for the advantange of the company themselves in working, and for their own emolument, that they cannot well neglect it upon the principal line?—I think not. I think that the line is kept up in a high state of perfection.

12,789. Have you a staff of inspectors for the purpose?—Yes; everywhere.

12,790. Who go day by day over the line?—Yes; every day. Each man, the foreman of a length, as it is called, walks over his portion of the line every day. I find that for the last half year ending the 31st of December, 1865, we spent on the permanent way 97,058*l.* and in the previous half year, so that the total may be before you, we spent 90,126*l.*

12,791. (*Chairman.*) How many miles have you?—The number of miles maintained is 434.

12,792. Does that include the sidings?—No; it does not include the sidings in the length I have given you; it does include the amount for maintenance; the 434 miles of railway have been maintained during that period out of that money.

12,793. (*Mr. Hamilton.*) Do you suppose that all other large companies could give equally satisfactory evidence of their attention to the state of the line?—I think the companies who are in a good condition could.

12,794. What do you mean by companies being in a good condition?—Who are paying a fair dividend.

12,795. That is just the point as to whether the security of the public is to depend upon the amount of the dividend?—I am afraid that it has been a practice in some few cases to try to reduce the expenses below what they ought to be in order to make a better financial statement at the end of the year; but I am quite certain that it is bad economy.

12,796. (*Chairman.*) You probably observe that many witnesses have expressed a strong opinion in favour of uniform mileage rates, both upon particular railways, and many of them in favour of a uniform mileage rate over all the railways in the kingdom; what is your opinion upon that point?—It is quite out of the question; it would have the effect of making the charges so high in some cases that the traffic would not be carried at all, or else it would make the short distances so low that they would be unremunerative, and I am quite sure that the interest of the public in general would be very much damaged by such a system as that.

12,797. Is uniformity your principle where there is no reason to depart from it?—Practically, it is so.

12,798. But the exceptions are probably very numerous?—I do not think that I could use the term "very numerous." Of course the exceptions are numerous. As I said just now the chief cause is where the competition of water sets in and where there is a particular trade which has to be fostered by carrying larger quantities at small rates.

12,799. (*Earl of Belmore.*) The effect of such a system of uniform mileage would be entirely to destroy competition in cases where you have to meet with water competition?—Yes, it would stop the trade. If we were bound to charge a certain sum and the public would not pay it, of course the traffic would be stopped, and then they could only have recourse to the water.

12,800. And probably the owners of the water communication would raise their rates?—No doubt that would be the result; whereas as it is now, a wholesome competition is established. And then I think it would be very strongly felt indeed in the short distances, because if we were bound to carry for long and short distances at the same rate, and we elected to carry long traffic at a low rate, and we were bound to carry short traffic; we should then elect not to be carriers (and it is competent to us to do so) between those short distances. Then parties might put on their own conveyances on the line under the constitution of the Acts of Parliament if they were so minded for the purpose of the short distances.

12,801. That would very seriously interfere, would it not, with the working of a large line of railway like yours?—Yes, very materially, of course, and it would very seriously interfere with the very large number of people who live in the district that we serve.

12,802. (*Lord Stanley.*) There has not been practically any demand made upon your company for a uniform mileage rate,has there?—No.

12,803. (*Chairman.*) Do you think that the result of competition between railways has on the whole been to reduce the fares and charges to the public?—I am sure it has.

12,804. And you think that for a time competition goes on, but that in a short time the two companies agree to charge common rates?—They seldom come up to the old rate again. I was very much struck with the evidence of one gentleman, whose name I forget; he said there had never been known a case in which a rate got up again when it was once reduced. That is not quite true. No doubt when rates have been low they do not go up to the price they were before the competition arose.

12,805. How do you explain that when two or more companies who have competing lines to the same place have come to an agreement they do not revert to the old high charges?—I think it is because the public would feel themselves very much aggrieved; the companies having elected to carry at those low rates they would think that they could do so still and make a profit out of them, and that it was very hard upon the public to put the rate up to what it was before.

12,806. You do not like to do anything which would be very offensive to the public, and give a cause of great general complaint?—No; we are indeed the humble servants of the public.

12,807. You stated, did you not, that the competition between railway companies had tended to reduce the cost of conveyance from the railway termini in London to the outskirts?—No; it has increased the area and increased the cost to the companies in doing it.

12,808. Do you think that it would be possible for Parliament to introduce any measure that would facilitate the interchange of traffic and through booking between different companies?—Where they form a continuous route it is done so generally now, and I do not think that any parliamentary enactment is necessary; the traffic of the kingdom is principally carried at through rates.

12,809. (*Capt. Galton.*) We have had evidence that great inconveniences have resulted at a certain station which enables people to get from Bedford on to the Great Northern line; would any legislation, do you think, enable grievances of that sort to be corrected?—It might; but with respect to that very case (I am glad that you have mentioned it), I never heard of it until it appeared in print in the evidence before this Commission, but it so happens that it is chiefly in fitting the trains that the grievance arose. It is the cross country traffic.

12,810. Through booking was one point of complaint?—That may be so, but wherever a company is willing to book through with us, we are always willing to book through with them. I think you will find that the place referred to was Sandy, and that it was a Bedford gentleman, Mr. Howard, who found a grievance because our main trains up and down do not quite fit in with the cross country single line trains on the Bedford and Cambridge line; and that he had been put to this inconvenience; but that was the first time I had ever heard of a desire to have this through booking, and now it is established.

12,811. You will remember that some time ago it used to be a very common complaint that one company who was hostile to another would obstruct the traffic of another company; do you think that that practice still exists in the railway world, or has it gradually been discontinued, and do the railway companies now afford full facilities to the passenger traffic of all companies with which they come in contact?—Yes, those days are very much gone by, and I will add to your remark, for goods also.

12,812. (*Mr. Glyn.*) Whenever it occurs that a cross train does not happen to fall in with the main branch lines of any two companies, it is not because they fix their hours on purpose that they should not connect, but because the main traffic on the principal branches traffic will not allow to connect them, is not that the case?—That is quite so.

12,813. (*Mr. Gower.*) Take the case of getting from your line to Lincoln. I see that at Newark your morning train arrives at 11.55, and that the Midland train to Lincoln leaves Newark at 11.53, two minutes before. Is not that a very great inconvenience to the public?—Yes; but then you must bear in mind the fact that the stations are not the same, and that it would take nearly 20 minutes to get from one station to the other, so that it is not a question of two minutes or three minutes as it appears. There is a further question of certainly 20 minutes, in order to make a passenger who wanted to go, for instance, from Peterborough to Newark in order to catch the Midland train sure of catching it. And then that two or three minutes is not established, as Mr. Glyn says, because the companies want to interfere with each others' traffic, or want to prevent traffic flowing over the other line, but because the Midland train starts from Nottingham and goes to Lincoln, and it may have to run from a train that comes from Derby, or from any other place, and it cannot start until the Derby train is in. Then of course our trains work from London to Scotland, and London to York, and we could not keep our train back to meet trains at the several junctions of other companies that we go through. We fit our own branch trains, and it really is a matter that is not possible to regulate so as to avoid discrepancies of that sort. Of course if we can we meet them, but our train which goes from London to Aberdeen of course has to perform its journey in a certain time, to catch the trains of the North-eastern Company. We only run to York, the North-eastern Company go on from York to Berwick, and the North British Company go on from Berwick to Edinburgh, and then we have got to catch the system of Scotch trains, which go to Inverness or to Aberdeen, and it would never do for us to say that we would stop our train to make it fit in with the Midland train, which only pendulates between Lincoln and Nottingham.

12,814. In your opinion, if all railways were under one management, would such inconveniences exist equally?—Yes, they cannot be avoided; if you have got to serve a very important line of communication, and to make other trains fit in, it would be impossible to do it throughout England.

12,815. (*Capt. Galton.*) Do you run trains to Cambridge now by Royston?—No, not till the 1st of April, when the 14 years' agreement lapses and we do not renew it.

12,816. Is that line in your hands?—It will be, it is our own property.

12,817. (*Mr. Gower.*) You do not think that this arrangement of trains is for the purpose of forcing the public to come from London to Lincoln by the Midland line?—No, certainly not.

12,818. But has it that result?—No, I do not think it has; they have only to wait for the next train.

12,819. How long would they have to wait?—I have not that in my mind.

12,820. About two hours, is it not?—In that instance it may be so; I have no doubt you are right if you have the table before you.

12,821 (*Capt. Galton.*) Your argument would be that the cross line traffic should accommodate itself to the through traffic which is run through to the north?—Yes, I will put it a little higher. The Midland train from Nottingham to Lincoln is in connexion with Derby or the Willington junction, and that is in connexion with the through train from Carlisle to London; the Midland Company work their train as well as they can, and we work ours as well as we can. They cannot start the branch train from Derby to Nottingham till their train reaches Derby, of course, because that would be useless, but their train does not start from Derby to Newark through Nottingham in sufficient time to meet ours; and you would never contend that the through arteries of communication were to be made subservient to the cross country trains; that would be out of all reason.

12,822. Can a passenger book through from Derby to London by way of Grantham?—No he cannot.

12,823. But the trains run so that he could proceed in a reasonable time that way, do they not?—Then he would have to book locally.

12,824. He would have to book at Nottingham?—Yes, certainly. The answer is that if a man wants to go so many extra miles, because he would be a great many miles out of his course, he cannot expect to have the same convenience as if he went by the most direct route, but to any part on the Midland system, or the Eastern Counties, towards Cambridge, for instance, they pass freely all over our system.

12,825. (*Chairman.*) In the case you mention there is a break of continuity at Nottingham, the Midland and the Great Northern companies do not run to the same station?—No they do not, at Nottingham the stations are not the same, but they are very near together.

12,826. But there is a break of continuity?—Yes.

12,827. (*Capt. Galton.*) Do not the trains run into one station?—No, they do not; and at Newark there is the whole length of the town to be traversed, one station is at the extreme east of Newark, and the Midland station is at the extreme north of it.

12,828. (*Chairman.*) Have you no complaints from the public that there is any delay in the interchange of traffic between your line and other lines of railway?—I do not recollect any. If there are complaints of that nature it is our business to meet them if it is at all practicable; but it would be hopeless to contend that all branch trains should be made to fit with the up and down trains it would be beyond possibility.

12,829. (*Mr. Hamilton.*) With reference to the case

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which you have just stated, you say that a passenger at Derby could not book through *viâ* Nottingham and Grantham to London ?—He cannot.

12,830. Irrespective of cost, why should he not be able to take a through ticket *viâ* Grantham to London ?—We should be very willing that he should do so, but the Midland Company would not like it to be done. There would be no gain to the public in booking a man by so very circuitous a route when there is a direct means of getting him to London.

12,831. Supposing it is a convenience for a gentleman living there, that he has friends in the neighbourhood, and he is willing to pay the local rates, why should he not be able to do so ? what difficulty would there be on the part of the railway company in his getting one ticket at Derby which should bring him all the way through to King's Cross ?—The only reason is that it would multiply to an enormous extent the stock of tickets kept at those stations, which amount to thousands and thousands, for the purpose of enabling a man once in twelvemonths to do this which would not save him any money. It would be multiplying the detail of the through booking arrangements to such an extent that it would become very cumbersome indeed; and if a man pays the same, what is the good ?

12,832. The good of it to him would be this, that instead of having to apply for two tickets he only has to apply for one ?—Then I would ask, what is there in that ?

12,833. (*Mr. Glyn.*) In fact it is no disinclination on the part of the company to serve the public as regards through booking, but it is the impossibility in a small station, or a common station, to have that multiplicity of detail carried out by one clerk ?—Yes, quite so.

12,834. (*Mr. Hamilton.*) Of course this increase to which you allude would ultimately lead to increased cost to the public, would it not ?—Yes, it would lead to increased cost to the public, certainly. When you asked about through booking, I thought you meant at the same rate, because if you only put it as high as to say that a man should be able to take a ticket at the sum of our local fares, I think that it would be a very useless waste of tickets, waste of stock, waste of trouble, and waste of details, because a man would gain nothing by it.

12,835. He gains nothing in money, but, for instance, there might be some members of a family going round that route, possibly all ladies, and they might wish to avoid having to go to the booking office to take fresh tickets ?—That is so completely an exceptional case that it would be very unwise to legislate for that one individual as compared with the hundreds of people who would go the other way.

12,836. It is not a question of legislation, but as to giving facilities on the part of the railway company ?—Another evil would be that there would have to be two fares from Derby to London in the Midland booking office. The fare is well known to the booking clerk, and a man coming to book to London would take a ticket from Derby to London for so many shillings; but if he has to book round by Grantham to go over the Midland line the railway fares are put together, and he has to pay two fares from Derby to London.

12,837. (*Mr. Glyn.*) Do you know the number of inter-bookings which now takes place through the system that now goes on of inter-booking ?—No ; but if I could tell you the number it would astonish you. The number of through rates are calculated by the million.

12,838. If the principle which has been alluded to were carried out still further the number would be so multiplied that in fact it would almost destroy the system ?—Yes.

12,839. (*Mr. Horsfall.*) I believe that you allow through booking to London from almost any station on your line ?—Yes, we have through-rates on every part of our own system from every station, not only to London but intermediately; all our branch stations can book to each other.

12,840. (*Capt. Galton.*) You afford many more facilities for through booking than the Midland Company do on their own line ?—Possibly ; but then theirs is a much more extended system, and their branches are more remote; ours is confined in a narrower space of country. I should think that very likely a branch at the Bristol end of their system would not have through-booking arrangements with a branch at the Leeds end.

12,841. Are you aware that they do not allow any small station on the Bristol and Birmingham section to book through to any station on the Birmingham and Derby section ?—I was not aware of that.

12,842. Nor do they allow them from the small stations on the Birmingham and Derby sections to book through Derby ?—I did not know that; I suppose that they find the interchange of traffic so minute that they want to decrease the number of tickets constantly in stock, and I have no doubt that the through rates in those cases would be made up of the sum of the two local rates; and therefore pecuniarily it would be no advantage to the public to be able to do so, except the small amount of convenience which the honourable member suggested.

12,843. (*Chairman.*) Have you any suggestions to offer to the Commission, with regard to the management of railways, by which you consider that the convenience of the public generally might be increased ?—No. My opinion is that the object of every company is to do its work in the best way that it can do it for the benefit of themselves and of the public at the same time, because the two things are identical, and that no pressure that can be put upon them by any Board of Trade regulations would have any beneficial effect in that direction.

12,844. (*Mr. Gower.*) Do you charge anything for passengers' luggage ?—We do when it is above a certain weight.

12,845. You are not in the habit of charging everything, are you ?—No, we are very liberal.

12,846. But is it not the common rule to charge ?—Our rule is to allow 112 lbs. to a first-class passenger, and 60 lbs. to a second-class passenger. Then we charge in respect of distance, and of course it is more to Scotland than it is to Grantham per lb. for anything in excess.

12,847. But you do not generally weigh the luggage to ascertain the weight ?—The rule is that if a passenger comes with a large number of boxes it is the business of a particular porter in the King's Cross booking office to weigh the luggage, and if there is a considerable excess to charge it; but if people are coming with a reasonable amount of luggage it goes as a matter of course, but we have power to charge it, and in many cases we do so.

12,848. (*Chairman.*) Do you run many excursion trains on your line ?—A great many in the autumn.

12,849. What is your opinion with regard to excursion traffic, are you favourable to it ?—I am favourable to it to a certain extent, but I am not sure that it has not gone too far.

12,850. (*Mr. Glyn.*) Do you mean too far as regards the safety of the public or too far as regards the profit of the company ?—Too far as regards the profit of the company, and of course, owing to the great weight of those excursion trains and the necessity sometimes of running two engines, the trains get so heavy that they are past control, and that is often a source of danger.

12,851. In point of fact if they are not upon a very large scale they scarcely are remunerative, I presume ?—It is the very low priced ones that I object to ; I think the facility of excursion trains taking people to the sea side in the autumn, or to any particular exhibition that is going on, or to races to which the public are desirous to go, is all very well. But those monster trains, as they are called, going out for a day's excursion, and carrying people at some wonderfully low price, and which can only be remunerative because of the numbers carried, I think, are a mistake.

12,852. Practically do you not find that those trains

interfere with your general traffic ?—No doubt if they became unwieldy they get in the way of everything.

12,853. (*Mr. Hamilton.*) Then why do you allow such trains to start ?—We do not. On the Great Northern line we do not allow trains to start of an uncontrollable length, because if they are too large we divide them and send them by two separate engines.

12,854. You are only putting the case now of your own railway, but where those immense trains are allowed you think them objectionable ?—Yes.

12,855. As endangering the safety of the public ?—Yes, I think so.

12,856. (*Mr. Glyn.*) Even as regards the profit to the company, you think that under the division which you have alluded to it is doubtful whether they answer ?—It is not all profit by any means, because people who are not excursionists go by those trains, they avail themselves of the cheap fares to transact any business for which they might have, and which, except for the excursion train, they would have paid the regular fare for.

12,857. (*Mr. Hamilton.*) Do you think that a second engine increases the insecurity of the train ?—I would much prefer running a train which was too heavy for one engine in duplicate rather than put two engines on one train.

12,858. But you do that sometimes, do you not ?—Very rarely.

12,859. (*Mr. Horsfall.*) On Saturday last did you not do it ?—Yes, we do it sometimes, but that is in cases where there has been no organization for doubling the train. The engine sometimes happens to get weak in some particular part of the journey, and another engine is put on to the train.

12,860. (*Mr. Glyn.*) The train might perhaps be unusually well loaded, and you might put on an extra engine in that case ?—Yes, the engine may be a little weak in itself, and then the pilot engine which is put on is not itself capable of carrying the train on, but the two together do it.

12,861. (*Chairman.*) Are your passenger fares by your ordinary trains very uniform throughout your whole system ?—Yes, and very nearly the maximum.

12,862. Have you ever tried any experiment as to the effect of lowering the fares between any particular towns ?—We had a great competition some 10 years ago with the Midland and other companies, and our fares got so low as 5*s.* from Yorkshire to London and back, and I have no doubt that an immense number of people availed themselves of them. But we have never reduced the fares some 10 or 20 per cent. for the purpose of experiment.

12,863. (*Mr. Glyn.*) That competition was between Manchester and London if I recollect rightly ?—Yes, and it extended itself to York.

12,864. Was not this the effect of that competition, that it interfered very much with all the regular Yorkshire traffic, and that it induced a great number of passengers to come through Manchester who otherwise would not have taken that route ?—Yes ; and the result of it was that the chairmen of the other companies who were affected by it tried to bring the companies to reason, and succeeded. Mr. Leeman, if you recollect, took a very strong part in it.

12,865. That would not be any example as to the effect of the reduction of rates, because in fact that reduction was so large that it was fed from every part of Yorkshire and every part of Lancashire, but if the reduction was general all over the country of course that stimulus would at once cease ?—Yes. That is met now by the excursion trains at considerable reductions during that part of the year when the tradesmen and mechanics can have leisure.

12,866. Do not you think that even that interferes with the regular traffic very often ?—I think it does, and that is what justifies me in saying that excursion trains are not all profit.

12,867. (*Mr. Horsfall.*) When the charge was only 5*s.* of course that was a rate which ensured loss to the companies ?—Such immense numbers of people came that they did not lose so much money as one might have thought would result, for, as the honourable member for Kendal says, we drew illegitimate traffic from other companies to those points where the rates were so low, and we did carry traffic which we were not justified in carrying.

12,868. (*Earl of Belmore.*) If the rates all through this district had been uniformly reduced of course you would not have had that traffic ?—No, it would have been a very considerable loss.

12,869. (*Mr. Gower.*) Was that the year of the Manchester Exhibition ?—Yes.

12,870. Do you not attribute the great increase of traffic partly to that as well as to the reduction ?—Of course that had an effect on it ; but that is not the only instance of very low fares that we had, because the system extended to Leeds and the West Riding generally ; but there is no doubt that they were far too low.

12,871. (*Earl of Belmore.*) In practice do you allow your passengers to carry more than the minimum amount of luggage which you are bound to carry for them by Act of Parliament ?—We profess not to do so, but we are not particular to a few pounds, or a box or two. There is really nothing that people are so reluctant to pay as for excess of luggage.

12,872. You do not fix a scale of luggage, but you are ready to allow them to carry a larger quantity than the minimum which your Act of Parliament allows ?—No ; 112 lbs. is what we allow for first class.

12,873. Some railway companies have a much lower minimum, have they not,—is not that the case with the lines going in the direction of Dover and the south of England ?—I think it must be based upon their Acts of Parliament. The public would have a remedy if the company would not allow them to carry to the full extent that the Act of Parliament regulates, but they are much more rigid in charging to the very pound on the South-eastern and the London, Chatham, and Dover lines, and that is partly because when they get on the French side of the channel the luggage is weighed very minutely, and as the English companies make a charge throughout, they have to pay over the proportion due to the French companies out of what they get from the public, and, therefore, if the French companies exact to the very pound, the English company having to pay for it has to exact it too.

12,874. The French companies base their own system of charges to passengers upon the assumption that they are paid for everything with the exception of a very small amount of luggage, do they not ?—It is much more rigidly done on the continent than with us, but one reason of that is, that there is only one line of railway, and no competition, and they can do as they please.

12,875. (*Mr. Gower.*) Would you be in favour of introducing into England the distinction with regard to goods traffic which exists abroad between quick and slow transit ?—No ; I think it would be a very undesirable thing, because the English lines are so crowded with traffic, and if we were to do as the French companies do with their *petite vitesse* and delay the trains actually and systematically, so that the public may not benefit by the quick transit, and thereby diminish the payment that they would make for the *grande vitesse*, that would just stop the traffic of England.

12,876. Would not there be a considerable saving in putting by all the goods till you had a full train always ?—In practice we do have full trains.

12,877. You have not often to send a half-loaded train ?—Very seldom. Of course on the branch lines the trains are much lighter, but then a lighter engine is used, but on the chief arteries of traffic, from York or from Manchester, the trains are full. Then we have a system of what we call pick-up trains, which do intermediate work, and any traffic between any number of stations intermediately is done by that train, and that train of course takes a very long time coming, not because it runs more slowly, but because it stops so often.

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12,878. (*Chairman.*) Have you any branch lines on which the traffic is so small that you run mixed trains of passengers and goods?—Yes; in Lincolnshire, where the country is very flat, and where, of course, the gradients do not arise, goods trucks are put on to most of the passenger trains.

12,879. Do you carry third-class passengers in general by most trains except express?—No, we do not; we confine the third class to two trains at the most.

12,880. Do you think that third-class passengers would increase in number materially if they had greater opportunities of travelling?—I think they would; but I think that it would be very likely to be to the detriment of the shareholders of the company, because people who now pay second-class fares would avail themselves of the third-class.

12,881. (*Mr. Glyn.*) Do you cultivate the third-class traffic much upon your branch lines?—We do not, except in Lincolnshire, where it is an agricultural population, who will not move unless they go very cheaply indeed, and have no real business to induce them to go.

12,882. (*Mr. Hamilton.*) Is it your reason for having so few third-class trains that you think it would diminish the number of second-class passengers?—Certainly.

12,883. (*Mr. Glyn.*) Have you market trains between the large towns in Lincolnshire?—In Lincolnshire, where the loop lines go through many small villages, the inhabitants of which have some interest in the Lincoln markets or the Boston markets, we do issue market tickets.

12,884. Do you find that it answers as a general rule?—Yes, it induces people to travel.

12,885. At a lower rate, or half fare?—Yes; and another reason which induced us to do so was, that the Witham is a navigable river parallel to the line of railway on which some little steamers used to run.

12,886. (*Mr. Hamilton.*) With regard to excursion traffic, I think I understood you to say that you doubted whether very cheap excursion traffic was profitable, and that you thought it was attended in many cases with danger?—Yes; I allude to the monster trains which are run in some parts of England.

12,887. Would you, therefore, think it desirable to interfere by enactment with excursion traffic?—No, I would not. I am adverse to an interference which places the responsibility not on the companies. I think when you get Government enactments applying in some cases, and companies acting for the best in others, because they are actuated by the desire of doing the best that they can for the shareholders, wherever you get that subdivision of interest you will get great difficulty.

12,888. You would not like any interference on the part of the Government to this effect, that trains should not be started except at certain intervals of time?—No. I would not indeed, because if it can be done with safety, I think it is desirable to do it, and if it cannot be done with safety, then practically the railway companies would not do it.

12,889. Do not you see that the judge of safety is the station master or the traffic manager at a particular spot?—And whom would you make the judge in the case that you have put?

12,890. I want to know whether certain regulations could not be laid down by Parliamentary enactment as to the intervals at which trains should follow each other?—It would be impossible to carry it out, in my way of thinking.

12,891. You will recollect the instance of the frightful accident in the Clifton tunnel, where it happened that trains started at an interval of only two or three minutes?—Yes, I recollect that.

12,892. Do you think it is better to leave this matter to the responsibility of the railway company?—I do, decidedly.

12,893. (*Chairman.*) Have you particularly any rules which compel a station master to detain a train if one is immediately before it?—Yes.

12,894. For a certain number of minutes?—Yes. No train is allowed to follow another except at an interval of five minutes. The danger signal is shown for five minutes, and then the caution signal is shown for five minutes more.

12,895. (*Earl of Belmore.*) With the view of obviating danger, would you always require an interval of five minutes between the starting of the trains?—Yes, at least, and then the telegraphing of the trains running is so very much more carried out than used to be the case, that it is very rarely that they can come within a certain distance of each other.

12,896. (*Mr. Hamilton.*) Have you a system of telegraphing from station to station?—We have, and we are going to extend it. We have just arranged with the telegraph company to put it up in the thronged district of Yorkshire, in the triangle between Wakefield, Leeds, and Halifax.

12,897. With what object are you extending it? Is it with a view to safety?—With a view to safety. They are bad gradients, through a wonderfully hilly country; and with a great deal of traffic, it is difficult to regulate the speed of trains so well as you can in a more level country, or where the gradients are easier.

12,898. Is the system of telegraphing from station to station usual on all the large lines?—It is on all the lines out of London for a certain length.

12,899. And that is the voluntary act of the railway companies themselves?—Yes, certainly, and done at a great expense to them.

12,900. I thought it was chiefly confined to the South-eastern railway?—No, it is done on the London and North-western railway completely now, and we do it near London, because the intervals are shorter, and have done it for years past. I do not know about the Great Western railway, but it applies to the Brighton line, I believe. I can speak for myself, and I can speak for the London and North-western railway.

12,901. Do you not recollect that at the time the evidence was taken after the Clifton tunnel accident, the manager of the Brighton railway said that he thought that the South-eastern system of telegraphing would lead to more accidents than it would prevent?—I do not recollect that. If that be so it is evident that they had not got it on their line.

12,902. (*Mr. Glyn.*) You find it practically advantageous, do you not, for the working of the traffic, as well as for the safety of the public?—Yes, I do.

12,903. (*Mr. Hamilton.*) Will you state what is your system of telegraphing?—We do not let one train leave the station next behind it until the train preceding it has left the station.

12,904. So that you know then that the intermediate line is positively clear?—Yes; but that can only be done where the stations are very close together, or by establishing intermediate signal stations, which in some cases we have had to do.

12,905. That was the reason why I thought it doubtful whether you had adopted it, because your stations are much further apart than they are on some other lines, such as the South-eastern line and the Brighton line. I was not aware that you had established those intermediate signal stations?—Yes, we have. It does not apply all over the line, but it applies to the district as far as Hitchin, which is 32 miles from London. After that the suburban traffic, as we call it, ceases, and the trains are less numerous. Telegraphic information is obtained, and no coal train is allowed to leave a station until the guard knows for certain where the passenger train is that he has to shunt for; and he regulates the distance that he runs in order to shunt by the knowledge that he possesses as to where the passenger train that is following him, and has to pass him, is.

12,906. How many signal stations have you between London and Hitchin; I mean signal stations distinct from traffic stations?—I think that there are only four; but then the stations near London are very thick. As far as Hatfield I think there are only four; I am not quite sure whether it is three or four.

12,907. (*Earl of Belmore.*) Was not it the intention

of the Great Northern Railway Company originally to lay down four lines of rails for some distance out of London ?—Yes, and we have land for that purpose. The tunnels are only made for two lines of rails, but some of the works are made for four ; but then we have adopted a plan lately of making duplicate lines passing through a district not then served—last year from Wood Green, up to which point from London the line has four rails upon it, we got a Bill for a railway to pass through Enfield and Hertford, so as to be carried eventually to Stevenage, which is just south of Hitchin, and thus forming a duplicate line.

12,908. So that you will be able to accommodate your local traffic without the regular trains running on the same line of rails as your through traffic, to a certain extent ?—Yes, and we serve a new country by that ; we put two new lines through a country hitherto destitute of railway.

12,909. Then it is a loop line, it is not putting lines alongside your existing rails ?—No, but it has the same effect ; because if we had too much heavy traffic to allow the passenger traffic to pass freely, then, by having two lines on which to subdivide the heavy traffic, or, if need were, to put all the heavy traffic on, the same effect would be obtained.

12,910. (*Chairman.*) Would you propose to run any passenger trains on that new loop line ?—Yes.

12,911. You are aware that it has been suggested in some quarters that great public advantage might be derived if the railways of the kingdom generally were purchased by the Government ; have you considered that question ?—Yes, I have.

12,912. Have you formed any opinion respecting what would be likely to be the result of such a system ? —I do not think that the railways would be so well managed, because there would not be that individual interest in each company to do its best ; and I think that if they were under the control of one general board, the ramifications of it would be so immense that the system would not be able to be carried out with the same amount of accuracy, and the same attention to the individual wants of the public, as is now the case where each company has to provide for the wants of the district that it goes through.

12,913. How do you think it would work if the Government possessed the railway and leased out each separate district to a company consisting of a certain number of individuals, say from 10 to 12 individuals, who would have to make their profit out of it ?—That would depend very much upon the regulations that were made. I do not know that any harm would come of it, but I do not see what would be the good of it.

12,914. Do you think that a certain number of individuals working a line for their own immediate profit would be likely to take a different view of the question as to what is fair and liberal, and what would be necessary, from that which a board of directors would take ?—I am quite sure that the result would be that they would grind the public in any place where they would have an opportunity of so doing, in order to obtain a large profit, because they must run considerable risk, and they would have to recoup themselves by getting the most they could out of the public.

12,915. (*Mr. Glyn.*) You would not find them making experiments in the way of reduction ?—No ; they would do their utmost naturally to get the greatest amount out of the public. They would neglect traffic that did not pay, and they would not provide additional plant ; they would do that which suited their pockets best.

12,916. And of course they would do the least they possibly could towards keeping up the line in its best condition ?—No ; they would not have the same desire, I should think, to do their work well ; their desire would be to make as much profit individually during the term of their lease as possible.

12,917. (*Earl of Belmore.*) Would not that answer apply generally to the case of the line of one company being leased by another company ; that the leasing company would not do so much for the development of the traffic of the leased line, as they would for the traffic of their own line ?—Not quite so, because the object of leasing a line is not only for the line itself, but because it brings traffic on to the parent line ; and if the thing as a whole is not properly worked, then of course a loss might arise from the lease which they had entered into. However, a line is not leased to be shut up, but generally to develop more traffic on to the parent line.

12,918. That is the principal object, and not the development of the traffic of the leased line, with the view of making as much as they can out of the locality ? —But you would not make traffic for the parent line unless the work were well developed on the branch line. If there is money to be earned, of course it has to be earned on the line that is leased, and by the company leasing the line.

12,919. Take a case of this sort : supposing a company were to lease a line at, and guarantee a minimum rent, but with the agreement that if the traffic should exceed a certain amount there should be a proportionate increase of that rent ; might it not so happen that it would be more to the interest of the leasing company not to develop the traffic beyond a certain extent, than to develop it fully, because if they did so develop it they would have to pay an increased rent ?—Yes ; that is quite possible.

12,920. Supposing the proposition which has been submitted by some of the witnesses, that various lines in Ireland should be leased to some of the great companies in England, were to be adopted, would not that case be very likely to arise ?—I did not know that it had ever been suggested that the English companies should lease the Irish railways. I thought the suggestion was that the Irish lines should be taken to by the Government, or that the Irish lines should be subdivided into two or three large districts.

12,921. And then leased by some of the large English companies ?—I was not aware of that.

12,922. Supposing that that were done, would not it possibly happen that it might not be to the interest of the company in England leasing those lines in Ireland to develop the traffic to the greatest extent ?—I think it would have the same effect as I suggested just now with respect to the leasing of lines by three or four individuals in England. If they were responsible for a certain amount of dividend, and they had to put the rest into their own coffers, of course they would do their best to develop the traffic which paid, and they would neglect that which did not pay.

12,923. (*Mr. Glyn.*) If they were leased in perpetuity, in fact, they would then become a part of the same system, and the companies leasing them would have every reason to develop the traffic as far as they could ?—They would, in fact, be the same as if they belonged to them if they were leased in perpetuity.

12,924. (*Chairman.*) Do you think it would be desirable that the terminal charges should be defined ?— I think that it would be a wise thing if the terminal charges applicable to through traffic could be defined.

12,925. (*Mr. Glyn.*) With regard to the interchange of traffic between companies, does anything particularly occur to you as necessary to be done in addition to what now voluntarily takes place between companies ? —If you mean whether it requires an enactment that it should be done, I should say no ; I think it is done to a very great extent now ; anywhere where there is advantage in making an exchange of through fares or through rates for passengers or goods it is done, and I think the desire of the companies to benefit themselves and the public at the same time (because the one does not benefit without the other) under the present system is a sufficient inducement.

12,926. You say passengers and goods ; of course you mean minerals, cattle, and everything else equally, do you not ?—Yes ; goods is the general term ; anything that is not passengers. "Passengers," of course, includes horses, carriages, and dogs, by general acceptation.

12,927. (*Chairman.*) Taking the whole expenditure of all the railway companies, is the average cost per mile travelled somewhere about 2*s.* 6*d.* per mile on

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all the railways in the country?—We reckon that it costs 2*s.* 6*d.* a mile.

12,928. Do you find it very uniform over all railways?—I think, as a well-known figure, you could not take a more generally accurate one.

12,929. (*Mr. Glyn.*) Do you find that the cost of your permanent way becomes rather heavier year by year?—We have got into a system of relaying a certain portion year by year, and therefore it is more costly, because the life of a rail, as it is generally put down, has expired.

12,930. I suppose that relaying has arisen from the necessity of doing so?—Yes, because the rails are worn out.

12,931. Then in fact the expenses are rather increased?—Yes; but I doubt whether we are not up to the full now, because we do endeavour to relay a certain number of miles per annum, and it would be a question whether we shall ever be in a better position than we are now, because the opening of new lines will not be so important an addition as to affect the general number of miles that must be relaid.

12,932. (*Mr. Hamilton.*) What is the average life of a rail on your system?—That is a difficult thing to say, because if the traffic is very heavy in the neighbourhood of a station where there is a great deal of shunting going on, of course it is very much shorter lived; but there are some rails on the loop line now which have been down 20 years, and they are good rails too, whereas some wear out in three years. Then there is a very important question now being discussed as to whether it is economy or not to employ steel rails.

12,933. Has that question been solved yet?—No, not yet; it is a question of cost.

12,934. (*Mr. Glyn.*) It has not been tested very generally, I believe?—No; we find that the cost of steel, as compared with that of iron, is as 13*l.* or 14*l.* to 8*l.* or 9*l.*

12,935. (*Mr. Hamilton,*) Have not the London and North-western Company laid down two steel rails in the very mouth of their traffic, in order to test their value?—Yes, and we have put in some half miles, and so on, to test the result as to the life of those rails; but there is a theory brought now that you may have a lighter rail if it is made of steel than of iron, and therefore economy may be effected by that means; but that is all idea at present.

12,936. (*Mr. Glyn.*) It is, in fact, merely an experiment at present?—Only an experiment.

12,937. (*Chairman.*) Do you see any prospect of there being any material reduction eventually made in the cost of working railways?—I do not believe it; I think that the speed, which is one great element of cost, will not be materially reduced. People have been used to have their goods and themselves carried so quickly that I do not think they would be satisfied at being carried at less speed, and that is one result of competition also.

12,938. (*Earl of Belmore.*) In fact the tendency would be rather towards increased speed, in consequence of improvements introduced into locomotives?—Yes; I should think that the result of the Government taking to the railways would be rather to decrease the facilities to the public than otherwise. There would be no object in the work being done better by one company than by another.

12,939. (*Chairman.*) Do you run a great number of carriages very partially loaded in passenger trains?—We do in some cases; I do not think very many; but, with a view to meeting the comfort of passengers, we run through carriages, because you cannot put it in any other way than comfort, for a man is carried just as well if he has to get out at the junction of a branch with the main line—he is carried to his destination just as well—but it is a great comfort, especially if there is a family of children or ladies going, that through carriages should be run; and I have no doubt the system at present adopted is to run more carriages than need be run.

12,940. Do you think that that materially adds to the cost?—Yes, it adds to the weight of the trains, and that is cost.

12,941. Has it ever been considered whether the weight of the carriages themselves could be reduced?—No; and the tendency is to increase the weight, because people want more head room and more elbow room also, and the carriages are made much larger than they used to be. All the newly constructed carriages, you will find, are on an improved scale.

12,942. So far as the framework of the carriages is concerned, could there be any reduction in the weight?—I think not. They are made of hard wood now, and that, of course, is the lightest material that can be used in proportion to bulk; and if there was not the strength which is now to be found in railway carriages I am afraid that in the event of an accident they would be smashed up much more easily.

12,943. Have you any knowledge of foreign railways?—Not except by travelling on the continent occasionally.

12,944. Do you know whether they are worked at about the same cost per mile as our lines?—I have no doubt that they are worked at less.

12,945. What are the elements that render them cheaper than ours?—Fewer trains, less wear and tear, and slower speed. On some of their lines, for instance, to Lyons or to Bordeaux, they run quickly enough one or two trains; but the general speed on the French or the Belgian railways is less than on the English railways.

12,946. (*Mr. Hamilton.*) Do you know any case abroad where they actually cover more than 30 miles an hour?—They go more than 30 miles an hour between Boulogne and Paris.

12,947. I mean where they cover more than 30 miles an hour; for instance, whether you would go 210 miles in less than seven hours?—I cannot enter into that question.

12,948. (*Earl of Belmore.*) You have had a system of communication between the guard and the driver in operation on the Great Northern for a long time, have you not?—Yes, between the guard and the driver, but not between the passengers and the guard.

12,949. Have you found the system answer between the guard and the driver?—It answers. On some occasions we have found it of service; but I cannot say that it is a very reliable thing, especially in a very long train. You are aware I dare say how it is done. There is a drum which carries a rope which takes up the slack, and when the slack is up then it pulls a cord tight and rings a bell. That slack is obliged to be wound round the drum, or else every time the train is started, when the draw springs naturally elongate, the bell would keep ringing, and the difficulty is when the train becomes of very great length.

12,950. There is a good deal of inconvenience, is there not, owing to that arrangement when detaching carriages at junctions?—The cord is proportioned to each carriage length, with a hook and eye, so that it is very easily detached. It has been in operation many years now, and good has resulted from it, and we have tried to make the same thing apply to general communication from passengers to the guard, but it will not answer.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Friday, 23rd February 1866.

PRESENT :

The Right Hon. the Earl of Belmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
Capt. Douglas Galton, R.E., C.B., F.R.S.
Geo. Carr Glyn, Esq., M.P.
William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S, in the Chair.

James Smithells, Esq., examined.

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12,951. (*Chairman.*) You are traffic manager of the Lancashire and Yorkshire Railway ?—Yes.

12,952. Have you had an opportunity of looking at the evidence given before this Commission by gentlemen from Liverpool and other places ?—I have.

12,953. Have you observed some complaints by the Liverpool gentlemen as to the inequality of your charges from Liverpool as compared with other places ?—Yes.

12,954. Will you be so good as to make any observations you may think proper on that evidence ?—I have carefully read over the complaints to which your Grace refers, and this is my answer: Upon this complaint which pervades the evidence of these witnesses and which appears to be their principal grievance, I state that the Lancashire and Yorkshire Railway Company have spent upwards of two millions of money in providing stations and lines in the borough of Liverpool, and are deeply interested in the prosperity of that port; they have always been and still are anxious to develop the traffic of Liverpool, but they feel bound also to consider the claims of other ports and places upon their own line, and upon the lines of other companies with whom they have through rates and interchange traffic. The Lancashire and Yorkshire Railway passes through one of the most populous districts in the kingdom, and accommodates a large number of important towns, some of which are also accommodated by other companies, but many of which are dependent upon the Lancashire and Yorkshire Railway Company alone. The companies whose lines are connected with the east coast ports of Newcastle, Hartlepool, Hull, and Grimsby, are naturally anxious to develop the traffic of those ports, and they ask us to join them in through rates and we assent, because we consider it would not be just either to them or to the public if we refused to establish such through rates as would enable the population on our own line to obtain their supplies from those ports as well as from Liverpool and other ports on our own line. This, however, can only be accomplished by our accepting upon traffic from the more distant ports a less rate per ton per mile than we charge from less distant ports upon our own line to the places of consumption, and such traffic is of course correspondingly less profitable to the company than the traffic conveyed by us from ports less distant. But by adopting this principle we undoubtedly confer great benefit upon the population of our district by enabling them to draw their supplies from a larger area of country and more numerous markets than they could possibly have access to if the uniform mileage principle was adopted. A uniform mileage charge, whether based upon the lowest or the highest rate now in operation, would have the effect of excluding the traffic from east coast ports and from other distant ports and places, and would in fact give the port of Liverpool and other west coast ports which are nearer to the places of consumption a monopoly of the traffic.

According to Appendix H of the evidence, the various Chambers of Commerce and other public bodies in the United Kingdom have been invited to lay before the Commission any complaints or suggestions they have to make with respect to railway companies, but it does not appear in the evidence which has been given before the Commission that any of the corporations, chambers of commerce, or tradesmen's associations connected with the towns on the Lancashire and Yorkshire Railway have given any evidence to show that the rates from Liverpool are excessive, or that the principle which we adopt of admitting the produce of other ports into our district at low rates per ton per mile than from Liverpool, has been prejudicial to the interests of those towns. In fact it appears that Rochdale is the only town upon our line from which any complaints have been made to the Commission, and to those complaints, very few of which apply to Liverpool, I am prepared to submit such explanations as will, I trust, satisfy the Commission that the Lancashire and Yorkshire Railway Company have not been unmindful of the wishes and interests of the inhabitants of Rochdale.

I will now refer to the answer to question 38 as to the "want of accommodation in Liverpool." The Lancashire and Yorkshire Railway Company have provided the following accommodation in Liverpool and at the cost which will be shown in the following Table,—

	Area in Statute Acres.	Cost.
Exchange Station, for passengers	...	£240,000
Great Howard Street, for goods -	11	300,000
North Docks, for ditto - -	25	350,000
Sandhill Docks, for ditto - -	24	140,000
Timber Depôt, North Docks -	4	20,000
Bootle Station, for goods - -	18	...
	82	£1,050,000

Of these 82 acres about 40 are not actually in use, but are available for the increasing requirements of the traffic. The 18 acres at Bootle are now being appropriated for a new station for timber and other traffic from the docks at the north end of Liverpool, and we are constructing a short branch from that station to connect it with our main line, as will be seen by the plan I now produce (*handing in the same*). They have also provided upwards of ten miles of sidings in Liverpool. It is true that occasionally the traffic of Liverpool is so excessive as to cause us very great difficulty in despatching it as rapidly as it is presented to us, but the railway company is not alone to blame for this. The carters in Liverpool, over whom we have no control, for their own convenience tender the bulk of the traffic to us in an afternoon and evening instead of presenting it regularly throughout the day. The following table shows how the traffic is generally delivered to us :—

From	6 a.m.	to	9 a.m.	5 per cent.	of the day's traffic.
„	9 „	to	12 noon	20	„ „
„	12 noon	to	3 p.m.	15	„ „
„	3 p.m.	to	5 „	20	„ „
„	5 „	to	7 „	40	„ „
				100	

Thus 40 per cent. is delivered to us in the nine hours up to 3 p.m., and 60 per cent. in the four hours up to 7 p.m. This practice, combined with a fluctuating market, such as that for cotton, of which on one day 3,000 bales only may be sold, and on another as many as 20,000 bales, no doubt occasionally causes the public and ourselves inconvenience. To meet these fluctuations in traffic the company have to incur special expense, by employing extra labour and running special trains; but, regardless of such expense, they do all they can to accommodate the public under such

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circumstances. To increase the station accommodation of the company in Liverpool so as to meet an occasional extraordinary influx of traffic consequent upon an excited state of the cotton market, would, in my opinion, be an unnecessary expenditure of the capital of the company, which the public cannot reasonably expect us to incur; nevertheless, in anticipation of an increasing trade and our future wants, the directors have for some time past had under consideration plans for important improvements at Great Howard Street and North Docks Goods Station, and the company undoubtedly have at their command unappropriated space for station accommodation in Liverpool sufficient for the traffic of the Lancashire and Yorkshire railway for many years to come.

I will now refer to what has been stated in answer to question 109, as to "Terminal expenses in Liverpool." The cost to the company in Liverpool is more than at other stations on the line from the fact that the wages of the porters and the general staff are higher; for instance, porters in Liverpool receive from 21*s.* to 26*s.* per week, whereas at other places they receive from 17*s.* to 20*s.* per week. The cost of working the traffic at each station upon the railway depends upon local circumstances, such as the rate of wages, the cost of accommodation, and the character of the traffic, scarcely two stations costing precisely the same amount per ton; at stations in an agricultural district, for instance, porters are paid from 16*s.* to 18*s.* per week, whereas the same class of men in Liverpool are paid from 21*s.* to 26*s.* per week. The witnesses are also in error in supposing that a terminal charge of 1*s.* at each station is sufficient to cover the cost incurred by the company, the fact being that for wages, shunting expenses, stores, gas, &c., the cost in Liverpool alone is above 2*s.* per ton.

The next point I will refer to in the answers to questions 117 to 124 is the "cost of carting in Liverpool." The Lancashire and Yorkshire Company contract for their carting in Liverpool, and pay for general goods 1*s.* 3*d.* per ton, and 1*s.* per ton for grain. These rates are considerably below the charge for cartage established and authorized by the Corporation of Liverpool. We made the best arrangement we could for this service, and should be glad to contract with Mr. Clark or any other responsible person, prepared to discharge the duty to our satisfaction, at 10*d.* a ton, the price at which Mr. Clark states it can be done at a profit.

The answer to question 192 is as to "Rates between Dunkirk and Liverpool and Manchester," and my answer to that is this: the Lancashire and Yorkshire Railway Company are not parties to the through rates referred to; the only interest they and other railway companies have in the traffic is between the ports on the east coasts and Liverpool or Manchester; these rates being mutually arranged by the railway companies, and charged to the public without any reduction, rebate, or allowance whatsoever in favour of any particular individual. If through rates such as those referred to by the witness have at any time been in operation, they have been established between the steampacket companies and the public, without the knowledge or consent of the railway companies. I will hand in tables showing in what particulars the statements made by Mr. Clark, Mr. Patterson, and Mr. Halhead are incorrect. I could have amplified my answer to the complaints made by stating what our traffic is, and I could have given other statistical information, but I did not think it necessary to do so.

12,955. (*Lord Stanley.*) With reference to the inequality of charges you put it in this way, that the complaint from Liverpool is not that the Liverpool rates are excessive in themselves, but that other rates are low?—Just so, and I believe that is the fact. It is not because the rates are excessive, or beyond the powers which Parliament has given us to charge, but it is because those rates appear to the Liverpool traders to be higher than the Hull and Hartlepool rates.

12,956. You say that the Liverpool people would be quite satisfied if their own rates remained as they are, provided the rates on the other parts of the line were higher?—No doubt. If we gave the Hull trader the same rate per ton per mile as the Liverpool trader, no doubt the Liverpool trader would be quite satisfied.

12,957. Your defence is, that, as a commercial undertaking, your company has a right to charge any rates that it may consider most remunerative within your parliamentary maximum?—If the maximum of good which railways are calculated to afford to the public is to be enjoyed by the public, it can only be by our adapting the charges to the traffic and the circumstances of it. With respect to the accommodation in Liverpool I should like to explain to the Commission a map which I will hand in, showing the accommodation we have provided there, as the Liverpool traders appear to have complained that we have not provided the accommodation which they desire. The red lines on the map indicate the Lancashire and Yorkshire railways and its stations, the green lines indicate the North-western, and the yellow one the Sheffield Company's new line (*explaining the map to the Commission*). We gave 200,000*l.* for the land for the site of the North Docks station in Liverpool. At that time it was comparatively waste ground, having rubbish upon it, and no warehouses or buildings. It is now surrounded with warehouses and ironworks, and docks have extended very rapidly in this direction (*pointing to the map*).

12,958. (*Sir R. Hill.*) When was that land bought?—Ten years and more ago.

12,959. Have you any idea of the value of the neighbouring land now?—It is very valuable.

12,960. Is it more valuable in proportion?—No doubt of it.

12,961. (*Chairman.*) You say that you have adopted the through rates from the eastern coast to enable the public to obtain their supplies from those ports as well as from Liverpool and other ports on your own line, but do you mean to say that you would adopt that principle even if it were detrimental to the interests of your company?—I think it is to a certain extent detrimental to our interests, and if we took a selfish view of it, we should not accept the low rates that we do now.

12,962. You are not actuated solely by the desire of obtaining the most profitable rates for your company?—No; if we were, we should not accept the low rates that we do from the east coast. We are called upon by the North-eastern Company who exchange their traffic with us, not only from Hull and Hartlepool, but from their general system to make low rates to Hull and Hartlepool, to develop the traffic of those ports.

12,963. I presume you consider, on the whole, that it is best for the permanent interests of your company to adopt the principle of encouraging traffic from other ports?—Yes; and if we do not the public have a remedy by making new lines, but we think it better, taking a broad view of the matter, to encourage the traffic from other ports, as well as from those on our own system.

12,964. (*Sir R. Hill.*) Is that done with a view to the public advantage or the advantage of the railway company?—I think more with a view to the public advantage than to the advantage of the railway company, and I think it must necessarily be so.

12,965. It is not to the disadvantage of the company?—Eventually I think it will not be, because I think the more useful we make our railway the more profitable it will be in the end; and we prevent the making of new lines by utilizing to the utmost that which exists. The Commission will, I think, see that the rates we charge from Hull as against the rates charged from Liverpool, are not in themselves lower. It is only the rate per ton per mile which the Liverpool people complain of. The rate for timber from Liverpool to Ashton is 10*s.* per ton, whereas the rate from Hull is 12*s.* 6*d.* per ton, and it is the total amount of

the rate which the public look at, not the rate per ton per mile.

12,966. Upon which transaction would the company obtain the least profit, in conveying at the lower rate for a long distance or at the higher rate for a short distance?—Undoubtedly it would be more profitable to the company to convey traffic the shorter route; the Liverpool traffic.

12,967. Do you receive upon the whole less?—Yes, for the Liverpool traffic conveyed a shorter distance, but relatively a higher mileage rate which is more profitable than the Hull traffic conveyed a longer distance at a less mileage rate.

12,968. (*Earl of Belmore.*) You share the profit with the North-eastern Company?—Yes, we divide it by our mileage. Our line joins the North-eastern line at Normanton, and we divide the profit according to the mileage.

12,969. Have you a longer mileage when you convey the traffic from the North-eastern system where you join it to any place or from Liverpool to different places as a rule?—We have a long mileage when goods are conveyed by the North-eastern, but still the rate per ton per mile is so much less as not to amount in the aggregate to the same sum as we get out of the Liverpool traffic.

12,970. (*Sir R. Hill.*) May not the Liverpool people justly complain that they are made to pay a higher rate than from the more distant ports, and that their paying that higher rate assists you to carry from the more distant ports at a lower rate?—No; the rate we charge from the more distant ports is not lower than the Liverpool rate. From Liverpool to Ashton the rate for timber is 10*s.* a ton, and the rate from Hull is 12*s.* 6*d.* a ton, so that in reality the rate itself from Hull is larger than the Liverpool rate.

12,971. But the rate per mile is less?—Yes.

12,972. I understand you to say that the profit to the company was less?—Yes.

12,973. Does it not amount to this, that the loss you incur in carrying from Hull has to be made up by the increased charge upon that which you carry from Liverpool?—No doubt of it; we get more profit, and in that way it is made up, but then the rate we charge is within the powers granted to us by the Act of Parliament.

12,974. That is your justification?—Certainly. Railways, as commercial undertakings, should be adapted to the requirements of the commerce of the district, and we say and believe that we do great good in admitting the produce of Hull and other ports to our population consisting of between 2,000,000 and 3,000, 000 rather than confining it to the Liverpool market.

12,975. (*Chairman.*) In fixing these low rates from the eastern ports, are you influenced by the consideration that it is of importance to your Company in parliamentary conflicts to show that you have consulted the public interests as well as your own more immediate interests?—Yes; we act upon that principle. We make through rates with all companies by the usual routes, in order that there may be no complaints made against us when we appear in Parliament. We book through from our stations to London by the North-western, the Great Northern, the Manchester, Sheffield and Lincolnshire, and the Midland Companies, and a passenger from Blackburn can go and demand a ticket by any of those routes at the same fare. We do this in order to place ourselves in a sound position before Parliament, and to show that we have not abused the powers which Parliament has conferred upon us. I may state, before leaving the Liverpool evidence, that the general traffic of the company in goods, coal, coke, timber, &c., in 1858 was 760.000 tons, and in the year 1864 1,049,000 tons, showing that the trade has gradually increased. We have a very large traffic in cotton and in other articles, and they are constantly on the increase.

12,976. Is there a very large traffic from the eastern ports over your line?—Yes, a considerable traffic. The Humber traffic, I suppose, represents about 180,000*l.* a year, that is, the gross receipts.

12,977. And from Newcastle and ports in that neighbourhood?—Yes.

12,978. Is that an increasing traffic?—Yes.

12,979. Is it increasing in a greater ratio than the traffic to Liverpool?—I do not think it is. I do not think there is very much difference between the two.

12,980. The Saltaire case appears to differ from the Liverpool case. You deny the truth of the statement made by Mr. Stead?—Yes; he is labouring under a misapprehension altogether.

12,981. Have you ever obstructed the traffic between Saltaire and Manchester or Liverpool by the Colne route?—We have no interest or desire to obstruct the traffic between Manchester and Saltaire when conveyed by the Colne route. This charge against the Lancashire and Yorkshire Company is inconsistent with the facts, and neither Mr. Stead nor the Midland Railway Company have made such a complaint to the Directors or officers of the Lancashire and Yorkshire Company. The only correspondence I find on the subject is in June 1865, in reference to two small packages, one of which we never received, the other being in Messrs. Salt and Son's possession at the time they wrote to us, stating that they had not received it, and they subsequently apologized for having given us unnecessary trouble. According to Mr. Stead's showing, by questions 490, 497, 507, 580, his complaints, if made, have been addressed to the Midland Company, and not to the Lancashire and Yorkshire, but the Midland Company have not communicated any such complaints to us. The Midland Company have for some time past had an arrangement with the Manchester, Sheffield, and Lincolnshire Company for a general interchange of traffic by the Sheffield route, which may probably account for this diversion. Neither the Midland Company nor Mr. Stead have any ground of complaint against the Lancashire and Yorkshire Company for obstructing traffic by the Colne route, the fact being that the service of goods trains is now, and has been since the amalgamation of the Lancashire and Yorkshire and East Lancashire Companies, in 1859, as perfect in every respect as it was before the amalgamation, and the servants of the amalgamated Company at Liverpool, Manchester, and other places, have had no instructions since the amalgamation to depart in any respect from the practice they previously adopted. When the Amalgamation Act was passed, the Midland Company, as a condition to their assenting to it, and for the protection of the Colne route, required us to enter into an agreement giving them running powers to Liverpool and Manchester from Colne, and that agreement is embodied in the Amalgamation Act, but they have never had occasion to exercise those powers, we having forwarded traffic by that route with the same expedition since the amalgamation as we did previously. Mr. Stead appears to have overlooked the fact that the Midland Company possessed these running powers, which they could have exercised in his interest and their own in case we had not worked the traffic satisfactorily.

The statement made in answer to questions 563 and 564 is altogether inconsistent with the facts. The Lancashire and Yorkshire Company never instructed their carters to refuse traffic for Saltaire by the Colne route, nor have our agents at our stations done so. I have caused particular inquiry to be made from them, and they distinctly deny having at any time refused traffic as alleged by Mr. Stead.

In reply to the answer to question 506, I beg to state that the Lancashire and Yorkshire Company are actuated by no such motive, nor have they ever contemplated forwarding the traffic by that route, had it been their interest to do so, but it is in fact more profitable to them to forward it *viâ* Colne than *viâ* Bradford.

With reference to the answers to questions 491, 492, 515, 520, and 580, I may state that we have daily, between Manchester and Liverpool and Colne, the following goods trains, by which it is our interest to forward as much traffic as possible to Saltaire.

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These trains are run daily for the special purpose of forming connexions with the Midland trains at Colne, as they did previous to the amalgamation.

Liverpool, departure 1.40 p.m. ... 9.30 p.m.	Colne, departure 3.15 a.m. ... 7.5 a.m.
Colne, arrival 7.0 p.m. ... 1.15 p.m.	Liverpool, arrival 6.0 a.m. ... 12.10 p.m.
Manchester, departure 1.40 p.m. ... 7.0 p.m.	Colne, departure 11.30 p.m. ... 3.45 a.m.
Colne, arrival 10.30 p.m. ... 1.45 a.m.	Manchester, arrival 3.0 a.m. ... 6.15 a.m.

Mr. Stead's answer to question 581 proves that he is in error in supposing that it is our desire or our interest to obstruct the traffic *viâ* Colne, as the same motive which he supposes prompts us to obstruct Manchester traffic would also prompt us to obstruct Liverpool traffic. By an agreement made between the Lancashire and Yorkshire and the Midland Companies, in 1861, it is provided that traffic shall be exchanged between the two companies by the junctions at Colne, Oakenshaw, Leeds, and Normanton, being all the junctions between the two systems of railway. To show that the Colne route has not been closed or obstructed, I submit the following statement of traffic exchanged with the Midland Company, by that route, for the years 1858 and 1865.

	Goods.	Minerals.
	Tons.	Tons.
Year 1858 - - - -	33,592	919
Year 1865 - - - -	48,149	2,154
Increase, year 1865 - -	14,557	1,235
Equal to increase of - -	43 per cent.	134 per cent.

This statement includes the traffic of Liverpool and Manchester with Leeds and Bradford, and intermediate stations upon the Midland railway up to Colne.

12,982. I think I understood you to say that the traffic in goods between Saltaire and Manchester or Liverpool by the Colne route has increased 43 per cent. in seven years ?—Yes ; from 1858 to 1865. We have every desire to increase the traffic by that route, and we are under an obligation to the Midland Company to carry traffic ; in addition to that they have running powers over our line to Liverpool and Manchester, but they have made an arrangement with the Sheffield Company which has led to a diversion of that traffic.

12,983. Have you read the evidence of Mr. Atkinson and Mr. West of Hull?—Yes.

12,984. Are you prepared with an answer to their complaints?—Yes. The answers given to questions 891, 923, 924, and 925, refer to the " Humber agree- " ment." Now the Humber agreement provides for a division of the traffic between Hull, New Holland, and Grimsby, with Liverpool, Manchester, Ashton, and Staleybridge. The North-eastern, London and North-western, Manchester, Sheffield, and Lincolnshire, and Lancashire and Yorkshire Railway Companies are the parties to that agreement. The rates at which the traffic is carried are mutually arranged between the companies from time to time, so as efficiently to develop the Continental traffic with Liverpool and Manchester, *viâ* Hull and Grimsby, as against the sea route. This agreement is not adverse to the interest of the port of Hull.

The answers to questions 918, 926, and 927 relate to " the Lancashire and Yorkshire Company's interest " in the traffic of Hull and Hartlepool respectively," and I beg to state that the Lancashire and Yorkshire Company receive a less net amount per ton per mile, upon traffic between Hull and Manchester, than upon traffic between Hartlepool and Manchester, the Hull and Manchester traffic being divided with other companies under the Humber agreement, the Hartlepool traffic not being so divided. To stations on the Lancashire and Yorkshire line not included in the Humber agreement, for instance, Todmorden, the Lancashire and Yorkshire Company have a larger profit per ton per mile upon the Hull traffic than they have upon the Hartlepool traffic when carried at the same rate, because in both cases they retain the whole of the mileage receipts between Normanton and Todmorden, and in consequence of the distance from Hartlepool being 36 miles more than from Hull, the receipt per ton per mile is less upon the Hartlepool traffic than upon that from Hull.

With reference to the " inequality of charges," which are complained of in the answer to questions 986, 993, and 994, I have to say that the rates generally between Hull and Hartlepool and Lancashire and Yorkshire towns are the same. If the Hartlepool rates were higher than those of Hull, the effect would be to shut out the traffic of Hartlepool from the Lancashire and Yorkshire district. The ports of Hull and Hartlepool stand in relation to the North-eastern Company as the ports of Liverpool and Fleetwood stand in relation to the Lancashire and Yorkshire Company ; for the purpose of developing the traffic of Hartlepool the North-eastern Company quote the Hull rates to the towns on our line, although the distance from Hartlepool is considerably more than from Hull, and we accept from them a mileage proportion of the receipts upon their traffic, whether carried from Hull or Hartlepool, to stations on our line. A large traffic in addition to that of Hull and Hartlepool is exchanged between the Lancashire and Yorkshire and the North-eastern Railway Companies. The conveyance of traffic at reasonable through rates over the lines of the two companies is, undoubtedly, a great advantage to the public, who thereby obtain access to all the ports and places upon the two systems of railway from which to draw their supplies, whereas, by adopting the uniform mileage principle, the traffic of Hartlepool would be altogether excluded from the Lancashire and Yorkshire Railway, and that of Hull would also be excluded from most of the places upon our line by that of Liverpool. The present practice of the Lancashire and Yorkshire and North-eastern Companies has the effect of developing the trade of the ports on the Humber and other East Coast ports, but the principle of equal mileage rates, which I understand the witnesses to suggest, would greatly injure some portions of that trade, and destroy other portions. The complaints made against us are not serious, and they are rather addressed to the North-eastern Company, but to the extent that they are made against us, I have, I think, answered them. I am quite sure that the gentlemen from Hull have no occasion to blame the Lancashire and Yorkshire Company, for they have done all they could to develop the traffic of their port. It is the complaint of the merchants in Liverpool that we have done too much for the Hull people.

12,985. Liverpool complains of Hull, but Hull complains of Hartlepool and of the Tyne Docks being favoured ?—Yes, and they have appeared before Parliament frequently on that question, and if their view was carried out Hartlepool would be closed against us. I am sure that the public interest is promoted by the arrangements that we have made with the other companies in respect to the traffic of the Humber.

12,986. I understand that since the evidence was given from Rochdale you have met their views substantially with respect to the goods traffic ?—We met them before the evidence was given.

12,987. But they are still dissatisfied with the scale of fares for passengers between Rochdale and Manchester ?—Yes. The evidence given in answer to questions 1288 to 1452 by Mr. Blackburn, Mr. Fletcher, and Mr. Lawton, refers to complaints, some of which were first made to the Lancashire and Yorkshire Company by the Tradesmen's Association of Rochdale in January 1865, and the remainder on the 13th May 1865. Some of the complaints made in January appeared reasonable, and were remedied by the directors before the 1st March 1865, others were proved

to be unfounded, and one demand, which was for a reduction in fares between Rochdale and Manchester, the directors considered unreasonable. The remaining complaints made in January the directors could not dispose of without the assent of other companies, and they are now under consideration. The complaints communicated to us on the 13th May 1865, were unfounded. In proof of the foregoing statement I submit the following evidence:—

On the 3rd January 1865, Mr. Fletcher, by letter addressed to our Secretary, asked for an interview between a deputation of the Tradesmen's Association of Rochdale and the directors of the Lancashire and Yorkshire Railway Company. A meeting was accordingly arranged for the 11th January, when a deputation, consisting of Mr. Blackburn, Mr. Fletcher, Mr. Lawton, and other gentlemen, attended and presented a memorial and a resolution of the Rochdale Tradesmen's Association, of which the following are copies:

"RAILWAY ACCOMMODATION.

"To the Board of Directors of the Lancashire and Yorkshire Railway.

"We, the undersigned tradesmen and other inhabitants of Rochdale, are decidedly of opinion that the town is entitled to more and better railway accommodation, and approve the efforts made by the Tradesmen's Association to effect this object."

This was signed.

"RESOLUTION passed at a Meeting of the Rochdale Tradesmen's Association held on 13th day of December 1864.

"Resolved, that a deputation be sent to the authorities of the Lancashire and Yorkshire Railway Company, and state to them their complaint as to fares and rates of carriage, and number of trains.

"Resolved, that there be such a deputation, but previous thereto a committee to get up facts and information to represent to the directors, and that the following be a committee, viz.:—Mr. Thomas Ashworth, Mr. Rogers, Mr. Blackburn, Mr. Lawton, Mr. Robert Shepherd, Mr. Challinor, together with the officers.

"The committee of the Association ask the following concessions, viz.:—

"A greater equality in rates for the carriage of goods.

"A greater number of trains up to and from Manchester.

"A reduction in the fares equal with other neighbouring towns, and think that the following prices ought to be available with every train,—

2*s.* First class
1*s.* 6*d.* Second " } Return Manchester.
1*s.* Third "

"Mem.—Trains to stop at Littleborough in the forenoon. The dealers in grain are charged 2*s.* 6*d.* a ton more than the millers.

"Mem.—Third class to Bury and Bolton. The same will apply to the trains to Yorkshire.

(Signed) "JAMES FLETCHER, Secretary."

The deputation having explained generally the wishes of the tradesmen of Rochdale, the Directors promised carefully to consider the several suggestions which had been made to them. And, subsequently, the following correspondence passed between the Association and the railway company:

"RAILWAY ACCOMMODATION FOR ROCHDALE.

"Rochdale Tradesmen's Association,
"SIR, "Rochdale, February 7, 1865.

"As we have a general meeting of the Association on Thursday next, the committee would be glad to be advised whether the directors of your company have come to any decision with respect to railway fares, rates of carriage, &c., as urged by the deputation from this association, on 11th January last. The committee are in hopes that, seeing it is a board meeting to-morrow, they may have something definite to lay before the general meeting of Thursday.

"I am &c.,
(Signed) "JAMES FLETCHER."
"W. S. Lawn, Esq."

"Lancashire and Yorkshire Railway,
"SIR, "Manchester, February 8, 1865.

"I HAVE your favour of the 7th instant, and you will please to inform the association that the Board have ordered their officers to prepare for the 1st proximo several changes in the working of passenger traffic between Rochdale and Manchester, and to rectify discrepancies which appear to have crept in amongst the goods charges.

"I am, &c.
(Signed) "WILLIAM S. LAWN, Secretary."
"James Fletcher, Esq.,
"Rochdale Tradesmen's Association."

"Lancashire and Yorkshire Railway,
"SIR, "Manchester, February 10, 1865.

"I BEG to inform you that the directors of the company, having fully considered the various complaints laid before them by the deputation from the Rochdale Tradesmen's Association, have ordered certain alterations to be made on 1st March proximo, which they trust will meet the views of the deputation, and conduce to increased public convenience.

"I am, &c.
(Signed) "WILLIAM S. LAWN,
"James Fletcher, Esq., Rochdale." Secretary."

ROCHDALE TRADESMEN'S ASSOCIATION,
SIR, "Rochdale, February 11, 1865.

"ON the other half I beg to hand you a copy resolution passed at a special general meeting of our Association on the 9th instant.

"I am, &c.
(Signed "JAMES FLETCHER, Secretary."
"W. S. Lawn, Esq.,
"Lancashire and Yorkshire Railway."

ROCHDALE TRADESMEN'S ASSOCIATION, Special General Meeting, February 9, 1865.

"(Copy of Resolution passed.)

"RESOLVED,

"THAT the best thanks of the Association be conveyed to the directors of the Lancashire and Yorkshire Railway Company, for the courteous manner in which they received the deputation from this Society on the question of railway accommodation on the 11th ultimo, and also for the courteous and encouraging letter received to day from the secretary to the Board of Directors."

"THE ROCHDALE TRADESMEN'S ASSOCIATION,

"SIR, "Rochdale, February 13, 1865.

"Railway accommodation for Rochdale.

"Referring to your favour of the 8th and 10th instant, the committee desire me to say that perhaps you will oblige the Association with a list of the alterations to be made in the charges for carriage of goods, in order to compare with the statements which have been brought to the notice of the Association. Without this the committee will be unable for some time to know definitely what concessions have been made. In the passenger traffic the charges will be at once apparent. I beg to hand you further anomalies in charges.

"I am, &c.
(Signed) "JAMES FLETCHER,
"W. S. Lawn, Esq. Secretary."

"ROCHDALE TRADESMEN'S ASSOCIATION.

"Statements made as to carriage of goods.

"Market Harbro' to Rochdale... Old boilers 30*s.* per ton.
" " Manchester " 13*s.* 4*d.* "

and afterwards

"Re-booking to Rochdale ... Old boilers 3*s.* 4*d.* per ton, saving 13*s.* 4*d.* per ton.

"Hull to Rochdale ... Old metal 4*s.* a ton more than to Oldham.

"Blackburton station ... ... } Old machinery 8*s.* a ton
Westmoreland to Rochdale } more than to Oldham.

"Chirk, in Wales, to Rochdale ... Old metal 17*s.* per ton.
" " Manchester " 10*s.* 6*d.* "

and afterwards

"Re-booked to Rochdale ... Old metal 3*s.* 4*d.* per ton, thereby saving 3*s.* 2*d.* per ton.

The consequence is, the metal is sold in Manchester, and 6*s.* 6*d.* per ton saved.

"Liverpool to Rochdale ... Cotton 12*s.* 6*d.* per ton.
" Oldham ... " 10*s.* 10*d.* "
" Heywood ... " 10*s.* "

"Liverpool to Rochdale ... } Flour ... 11*s.* 4*d.* per ton.
" Littleboro' ... } For sizing 9*s.* 10*d.* "
" Todmorden } Warps ... 9*s.* 10*d.* "

J. Smithells, Esq.

23 Feb. 1866.

" Haslingden to Rochdale 15 miles	Heavy machinery	10*s.* per ton.
" Ditto to Manchester 18 miles	„	6*s.* 4*d.* „
" Ditto to Oldham near 22 miles	„	8*s.* 4*d.* „

" Rochdale to Stroud 12*s.* per ton more than from Oldham.

" Rochdale to Liverpool 5*s.* per ton more than from Oldham."

Messrs. Edward Leach and Sons, machinists, give the above statements, who have frequent complaints from their customers.

Mr. Johnson, a timber merchant, states that in a cargo of timber it cost him 90*l.* more for carriage than if sent to Oldham.

There is also a very considerable advantage to Heywood.

" Hull to Rochdale	Twigs for ship making	26*s.* 6*d.* per ton.
Ditto to Manchester ...	Ditto	ditto 20*s.* per ton.
" Tongh station, Over Darwen near Blackburn	to Manchester	9*s.* 2*d.* per ton.
	to Rochdale	12*s.* 6*d.* per ton
	to Oldham	10*s.* per ton."

The complaints of the Association were investigated with as little delay as possible, and on the 23rd of February I addressed to Mr. Fletcher the following letter :

" Lancashire and Yorkshire Railway,
" Traffic Manager's Office, Manchester,
" February 23, 1861.

" Sir,—

" In reply to your letter of the 13th inst., addressed to Mr. Lawn, our secretary, I beg to inform you that the rates, not only between Rochdale and the various places referred to at the interview which your deputation had with our Board, and also referred to in your letter now before me, but likewise the rates between many other places and Rochdale, have been carefully considered and revised.

" I may state in the first place that there has been a general revision of rates to East Lancashire stations and other places west of Rochdale, also to some Yorkshire stations, and to stations on foreign lines, and as a general rule they have been made consistent with the Oldham rates, taking into consideration all the circumstances connected with each case.

" The list is a very long, intricate, and elaborate one, and I cannot conveniently furnish you with a copy of it, nor do I think it necessary to do so. I am, however, of opinion that the tradesmen of Rochdale will find that we have endeavoured to meet their wishes in a fair and liberal spirit.

Referring to the particular cases in the memorandum which accompanied your letter of the 13th, I may state that for old boilers between Market Harborough and Rochdale, if broken up, the rate is reduced to 16*s.* 8*d.* per ton.

" Old metal, Hull to Rochdale. You are in error in this matter, as the rate both to Rochdale and Oldham is 12*s.* 6*d.* per ton.

" Burton and Holme to Rochdale. The rates are the same as to Oldham, viz., 27*s.* 6*d.* for heavy machinery, and 20*s.* for scrap iron.

" Clerk to Rochdale. We are in communication with the Great Western Company with a view to the modification of the rate for scrap iron.

" The rates for cotton from Liverpool to Rochdale, Oldham, Heywood, and many other places are agreed between the Bridgewater trustees, ourselves, and other companies interested between the same places, and we cannot alter them without consulting those parties. Your representation, however, shall be submitted to them for consideration.

" The same remarks apply to the rate for flour for sizing purposes, and also to that for timber.

" Haslingden and Tongh rates have been revised along with other rates west of Rochdale.

" Rochdale to Stroud, for heavy machinery. The rates are the same as to Oldham, viz., 25*s.*; you are, therefore, in error on this point.

" Rochdale and Liverpool for machinery. You are also in error as regards these rates, as I think you will find them the same as Oldham.

" I trust you will accept this communication as evidence of our desire to meet your reasonable wishes; and I may add that if hereafter any rate is discovered which is manifestly erroneous and unjust I shall be prepared to inquire into it on hearing from you.

" I am, &c.
(Signed) " James Smithells."

" Mr. James Fletcher,
" Secretary, Tradesmen's Association,
" 4, Ackers Street, Rochdale."

On the 8th February 1865, the rates for the carriage of goods between Rochdale and the following stations on the Lancashire and Yorkshire line were reduced, viz. :

Huddersfield	Harwich	Haslingden
Mirfield	Preston	Helmshore
Leeds	Sough	Baxenden
Holmfirth	Over Darwen	Accrington
Shepley	Blackburn	Mill Hill
Moses Gate	Clitheroe	Hoghton
Bolton	Chatburn	

The through rates to the following stations upon other lines were also reduced as soon as we could obtain the assent of the respective companies who were parties to them, viz. :

Caraforth	Staveley	Penwith
Burton & Holme	Windermere	Plumpton
Milanthorpe	Low Gill	Southwaite
Oxenholme	Tebay	Carlisle
Kendal	Shap	Bristol
Burnside	Clifton	

On the 25th February, the following paragraph appeared in the " Rochdale Observer " newspaper :

" Railway Accommodation.

" The directors of the Lancashire and Yorkshire Railway Company have completed their promised revision of the table of rates of carriage for goods booked to East Lancashire stations and other places west of Rochdale, and the result was notified to the secretary of the Rochdale Tradesmen's Association (Mr. Fletcher) yesterday, by Mr. James Smithells. The rates have been revised with special reference to the representations of injustice and overcharge made in the memorial of the Tradesmen's Association, and in the correspondence of Mr. Fletcher, but it has not been confined solely to this station. The general result of the revision was pointed out in a paragraph which we published in our last impression, in anticipation of Mr. Smithell's communication. Taking the Oldham rates as their standard, the object of the directors has been to make the rates to Rochdale and other places to the west of this town uniform and consistent, of course taking into consideration the circumstances connected with each case."

" But, Mr. Smithells adds, that the tradesmen of Rochdale will find that the directors have endeavoured to meet their wishes in a fair and liberal spirit."

" Going into details, Mr. Smithells explains that by the new table of rates, old boilers between Market Harbro' and Rochdale, if broken up, will be charged 16*s.* 8*d.* per ton, and that the tradesmen are in error in supposing that the charge for old metal from Hull to Rochdale is higher than the charge to Oldham, the charges being identical, 12*s.* 6*d.* per ton. The rates of charge from Burton to Rochdale and Oldham also correspond, being 27*s.* for heavy machinery, and 20*s.* for scrap iron."

" The directors are in communication with the Great Western Company with a view to the modification of the rate of scrap iron from Chirk to Rochdale."

Mr. Smithells adds,—

" The rates for cotton from Liverpool to Rochdale, Oldham, Heywood, and many other places, are agreed between the Bridgewater trustees, ourselves, and other companies interested between the same places, and we cannot alter them without consulting those parties. Your representation shall, however, be submitted to them for consideration. The same remarks apply to the rate for flour for sizing purposes and also to that for timber. Haslingden and Tongh rates have been revised along with other rates west of Rochdale."

" The rates of carriage between Rochdale and Stroud, and Rochdale and Liverpool, for machinery, are the same as those to Oldham, and therefore need no rectification."

" Mr. Smithells trusts that the Association will accept this communication as evidence of the company's desire to meet their reasonable wishes," and adds, " that if hereafter any rate is discovered which is maniestly erroneous and unjust, the directors will be prepared to inquire into it."

On the 13th May 1865, I received from Mr. Fletcher the following letter :

"Rochdale Merchants' and Traders' Association,
"SIR, "Rochdale, May 13, 1865.

"In your letter to me of the 23rd of February last, you were kind enough to say, speaking of rates of carriage for goods, that if hereafter any rate was discovered which was manifestly erroneous and unjust, you would be prepared to inquire into it on hearing from me. I have therefore no hesitation in again troubling you with a few particulars as to the changes on your line given on the authority, and indeed coming within the experience of a member of our committee.

"For instance, he states with respect to Haslingden station that the rate to Rochdale for machinery is 10*s.* per ton; to Manchester, 6*s.* 4*d.*; and to Oldham, 8*s.* 4*d.*

"From Lancaster station the rate to Rochdale for machinery is 12*s.* per ton; from Bay Horse station, being four miles nearer Rochdale, the rate is 17*s.*; from Bentam to Oldham, Bentam being 15 miles above Lancancaster, consequently 21 miles farther in distance than from Lancaster to Rochdale, the rate is 10*s.* per ton.

"From Halifax to Manchester, 14*s.* a ton.
Do. to Oldham, 14*s.* a ton. } Machinery.
Do. to Rochdale, 16*s.* a ton.

"The same gentleman remarks that he does not find the revision of rates to East Lancashire and other places west of Rochdale that were promised in your letter alluded to.

"I am, &c.
"JAS. FLETCHER,
"James Smithells, Esq." "Secretary."

On receiving this letter I immediately desired our goods manager to meet the complainants, and he did so by appointment on the 27th of that month, and forwarded to me in London, where I was engaged on Parliamentary business, the following report of his interview with them :

"ROCHDALE RATES.

"Lancashire and Yorkshire Railway,
"Goods Manager's Office, Manchester,
"DEAR SIR, "June 27, 1865.

"In accordance with the request contained in your letter of the 22nd May last, I had an interview on the following Saturday (27th) with Mr. Fletcher, the secretary of the Rochdale Tradesmen's Association, and two of the members, Mr. Lawton and Mr. Chadwick, who accompanied him and I satisfied them that the whole of the representations made in their letter addressed to you on the 13th May were incorrect. It appeared from the explanation made by Mr. Lawton and Mr. Chadwick, who are machine brokers, that the rates had been quoted at the sending station, and I have no doubt that when the application for them was made, the traffic was represented as old iron, consequently the rate for 'scrap' would be quoted.

"The parties are scrap iron dealers as well as machine brokers, and I know from experience that such men intentionally represent old machinery as scrap iron, in order to get the lower rate quoted. I told both Lawton and Chadwick that in order to prevent any misunderstanding in future, they had better write to me stating between what places they require rates, and I would furnish them with a correct statement, but I have not yet heard from them on the subject.

"I am, &c.
(Signed) "A. ORMEROD."
"To Jas. Smithells, Esq."

Since that time, with the concurrence of the Duke of Bridgewater's trustees, a reduction has been made in the rates for sizing flour from Liverpool to Rochdale from 11*s.* 4*d.* to 8*s.* per ton, and we, in conjunction with the Duke of Bridgewater's trustees and the London and North-western Company, have now under consideration the rates for cotton and other articles between Liverpool and Rochdale and other neighbouring towns, with a view to the alteration of such rates as may appear to require it.

As to passenger trains and fares,

The directors, on the 1st January 1865, unsolicited by the public, reduced the fares for return tickets from Rochdale to Liverpool :—

First class, from 11*s.* to 10*s.*
Second class, from 8*s.* to 7*s.* 3*d.*

And in addition, they gave the public the opportunity of travelling either *viâ* Manchester or *viâ* Bury, with a single ticket, or of going by one route and returning by the other, with a return ticket. Previously these tickets were available by the Bury route only.

Prior to January 1865, several reductions were made in the fares between Rochdale and Liverpool, as will be seen from the following table :—

	Single Tickets.			Return Tickets.		
	1st.	2nd.	3rd.	1st.	2nd.	3rd.
Fares previous to—	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
September, 1854	7 0	5 8	3 5½	13 6	10 6	..
September 1st, 1854	7 0	5 0	3 0	12 0	9 0	..
September 1st, 1856	7 0	5 0	3 0	11 0	8 6	5 6
January 1st, 1864	...	..	..	..	..	6 0
December 1st, 1864	7 0	5 0	3 0	11 0	8 0	6 0
January 1st, 1865	7 0	5 0	3 0	10 0	7 3	6 0
The fares which the company are empowered to charge, according to their Act of Parliament, being	9 2	7 4	3 5½	18 4	14 8	7 0

The passenger train accommodation, and fares between Rochdale and Manchester, were carefully considered by the directors after their interview with the deputation from Rochdale, on 11th January 1865, and they decided to establish a special service of trains between Rochdale and Manchester, charging a fare of 8*d.* for the single journey, and 1*s.* for the double journey, for 3rd class passengers. These additional trains commenced to run on the 1st March 1865, at the following hours :—

	a.m.	a.m.	p.m.	p.m.	p.m.	p.m.
From Rochdale.....	7.30	9.15	12.10	2.0	4.30	7.45
From Manchester...	8.15	11.15	1.15	4.0	7.15	...

Composite carriages were attached to each of the trains for the purpose of enabling holders of ordinary 1st and 2nd class tickets to travel by them, thus increasing the ordinary train service.

The following table shows the daily passenger train accommodation between Rochdale and Manchester at the present time, by which the directors believe the requirements of the inhabitants of Rochdale are fairly provided for :—

WEEK DAYS.

From Rochdale to Manchester.	From Manchester to Rochdale.
7.20 a.m.	5. 0 a.m.
8.23 „	6.15 „
9.15 „	8.10 „
9.45 „	8.40 „
10. 7 „	10.15 „
11. 3 „	11.15 „
12.10 p.m.	11.30 „
1.12 „	12.15 p.m.
2.10 „	1.15 „
2.25 „	2. 0 „
3.30 „	3.30 „
4.30 „	4. 0 „
4.40 „	5.10 „
5.41 „	6. 0 „
6.40 „	6.40 „
6.55 „	7.20 „
7.50 „	8.15 „
8.20 „	10.15 „
10.25 „	11.25 „
12.35 a.m.	19 trains.
20 trains.	

SUNDAYS.

From Rochdale to Manchester.	From Manchester to Rochdale.
8.20 a.m.	7.45 a.m.
9.28 „	8.55 „
1.25 p.m	10.15 „
3.30 „	4.10 p.m.
8. 0 „	4.30 „
8.55 „	7.40 „
10.23 „	8.40 „
7 trains.	10.15 „
	8 trains.

J. Smithells, Esq.

23 Feb. 1866.

The fares between Rochdale and other towns were also revised, and reductions were made to the following places:

Ashton	Luddendenfoot	Bradford
Staleybridge	Sowerbybridge	Leeds
Walsden	North Dean	Holbeck
Todmorden	Halifax	Thornhill
Eastwood	Elland	Horbury
Hebdenbridge	Brighouse	Wakefield and
Mytholmroyd	Cooperbridge	Normanton.

The fares in operation previous to this reduction were all considerably below the authorized fares of the company.

The directors did not consider it necessary to make any alterations in the ordinary fares between Rochdale and Manchester, because, in the first place, they did not believe the necessities of the public were such as to require it, and in the next place, because the fares then charged were considerably below the parliamentary power of the company, as will be seen by the following table:

FARES BETWEEN MANCHESTER AND ROCHDALE.
Distance, $10\frac{3}{4}$ miles.

	Single Fares.			Return Fares.		
	1st.	2nd.	3rd.	1st.	2nd.	3rd.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Fares charged -	2 0	1 6	0 10	3 0	2 0	1 6
Parliamentary power, 11 miles.	2 5	1 11	0 $10\frac{3}{4}$	4 10	3 10	1 $9\frac{1}{2}$
Fares requested by witnesses.	...	...	...	2 0	1 6	1 0

Subsequently the following correspondence passed between the Association and the railway company:

RAILWAY ACCOMMODATION FOR ROCHDALE.

"The Rochdale Tradesmen's Association,
"Rochdale, 8 April 1865.

"SIR,

"I BEG that you will notify to the Board of Directors of the Lancashire and Yorkshire Railway Company that the concessions made on the 1st March do not by any means come up to the promises that were held out to the deputation in their interview, and also contained in your letter.

"The committee waited this month in expecting that the directors would make further alterations in the trains. I may add that the committee and members of the Association, as also the public of Rochdale, are much disappointed at the small modicum of relief extended, and the committee think yet, that your directors would act wisely in altering the fares to those asked for by the deputation, viz., 2*s.* first class, 1*s.* 6*d.* second, and 1*s.* third for return tickets to Manchester, these fares to be available for every train. It is well known that almost all the second-class passengers, and many of the first, take advantage of the special trains, who would be glad to give 1*s.* 6*d.* for second. The committee admit that the extra trains are very useful. It is also a general complaint that the fares to Bury and other places are not reduced.

"I am, &c.
(Signed) "JAMES FLETCHER,
Secretary."

"W. S. Lawn, Esq.

"Lancashire and Yorkshire Railway,
"Secretary's Office,
Manchester, 10th April, 1865.

"SIR,

"I have your favour of the 8th inst., which I will submit to my directors.

"I am, &c.
"WILLIAM S. LAWN,
Secretary."

James Fletcher, Esq.,
"Rochdale Tradesmen's Association."

"Rochdale Tradesmen's Association,
"Rochdale, 13th May 1865.

"Railway Accommodation to Rochdale.

"SIR,

"Referring to your favour of the 10th April, promising to submit my communication of the 8th to your directors, the committee of this Association will be glad to learn if the same has been considered by the board, and if so, whether any further alteration may be expected in the passenger traffic betwixt here and Manchester, and various other towns.

"I am, &c.
(Signed) "JAMES FLETCHER,
Secretary."

"William S. Lawn, Esq.

"Lancashire and Yorkshire Railway,
"Secretary's Office,
Manchester, 18th May 1865.

"SIR,

"I have submitted to the directors your communication of the 13th instant, and am desired to state that your previous letter of the 8th ultimo, to which you allude, has had the consideration of the directors, but that they have nothing to add to that which has already been communicated to you.

"I am, &c.
"(Signed) p. p. WILLIAM S. LAWN,
"Secretary.

"James Fletcher, Esq., DAVID HOLT."
"Rochdale Tradesmen's Association."

As to Bury trains (*Question* 1269).

There are two routes to Bury, and a separate system of trains is required by each to accommodate the intermediate traffic of Radcliffe on one road, and Heywood on the other, otherwise the trains would not be so numerous.

As to authorized fares of the company (*Questions* 1322 *to* 1325 *and* 1766).

	1st Cl.	2nd Cl.	3rd Cl.	Parl.
Mr. Fletcher's statement	2*d.*	$1\frac{1}{2}$*d.*	1*d.*	...
Actual powers of the Company	$2\frac{1}{2}$*d.*	2*d.*	$1\frac{1}{4}$*d.*	1*d.*

Per mile, and 5 per cent. additional for Government Duty, except upon parliamentary fares of 1*d.*

As to Rochdale Sunday trains (*Questions* 1333 *to* 1344).

No complaint has been made to the company by the public of Rochdale, nor was the subject mentioned in the memorial presented to the directors in January 1865; the first intimation they received of this complaint was from the evidence given by Mr. Blackburn before this Commission, to which I called their attention, whereupon they ordered that from the 1st of January 1866 the following additional trains should be run:—

	1	2	3
	a.m.	a.m.	a.m.
Rochdale to Manchester ...	8.20	3.30	8. 0
Manchester to Rochdale ...	8.55	4.10	8.40

As to first-class fares, Rochdale to Bury (*Question* 1368).

The distance is $7\frac{1}{4}$ miles, and the fares are as under:—

	Single.			Return.		
	1st.	2nd.	3rd.	1st.	2nd.	3rd.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Present fares -	1 2	0 10	0 7	2 0	1 6	...
Authorized fares -	1 9	1 5	0 $7\frac{1}{4}$	3 6	2 10	...

As to rates, Hull to Rochdale and Oldham (*Question* 1415).

The rate to Oldham is less than to Rochdale, because the London and North-western route to Oldham is 82 miles, against the Lancashire and Yorkshire route of 95 miles to Rochdale, the rate to Oldham being governed by the shortest route.

As to rates for machinery from Halifax (*Question* 1423).

	Actual Rate.	Rate quoted by Mr. Lawton.
	Per ton.	Per ton.
	s. d.	s. d.
To Rochdale - - -	11 0	16 0
„ Oldham - - -	14 2	14 0
„ Manchester - - -	14 2	14 0

As to second-class return tickets, Rochdale to Bolton (*Question* 1423).

The distance is 22 miles.

	s.	d.
The second-class return fare is	2	6
The authorized fare	3	10

As to fares between Middleton and Rochdale (*Question* 1423).

Distance 6 miles.

	Single.					
	1st.		2nd.		3rd.	
	s.	d.	s.	d.	s.	d.
Actual fares	1	3	0	10	0	6
Authorized fares	1	6	1	3	0	6

As to fares, third class, Preston to Todmorden (*Question* 1423).

The distance *viâ* Burnley is 31 miles, and the fare is 2*s.* 6½*d.* for third-class passengers.

The distance of 42 miles referred to by Mr. Lawton is by the Bolton route.

12,988. Are the fares as between Manchester and Rochdale higher than on other portions of the line ?—No.

12,989. On what ground do the inhabitants of Rochdale expect to have lower rates ?—On some portions of our line the fares are higher than those which are charged to the Rochdale people, and on some parts of the line the fares are lower. Between Bury and Manchester the fares are lower, and the Rochdale people think they should have them at the same rate. We think otherwise. First of all, the distance is not the same, the circumstances are not the same, and the charge in itself that we make to Rochdale is a very low first-class fare. A return ticket is now 3*s.*, the Parliamentary powers give us 4*s.* 10*d.*, and they ask us to reduce the return ticket to 2*s.* The second-class fare is 2*s.*, and we have power to charge 3*s.* 10*d.*, and they ask us to charge only 1*s.* 6*d.* We submit that that is a reduction that we ought not to make, especially as we are running, for the accommodation of the Rochdale people, special trains in compliance with their wishes. We have the most perfect service of trains for them, which are worked at special cost.

12,990. It appears that on week days you run 20 trains a day from Rochdale to Manchester, and 19 from Manchester to Rochdale ?—Yes.

12,991. Are the fares which they ask for actually adopted on any part of your line, as low as 2*s.* for a return ticket ?—Yes, on some parts of it, where the distance is less from Manchester, but this is the ordinary charge which is made under similar circumstances.

12,992. Is not the traffic very much of the same description between all the large towns through which your line passes ?—Yes, it is very much the same, except this, that there is very near Manchester what may be called an omnibus traffic, and we charge a very low rate, or we should not carry the people at all, where there is a very excellent turnpike road. Between Bury and Manchester the road is eight miles in length, and our line is 13 miles by one route and 10 by another, therefore in order to carry the traffic we must take a low rate. From Rochdale the turnpike road is not a good one, and the circumstances are not the same, and we say that as the fare we charge is very considerably below that which our Parliamentary powers enable us to charge, we do no injustice to Rochdale. I may mention that I met at the Euston Hotel last week one of the most complaining gentlemen in Rochdale, but he said that we had really served Rochdale well with trains and accommodation.

12,993. In how many of the trains between Rochdale and Manchester do you carry third-class passengers ?—There are six trains put on specially at a low fare, and, as I have observed before, 8*d.* is the charge for a single journey between Rochdale and Manchester, and 1*s.* for a double journey. We attach to those trains carriages for first and second-class passengers so as to increase the accommodation for those classes as well.

12,994. Do those third-class trains carry a very large number of passengers ?—Yes, they do, and they have the effect of drawing from the other classes of carriages passengers who otherwise would pay a higher fare.

12,995. Would it be prejudicial to railway companies to attach third-class carriages to all trains ?—I think so.

12,996. Would it not be an advantage to the public ?—I should scarcely call it an advantage. Our district is full of men who have risen by their own industry and energy, but their economy is such, although they occupy a respectable position in life, that if third-class carriages were put on with every train they would avail themselves of them. I think that many persons who take advantage of third-class trains ought not to do it, and it would not be a boon to the public in that respect.

12,997. (*Lord Stanley.*) When you say they ought not to take advantage of the third-class trains, is it not a mere matter of choice with a man whether he will submit to rougher company and more imperfect accommodation ?—Yes ; but still we think that when a man has amassed a fortune it is natural to expect that he would travel either second or first class.

12,998. (*Sir R. Hill.*) Generally speaking, do not trains to which third-class carriages are not attached run more quickly than the others ?—Yes, the Parliamentary trains that stop at every station, they are slower ; but the express third-class trains that we run between Manchester and Rochdale, and Manchester and Bury, are really express trains, and they are the best trains we have. I travel by them daily, and they are most expeditious, the object being to accommodate the traffic between the two points specially. We run past the intermediate stations. I travel every night by the cheap trains.

12,999. Do they run as quickly as the dearer ones ?—Yes.

13,000. (*Earl of Belmore.*) Do you find that third-class passengers often travel long distances ?—Not very long distances in our district. Our district is essentially an omnibus traffic district. I think that the average distance travelled over our line by all the passengers is about 10 miles, and the average fare paid by them is 9*d.* We carry more passengers than any line, I think, in the kingdom. Last year we carried above 20,000,000 of passengers, and the average distance they travelled was rather under 10 miles, including both the first, second, and the third classes and the excursion passengers.

13,001. (*Chairman.*) Are the majority of the third-class passengers working men, or is any considerable number of the persons above that condition of life ?—The majority of them are working men.

13,002. Do the small shopkeepers travel much in third-class carriages ?—Yes, especially in the cheap trains between Bury and Manchester and Rochdale.

13,003. The next point referred to is the Rochdale Canal case, in answer to question 10,041 ?—Yes. From 1850 to 1856 there was an arrangement between the Rochdale Canal Company and the Lancashire and Yorkshire Railway Company for a division of traffic ; and on the 1st of September 1855 the Lancashire and Yorkshire, the Manchester, Sheffield, and Lincolnshire, the North-eastern, and the London and North-western Railway Companies leased the tolls of the canal for a term of 21 years. This lease was entered into mainly in consequence of an attempt on the part of the Aire and Calder Navigation to force the railway companies to make an arrangement by which the Aire and Calder would secure a division of the traffic passing westward to Liverpool, Manchester, and other places.

The toll, which was increased from 1*d.* to 4*d.* a ton, was levied upon bale goods only ; and it is important to observe that this was a class of traffic which the Aire and Calder Navigation had not for many years previously carried over the canal ; and therefore this increase of toll was not a tax upon traffic which had been enjoyed or carried by them up to that time, the fact being that the Aire and Calder Company, with a view to force an arrangement with the railway compa-

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nies, either for a division of traffic or for an amalgamation, attempted for a time to destroy the most valuable traffic of the railways—the bale traffic—between Manchester and Hull, by carrying it at a rate from 40 to 50 per cent. below the ordinary rate; and under these circumstances the railway companies, in their own defence, advanced the toll to 4*d.* per ton, as stated in Mr. Wilson's evidence.

From the evidence of Mr. Wilson he appears to be strongly opposed to amalgamations. He has, however, omitted to inform the Commission that in 1856 and 1857 negociations, in which he, on behalf of the Aire and Calder Company, took an active part, were entered into between the Aire and Calder Navigation and the North-eastern and Lancashire and Yorkshire Railway Companies for an amalgamation of the Aire and Calder Navigation with those railways, it being provided that until Parliamentary sanction to that amalgamation had been secured, the railway companies were to lease the tolls of the navigation for a term of 21 years, on the understanding that the lease was to expire on the completion of the transfer of the navigation under the Amalgamation Act. These negociations did not, however, result in an arrangement. Mr. Wilson has also omitted to state that the Aire and Calder Navigation last year leased the Calder and Hebble Navigation whichiconnects the Aire and Calder Navigation with the Rochdale Canal; and that he has since that time urged upon the railway companies, through me, the necessity for their making an arrangement with the Aire and Calder Navigation by which that navigation shall have an interest in the traffic of Liverpool, Manchester, and the west, and thus prevent competition.

13,004. (*Lord Stanley.*) I see in the evidence of Mr. Wilson, in answer to question 9915, which is, "Is it your experience in general that when a rail "way company obtains possession of a canal the tolls "are raised to the highest point?" he states, "Not "always to the highest point, but to a sufficiently "high point to prevent traffic passing. They cau- "tiously avoid going to an unnecessarily high rate, "because it might be brought out in evidence in the "numerous instances when they come before Parlia- "ment, but they always raise it to a sufficiently high "point to exclude traffic"?—Yes.

13,005. Is that in any case true as to the company with which you are connected?—No doubt the raising of the tolls has had the effect of placing upon the railway traffic which probably might have been carried by the canal, had not arrangements been made with the traders to carry by railway, and to carry at rates as low, and in many cases lower, than those which existed on the canal, and more expeditiously.

13,006. Then in that case what advantage do you gain by making the rates higher upon the canal?—We find that we can work the traffic onwards upon the railway more advantageously than upon the canal, First of all we require expedition in the conveyance of the general merchandise of the line, and we find it better to concentrate it as much as possible upon the railway.

13,007. Will not the ultimate result of that be that it will be worth your while to hold the canal without working it at all?—Scarcely so; of course there are by-traders upon the canal, and we do not close the canal; we still have the tolls in operation, by which the public, by paying, can carry advantageously.

13,008. You do not, yourselves, carry to any extent, but you allow other persons to carry?—We carry ourselves, and also allow the public to carry.

13,009. (*Sir R. Hill.*) The tolls you charge, I presume, are fixed by Act of Parliament?—They are.

13,010. You do not exceed them?—No; in some cases they are less.

13,011. (*Chairman.*) I believe there is only one canal that actually belongs to your company?—Only one, the Manchester and Bolton.

13,012. You have an interest with other companies in other canals that you have leased for a term of years?—Yes; the Rochdale Canal and the Leeds and Liverpool Canal.

13,013. When those leases expire, you will be unable, as the law at present stands, to renew them?—Yes, without the sanction of Parliament specially obtained.

13,014. (*Lord Stanley.*) Acting upon the policy you have described, is it worth your while to go to the expense of any costly repairs of the canal works?—The canal company maintain them; they are let under lease. On the Leeds and Liverpool Canal we do not lease the tolls for the minerals, only for the merchandise.

13,015. (*Chairman.*) Mr. Wilson, I think, gives it as his opinion, that the railway companies lose upon a considerable portion of the goods carried both upon canals and railways, but that they make up that loss by their profits on the passenger traffic?—Mr. Wilson, I think, is wrong there, and I am surprised that he should have given that answer; at all events the railway companies are not influenced by any such principle or motive.

13,016. Do you think that any of the goods traffic is unprofitable?—Yes, I do.

13,017. What motive induces your company to go on carrying traffic that is actually unprofitable?—We do not like to obstruct it. In the town in which I live I am sure that the merchandise traffic which is carried to Manchester does not pay us, and we should be better without it. The traffic from Bolton to Manchester we should be better without. We have the bleachers' traffic, which we carry without any profit, but to the bleachers it is an important traffic, and they require their traffic to be carried expeditiously. We carry it at a very low rate, and with very great regularity; but, of course, they have other business upon other parts of our line. We take a broad view of it, and although we lose upon one portion, we make a profit upon the other; our desire is to accommodate them, and that guides us in all our transactions.

13,018. What prevents your raising your charges on that portion of the line which you say does not pay, to an amount that would make it profitable?—The traders and bleachers say that, by making arrangements, they can probably cart the goods themselves from their places to the town, and so save the terminal expense at Manchester, and in consequence of that we have to adapt our charge to the circumstances of the case, rather than lose the traffic altogether.

13,019. (*Sir R. Hill.*) If you lose upon the traffic, would it not be better to let the bleachers make their arrangements?—We think that the railways are made for carrying the traffic of the district, and we desire to make them as useful as possible for that purpose. We do not like to see the traffic pass us, but we rather adapt our rate to the circumstances than lose the traffic, that is what influences us.

13,020. Are your directors so goodnatured as to carry traffic at a loss for the advantage of the public?—It is the fact that we do, and it is true that I have often spoken to my directors on the same subject. Some of them are strongly impressed with the idea, as I am, that it is not a paying traffic, the short traffic, and that we should be better without it, for it encumbers our stations as much as the traffic that comes a longer distance.

13,021. (*Earl of Belmore.*) Might it not happen, if the bleachers carted all the traffic, which it does not pay you to carry from Bolton to Manchester, that instead of sending their carts back empty, they might take return loads which it would pay you to carry?—Yes, and that of course influences us, not only at Bolton, but at other places.

13,022. (*Mr. Gower.*) Are the shareholders aware of this state of things?—We can defend it before them, because we believe that it is in their interest. Take, for instance, the Oldham traffic from Oldham to Manchester, it does not pay us, but, as the noble Lord has just said, they send their carts with their manufactured goods to Manchester, and then the carts have to go back empty unless they get some loading. They might get their cotton by the canal from Liverpool, and cart it from Manchester to the works. If we charge a reasonable rate from Oldham to Manchester for the manufactured goods, and no cart of their own goes to

Manchester, the cotton will come from Liverpool to Oldham direct by our railway, and that is the compensating element to us.

13,023. (*Chairman.*) Is much traffic carried on by carts on the high roads?—Yes, a very large traffic from the towns round Manchester, although we charge a very low rate.

13,024. You think that it would be prejudicial to the interests of your company not to obtain as much traffic as possible, although it is unremunerative?—Yes. We cannot afford to say, we not will take it, and as contrasted with the general traffic of the company, it is only a very small per-centage.

13,025. (*Sir R. Hill.*) You cannot afford to give up a losing traffic?—No, because incidental to that, we do carry a traffic that is profitable, and which we might lose, if we did not carry the other.

13,026. Taking it altogether it is not a losing traffic?—No, as is evidenced by the dividends we pay, we do get a dividend out of it.

13,027. (*Chairman.*) Would it have had effect upon the prospects of a railway company if it was known to refuse traffic which it might obtain by charging low rates?—I think it would encourage competing lines. It is a most popular reason for introducing new lines, that of obstructing traffic, and plenty of witnesses would be glad to come to Parliament and give evidence against us, and say, "These gentlemen will not carry our traffic," and no doubt that influences us.

13,028. Was there not at one time a very strong competition between your company and the Aire and Calder Navigation?—Yes, there was some competition. They desired to sell their undertaking, and, as I have stated, negociations were entered into between the Aire and Calder Navigation, the North-eastern Railway, and the Lancashire and Yorkshire Railway Company for an amalgamation of the Aire and Calder Navigation with those two railways.

13,029. What caused that negociation to break down?—I do not know the precise causes, for it was before I joined the Lancashire and Yorkshire Company, but they had got so far as to have the heads of an agreement settled, I have a copy of them, in fact the document was complete all but signing. I think Mr. Wilson is a little incorrect in saying that he objects to amalgamation under certain circumstances.

13,030. (*Sir R. Hill.*) Have there not been instances in which the Aire and Calder Navigation has amalgamated with railway companies?—Not amalgamated. The Aire and Calder Navigation did make a traffic arrangement of some kind; I do not know the nature of it, but they have made an arrangement with the North-eastern Company for a division of traffic, or an arrangement which will prevent a reduction of the rates, and the Aire and Calder have amalgamated with other canals. In the last year they leased the Calder and Hebble Navigation, and sometime ago they leased the Barnsley canal, that was all done by Mr. Wilson, on behalf of the Aire and Calder Navigation.

13,031. Do you not know of any instance in which they have amalgamated with a railway company?—I do not; I believe they have not amalgamated with any railway company, other than making a traffic arrangement with the North-eastern Company.

13,032. I understood that by your arrangement with regard to the Rochdale canal, you had been able to stop a certain traffic over the Aire and Calder Navigation?—Yes; we have been able to prevent them from destroying the traffic, their object being, as we believe, and indeed we know, for letters are in existence to show, that their object was to reduce the rates so as to force an arrangement.

13,033. Their object was to take away the bale traffic from you?—For a time.

13,034. They had not been in the habit of carrying it?—No, not for many years.

13,035. They made an attempt to take it from you, and by raising your tolls on the Rochdale canal, you were able to frustrate that attempt?—Yes, that is the truth.

13,036. You have stated that a great number of witnesses are anxious that there should be uniform rates per mile upon all railway systems?—Yes.

13,037. Is it your opinion that if that system were adopted on one railway the same rate must be adopted on all railways?—Yes.

13,038. Will you be good enough to explain why that would be the necessary result?—My views as to equal mileage rates are as follows:—

Between towns which are at present served by two or more competing railway routes, of unequal length, the effect would be to drive the traffic to the shortest, because it would be the cheapest route. For instance, between Liverpool and Manchester, Liverpool and Huddersfield, Liverpool and Leeds, and between many other places, the Lancashire and Yorkshire and London and North-western Companies have each a route, the London and North-western being in many cases shorter by several miles than the Lancashire and Yorkshire; and if on account of our greater distance we attempted to charge the public a higher rate than the London and North-western charged, we should drive the traffic from our line, and overcrowd the line of the London and North-western company.

The effect upon traffic carried in connexion with other companies at through rates would be equally injurious to the longest route—for instance, the Lancashire and Yorkshire and London and North-western Companies join the North-eastern railway at Normanton, and they have each a route between Normanton and Manchester, and Normanton and Liverpool, but the Lancashire and Yorkshire routes are the longest, the application of the principle of an uniform mileage rate would, in these cases, give to the London and North-western Company the whole of the North-eastern traffic, and again overcrowd the London and North-western route, although the Lancashire and Yorkshire railway was originally the only line between Manchester and Normanton, and was constructed at a very great cost for the purpose of carrying that and other traffic. If an uniform mileage rate, based upon the highest rates the companies charge or upon the maximum tolls which they are authorised to charge, was adopted, the effect between places where there is at present both railway and water competition would be to give to the routes by water absolute control of the traffic, and so place the railways under a disadvantage. If an uniform mileage rate was based upon the lowest railway rates in operation, the companies would lose a large revenue upon the traffic which is now carried at ordinary rates. In both cases the effect would be to reduce to the minimum the area and number of markets from which the inhabitants of any town or place could draw their supplies of food, clothing, or materials for consumption or manufacture, or to which they could send commodities for sale.

Railway companies by their present practice of adapting their charges to the requirements of the traffic have rendered greater service to the public than to their shareholders, and to make railways alike useful and profitable to the shareholders and to the public, the companies owning them must, within the powers granted to them by Parliament, be allowed to fix and regulate their rates and fares according to circumstances; if anything is done to interfere with the free exercise of that principle it will be alike detrimental to the interest of the country and to railway companies themselves.

13,039. (*Lord Stanley.*) Your objection to a uniform mileage rate, as I understand you, is, that it would necessarily drive all the traffic upon the shortest line?—Yes.

13,040. That is to say, if there were two lines, one 35 miles long, and the other 40 miles long, between the same points, you could not use the line 40 miles long as a relief line to the shorter one?—Just so.

13,041. You would be compelled by law to charge a higher rate, although you might be quite willing to give in the advantage of the extra five miles?—Yes; and we should be deprived of the power of doing that which we now do. The North-western and our railway in many cases run between the same places in Lanca-

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shire and Yorkshire; our line in the majority of cases is the longest, but at present we charge the same rate, or the public would leave our line. An equal mileage rate would drive the traffic from our route altogether, and place it on the North-western line.

13,042. (*Sir R. Hill.*) Suppose a uniform rate were charged, not according to the distance by railway, but by the direct distance as the crow flies, the difficulty in establishing uniform rates by two railways serving the same towns, although one was longer than the other, would be removed?—Do you mean competing between two places, such as Liverpool and Leeds?

13,043. Yes?—There the North-western and the Lancashire and Yorkshire Companies have each a route, and practically the rates are so arranged that we have some of them measured by the shortest distance. The London and North-western line we may call as the crow flies, a straight line, and that is the line which governs the rate, and we adopt that rate. But that would not meet the case of a competing port; it would not serve the purpose of the public when you came to apply it to a port like Hull.

13,044. But as between railway and railway, there would be no objection to a uniform mileage rate, if the distance were taken as the crow flies?—That means a uniform rate; it is only another term for the same thing, that is really what we do.

13,045. There would be no objection to a uniform mileage rate if the distance were taken as the crow flies?—No; I do not see any objection, if qualified as I have before stated.

13,046. (*Lord Stanley.*) You mean that there would be no objection on that ground?—Yes.

13,047. Do you think that a uniform mileage rate would be fair in the case of a line that cost very much to make, and in the case of a line that had been made in a very inexpensive manner?—No, I do not think it would.

13,048. (*Sir R. Hill.*) Can you at all regulate the fares with reference to the cost of the line?—In fixing the fares we do not have reference to the actual cost of the railway.

13,049. On the contrary, does it not generally happen that the fares on the more costly lines are lower than the fares on the less costly lines?—In many cases it is so.

13,050. The most costly lines are generally between places in thickly-populated districts?—Yes.

13,051. And there you generally charge lower fares per mile?—Yes; upon the metropolitan lines which are very costly, the fares are very low.

13,052. What are the objections which you entertain to a uniform rate per mile, regulated, not by the circuitous route of the railway, but by the direct distance?—As between two points where there are competing routes, as I have before said, that really is the principle that we act upon in fixing the rates, but that would not at all meet the case of the Hull merchant. Take a town 40 miles by railway, but only 30 miles as the crow flies from Liverpool; suppose the distance from the same town to Hull is 60 miles, and we charge the same rate per ton per mile to Hull as to Liverpool over the 30 miles, the rate between Hull and that town would be twice as much as that from Liverpool, and Hull would be shut out.

13,053. The principle of charging by direct distance would meet the objections which you have stated?—Yes; if you draw a straight line as the crow flies between two competing points, and say the rate shall be the same by the two routes, that is what we do now.

13,054. (*Earl of Belmore.*) Does not this objection arise in rather extreme cases; for instance, take a passenger who books from the Euston station to Cambridge by the London and North-western line, and you were obliged to charge as the crow flies, you could not reduce the working expenses, and in a case like that the working expenses would not be covered by the receipts?—No; but as a general rule between any competing points they must be the same, both the rates and fares. The Sheffield Company some years ago began competition with the Lancashire and Yorkshire Company between Manchester and Leeds, they carried the traffic nearly twice the distance that we had to carry it, but they carried it at the same rate. We must, between competing points, carry at the same rate as any other company carrying between those points, otherwise we should get no traffic.

13,055. (*Capt. Galton.*) Between London and Paris there are two routes, not competing probably, but the fares by the longer route are much higher than the fares by the shorter route, and yet a very large amount of traffic goes by the longer route?—I was not aware of that. But my experience certainly is to the effect, that between any two points any company carrying must carry at the same rates as other companies, or they will get no traffic. You must not carry at a higher rate, no matter what the distance is.

13,056. (*Sir R. Hill.*) It has been stated in evidence that the charge from London to Birmingham, whether by the North-western railway or by the Great Western is the same?—Yes.

13,057. The distance by the Great Western railway is much greater than by the North-western, and that principle, as I understand you, is adopted in the case of competing lines?—Yes.

13,058. You charge the same as the other company, whether the route is direct or circuitous?—No doubt.

13,059. I presume you find that a passenger does not consider he is compensated for paying a higher fare by being carried a longer distance?—No, but rather the contrary; I think he would desire to have some allowance for being taken so far out of his way. We have an agreement with the North-western Company for a division of the traffic, and it is provided that the fares and rates between all points must be the same, and without an agreement for a division of traffic, if there is competition, it is at equal rates.

13,060. (*Capt. Galton.*) You contend that competition cannot exist if a uniform mileage rate is charged?—Certainly.

13,061. Therefore, if a railway company were to charge a uniform mileage rate, the present system of working on what are termed commercial principles must be departed from?—Yes.

13,062. (*Earl of Belmore.*) Putting competition out of the question, do you not think it would be unreasonable that the Great Western Company should be obliged to charge as the crow flies from London to Bath where they have no competition, although their line is considerably longer than the distance as the crow flies?—I understood the previous question to apply only to competing routes, when I answered that it is the practice we adopt now; but if it means this, that between two points on our own line, where there is no competition, and where the route is circuitous, we are to charge as the crow flies, I say that that would be evidently wrong and unfair to the companies, that is a principle that I could not for a moment admit.

13,063. Is not the advantage given to a passenger by conveying him over a line measured by taking the direct distance between any two points?—No, not altogether, there are many cases where the route is circuitous, and where we charge the actual distance, and in all cases nearly. It is only where competition comes in that we are obliged to adapt our fares by the circuitous route to the shorter one.

13,064. (*Capt. Galton.*) You contend that if the route was circuitous, and the charge was to be according to the direct distance, your maximum charges ought to be increased beyond the present authorized scale, or they would not be fair to the companies?—Yes.

13,065. (*Sir R. Hill.*) That would not interfere with the adoption of the principle, would it?—It would, because if I have a route which is 30 miles long, but by the crow line the distance is only 20, and I am only to charge the toll which, in the Act of Parliament, is applicable to the 20 miles, I shall lose upon the 30. I should require the maximum tolls to be increased to correspond with the reduced distance. A railway company makes a line at great cost, say 30 miles long, between two points, but as the crow flies the distance is only 20 miles; a toll is granted to the company for the

30 miles, but if I charge only as the crow flies, the maximum rate for 20, I shall be a loser of the difference.

13,066. Supposing the rate was advanced in proportion, the profit must be precisely the same?—If I get the same money as I should by calculating the 30 miles—and it is a question of money—I am compensated.

13,067. (*Chairman.*) In many cases a direct route between two places would be impracticable from the nature of the country?—Yes; for instance, in our district we should have to go through mountains, and we should not be seen for miles; it is a very hilly country. We have long tunnels as it is.

13,068. (*Lord Stanley.*) There would be this additional disadvantage that, whereas in a flat country a uniform mileage rate, charged according to the direct distance, would give a railway company the full advantage of payment for every mile traversed, in a hilly country, where railway routes must make a considerable circuit, you would be paid for, perhaps, only one half of the distance you actually traversed?—Yes; and that applies most strongly to the Lancashire and Yorkshire system. It is a line which has to work its way through valleys; it is circuitous and full of bends.

13,069. For the same amount of service to the public a line in Cambridgeshire would pay double as well as a line in Lancashire or Yorkshire?—Yes. A portion of our line is in the neighbourhood of Doncaster, where they could safely run straight, but in other parts it is very circuitous.

13,070. (*Sir R. Hill.*) Did not your company, some years ago, apply to Parliament for an advance upon your maximum rates on the ground that your line had been very costly, and that it was not profitable?—Yes; but that was before my connexion with the company.

13,071. Then, if in any case the principle of uniform rates, charged by direct distance, were not applicable to a particular line, the maximum, as regards that line, might be advanced as it was in your case?—Yes; but I am afraid the application of the rule would be difficult; of course there would be so many varying cases, and it would be difficult, I think, to compensate a company in all cases that might arise from the adoption of that principle.

13,072. (*Capt. Galton.*) Did you obtain an increased rate?—Yes.

13,073. Having obtained it, to what extent did you apply it. I presume you carry a large amount of traffic at a good deal below the maximum?—Yes, a very large amount.

13,074. What proportion of your traffic do you carry at rates below the maximum?—I really cannot answer that question. Upon some traffic we get what Parliament says we ought to have, but other traffic we carry at a little more than the cost of working.

13,075. As a rule, between what principal places do you charge your maximum rates?—From Burnley, Blackburn, Accrington, and Colne; in those districts we charge pretty nearly the maximum rate.

13,076. The full maximum?—Yes.

13,077. And from other places between Manchester and Liverpool?—We charge less than the maximum rate; between Rochdale and Bury, Bolton, Oldham, and Ashton, and those places, we charge very considerably below, a very low rate indeed, which leaves very little profit, sometimes none.

13,078. Practically, I suppose, the maximum rate upon a small portion of your traffic is levied to make up for the profit which you fail to make in carrying below the maximum rate from the other places?—I do not say that. We fix the rates generally within our Parliamentary powers, and between points where competition by road applies, and which we have to deal with, we are satisfied with a very small profit rather than let the traffic pass us. In some cases, to get a profitable traffic, we carry other traffic at a loss.

13,079. (*Sir R. Hill.*) You charge higher rates over certain parts of your line than over others?—Yes.

13,080. Do you charge higher rates over the most costly and most tortuous parts of the line, and lower rates upon the less costly and more direct portions; or do you pay any regard to the cost of any part of the line, whether it be direct or not?—I must repeat the answer that I gave before when I said that we had very little regard to the actual cost of the railway in fixing the charges.

13,081. Or to its directness or indirectness?—We are guided by commercial considerations mainly.

13,082. (*Chairman.*) Did the powers which you obtained a few years ago for charging additional rates apply to goods as well as to passengers?—I believe so.

13,083. Do you in any case charge higher passenger fares for a shorter distance than for a longer one; between Liverpool and Leeds I suppose you are obliged to charge the same fares that the London and North-western Company charge?—Yes.

13,084. For a place short of Leeds on your line would you charge a higher fare than to Leeds?—No; our agreement with the North-western Company prevents it. We generally assimilate the fares to the neighbouring towns to the fares to the competing towns.

13,085. To get the same traffic between Liverpool and Leeds you are obliged to charge a low fare for the whole distance, and all the intermediate places participate to a certain degree in the advantage?—Yes; but the fares that we have arranged to Leeds are good ones.

13,086. It is not a very circuitous route as compared with the London and North-western?—No, it is a very fair route; we divide the traffic with them.

13,087. (*Earl of Belmore.*) Would it be unreasonable to lay down, as a general rule, that a lower fare should not be charged to passengers for a shorter distance than for a longer distance, and under all circumstances?—I think it would be unfair to lay down a rule that a passenger for a short distance should be charged the same rate per mile as the passenger for a long distance.

13,088. I did not say "per mile." Take this case; there are two routes from London to Cambridge, one by King's Cross, the other by Shoreditch; of course the Great Northern Company would not charge a higher gross fare from King's Cross to Cambridge for the longer route than the Great Eastern Company would charge from Shoreditch to Cambridge?—No.

13,089. Then would it be unreasonable to say that the Great Northern Company should not charge a passenger carried to a station short of Cambridge a higher fare than is charged to Cambridge?—I think they should be left, providing the fare which they do charge to a place short of Cambridge is not beyond their Parliamentary powers, to charge what fare they think right.

13,090. (*Chairman.*) You have said that some of the witnesses are very anxious to have a court of appeal or some tribunal established for the purpose of modifying the rates, or investigating complaints as to them?—Yes.

13,091. What is your opinion as to the establishment of such a court of appeal?—I have very carefully considered that question, and this is my view. The establishment of such a tribunal as that suggested would be an injustice to the railway companies who have spent their money on the security of their Acts of Parliament. If such a court was now established I suppose that some of the merchants of Liverpool would apply for the reduction of the Liverpool rates to the same rate per ton per mile as from Hull to the same places, and Hull merchants would, at the same time, apply for the Hull rates to be reduced to the same rate per ton per mile as those from Hartlepool. The applicants having something to gain and nothing to lose would occasion numerous applications which would be a constant source of irritation between the company and its customers, and would occupy much of the time of the general staff of the railway, and distract the attention of the manager and his assistants from their ordinary duties. The courts of law already established afford ample protection to the public against the illegal proceedings of railway companies, or for obtaining compensation for any neglect or default on their part.

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For the settlement of ordinary disputes and claims the county courts are very convenient, and are appealed to when necessary by the public and by railway companies; the Lancashire and Yorkshire Company have had numerous cases settled in those courts. Occasionally disputes are settled by a friendly arbitration, for instance, within the present year one of our customers, who considered that we had given to another of our customers in the same trade an undue preference, claimed about 600*l.* from us as a drawback. We agreed mutually to leave the question to the decision of the judge of the County Court of Manchester, as arbitrator, and he, after two days' inquiry, decided that the charge was unfounded, and he therefore disallowed the claim. Public opinion, conveyed through the press, through chambers of commerce and tradesmen's associations, is sufficiently effective to deter railway companies from abusing the powers conferred upon them by Parliament, and generally it will be found that, whenever a railway company is appealed to through those channels, the directors are prepared to hear and consider complaints or statements from the public, and to rectify whatever may appear wrong. As an illustration of the practical effect of such appeals upon railway companies, I refer the Commission to the application of the Rochdale Tradesmen's Association to the Lancashire and Yorkshire Railway Company in January 1865. To give power to any court to reduce rates already not in excess of the legal powers of railway companies, would be practically to repeal the toll clauses in their Acts of Parliament, which are their only security for a return upon their capital spent in making their railways, and nothing short of guaranteed compensation from Government could justify such a course, especially as railway shareholders generally receive only as profit dividends upon their capital at a rate very little exceeding the rate of interest which they could obtain if that capital was lent upon ordinary securities, and very little exceeding that which a millowner or manufacturer claims as a right in addition to a profit upon his business.

When millowners and maufacturers, who, as a body, derive great advantage from the use of railways, estimate the profits upon their own business, they deduct from their gross receipts:

1st. Their working expenses.

2nd. Five per cent. interest upon capital.

3rd. Five to ten per cent. depreciation upon cost of working stock; and if after these deductions they have not a balance of profit equal to the per-centage which is paid as dividends to railway shareholders upon their capital, they do not consider their business has yielded any profit.

But to prevent the possibility of railways becoming too profitable, many companies are subject to a reduction of their tolls when their dividends amount to a certain per-centage, per annum; for instance, in the case of the Lancashire and Yorkshire Company, the Amalgamation Act of 1859, clause 78, gives power to the Board of Trade to revise and reduce the present scale of tolls, fares and charges, after the dividend for three years has averaged 8 per cent. per annum.

13,092. Is your objection this, that if such a tribunal was established, it would upset the provisions of your Acts of Parliament?—Yes.

13,093. Short of a tribunal having any power to decide anything contrary to your acts, is not one reason for wishing for such a tribunal to avoid expense, and that complaining parties might have power to appeal to it instead of going before courts of law?—It is a very inexpensive process to go before a county court, and most of the cases are settled there. We have many cases of claims for damage done to goods, and other claims, which we settle in the county courts with very little trouble and very little expense. On the ground of expense I do not see the slightest necessity for such a court.

13,094. Have you many disputes to settle?—Not any very large number. We have constantly to deal with cases of parties claiming for damage done to goods, or perhaps delay or miscarriage, and if we cannot settle the matter amicably, and the parties are unreasonable, or they think we are, we go into the county court and have the matter settled; it is a very expeditious, and not an expensive process.

13,095. (*Capt. Galton.*) Is not the county court limited as to the amount that can be recovered?—Yes, but the majority of our cases are settled in the county court for damage done; the question of principle can be settled upon a small charge. We had a case about 12 months ago with respect to a sum of 6*s.*, which settled a principle, and both parties were satisfied to adopt the decision of the court, and it did not cost more than a couple of pounds to get the whole thing settled.

13,096. (*Sir R. Hill.*) Do you allow packed parcels to be conveyed over your railway?—We do, but there are very few forwarded over our line.

13,097. (*Mr. Gower.*) You say that claims for damage done to goods, if a dispute arises, are settled by the county court. Do you always acquiesce in the decisions of the court?—Generally we do; there may have been some cases, but I do not recollect any at the moment, where we have appealed to a higher court, but generally we are guided by the decision of the county court.

13,098. (*Chairman.*) With regard to disputes respecting rates, is it possible to take them before the county court?—It is very easy indeed. A man can object to the payment of the carriage for a single consignment amounting to 10*s.*, and he may say, I object to pay 2*s.* of this charge. We insist upon payment, and he brings an action in the county court to try the question. There was a case within the last 12 months, in which the amount in dispute was only about 8*s.*, but the principle was settled, and we adopted it. Then in another case, which I have already stated to the Commission, we agree mutually to refer the question to a county court judge, he hears all the parties and then decides between the two. That case involved a large amount, and the parties threatened an action at law, and we thought it better to settle it amicably and adopted that course.

13,099. (*Earl of Belmore.*) Do you generally receive payment for the carriage of goods in advance or afterwards?—Generally after; we have ledger accounts open with an immense number of customers, we have thousands of accounts.

13,100. (*Capt. Galton.*) What length of time do you allow to those accounts?—A month is our stipulated time, very seldom more.

13,101. Is that ever exceeded?—No, that is our universal rule. Of course we get customers sometimes who fail to pay, and then we stop their ledger account. The public have a very great advantage in that system of ledger accounts.

13,102. (*Sir R. Hill.*) If a small parcel is brought to one of your stations, can you receive the carriage upon that parcel to any other station in Great Britain? Not to every station, but to all stations where it is necessary to have through rates. We have through rates with all companies for parcels and passengers so as to accommodate the public.

13,103. But you could not convey the parcel I refer to to any station in Great Britain?—Not where we have not through rates, but generally we have through rates for parcels to all the important places.

13,104. Could you take, for instance, a parcel brought to one of your stations addressed to Brighton?—I think we have through rates with the Brighton Company. I am not quite sure, we have such an immense number of rates.

13,105. But there are certain towns, are there not, to which you could not convey that parcel?—There are some, no doubt.

13,106. And certain towns on the railways?—Yes; to have rates between every station on our line (for we have 200 stations) and every town on a railway in England would be impossible.

13,107. If it happens to be a town or a village beyond a railway, I suppose you cannot then undertake

the conveyance of a parcel to its destination?—If we have not through rates we cannot.

13,108. I am supposing that it is addressed to a town or a village remote from any railway. You cannot then undertake the conveyance of the parcel to its destination, can you? — Yes, we can undertake to forward it, and to hand it over to the company carrying to the nearest station, and then they will have to make their charge forward to the party to whom the parcel is to be delivered.

13,109. You cannot receive the rate upon that parcel to its destination?—No, unless the through rate has previously been arranged; but the principle which we adopt is to make through rates with all the companies in the kingdom to all the important places upon their respective lines where there is a constant interchange of traffic, parcels and so on, but there are many insignificant stations on the lines of other companies, and the same upon our line, where that really is not necessary, where there would not be one parcel in the year perhaps, or at all events not a parcel in a month, and the trouble of establishing through rates is very great. What they are altogether, I cannot tell; but, what with passengers and parcels, they amount to, I suppose, between 3,000,000 and 4,000,000 rates.

13,110. (*Capt. Galton.*) Have you not a uniform charge for parcels up to a given weight?—We have a graduated scale on our own line.

13,111. (*Sir R. Hill.*) Some years ago did you not establish upon your own line a uniform charge for parcels not exceeding a certain weight?—I am not aware that we did. It is not within my recollection; it must have been before my time, if it was so.

13,112. It is not so now, is it?—No; we have a scale according to distance and weight.

13,113. (*Capt. Galton.*) Do you vary it according both to distance and weight?—Yes.

13,114. (*Sir R. Hill.*) That is to say upon your own line?—Yes.

13,115. (*Chairman.*) Have you considered the question of the publication of rates and fares?—I have. The Lancashire and Yorkshire Company have about 2,000,000 of rates, and as these rates are constantly being revised and altered in consequence of changing circumstances or applications from the public, it would be impossible to have constantly exhibited at each of their stations a correct list of the rates in operation.

13,116. You contend that it would be quite impracticable on account of the immense number?—Yes.

13,117. Have your customers the power of getting access to tables and satisfying themselves that they are not charged more than other parties?—No; we publish in our stations the tolls authorized by Act of Parliament, but we do not publish the rates.

13,118. (*Capt. Galton.*) The Act of Parliament provides that you are to carry people at equal charges under similar circumstances, does it not?—Yes.

13,119. And therefore would not it be fair and just that any person should have a right to see what rates you were giving to other parties?—Of course if they come and ask us what our rates are we tell them; but I do not see any other way of their knowing them except by making inquiry; for if we were to publish constantly at our stations the rates for the moment in operation I do not know how that would have to be done, for we are constantly altering the rates from circumstances which we cannot resist, and every day there would have to be an alteration in the table.

13,120. But should you give to any person who applied information as to what the rates were upon any article?—Yes.

13,121. What the rates were, that you were charging to every one?—Yes, as a rule we do charge the same rate under the same circumstances.

13,122. But you do make special exceptions, do you not?—Very seldom.

13,123. Still you do make them?—Very seldom indeed. Occasionally there may be a reduction in rate for very large quantities.

13,124. How would other people be aware of the allowance that you make for those very large quantities?—It would not be for the standard trade, it must be for some exceptional case, a contract for instance.

13,125. But you are bound to carry for all persons alike under similar circumstances, and if another person happen to be able to send the same quantity as the man to whom you have given the favourable rate gets, such person would be clearly entitled to the same rate, would he not?—No doubt.

13,126. How would he become aware of this other rate?—Take the case of building a bridge or a viaduct on some part of our line; we advertise for tenders for the erection, and the stone is to be conveyed from some part of our line to the place where the bridge is to be erected; in that case we make a special rate, but all the parties tendering come to us to ask what the rate is, and we invariably adopt the same rates under the same circumstances.

13,127. But if any other person wanted to send a similar amount of stone to the same part of the line, assuming that it was close to a station, would you give him the same rate?—If it was not for this viaduct that I am supposing, then I should say that we should give him the ordinary rate that we should give to all other persons.

13,128. Then you would not be giving to the two the same rate under the same circumstances, supposing the amount of stone was exactly the same, going between the two stations, the only difference being that one was to be for one purpose and another for another?—Of course I consider that the circumstance in this case is the building of the viaduct, and if I give everybody who desires to build it the opportunity of having their stone conveyed at the same rate, I have not done any harm or any wrong to another man in another trade altogether; because in the case of the other man in the neighbourhood who may not be a mile from the viaduct, and who may require stone for another purpose, I should give to him and to all the public desiring to have the stone for the same purpose the same rate.

13,129. Then do you consider that it is necessary that the public should know what the special rates are that you are giving?—I do not think it is in those circumstances.

13,130. (*Sir R. Hill.*) In the last paragraph of the paper which you have put in you state, as a reason for not publishing the rates and fares that you have about 2,000,000 rates. Can you explain to the Commission why the number should be so very great?—First of all we have 200 stations on our line, and the rates upon our line alone are very numerous. We have five classes of rates,—1st, 2nd, 3rd, 4th, and 5th class, specials, goods, minerals, and then smalls. I have had it carefully got out to see what the rates are, and they come to very nearly 2,000,000 rates and that is irrespective of passenger fares altogether. If you add the passenger fares to them I do not know what the number would be, but I suppose it would be somewhere near another 1,000,000 rates.

13,131. (*Capt. Galton.*) Do you see any objection to publishing at each station what the passenger fares are between every station on your line?—I do not see the necessity of it; the same objection applies to that as it does to the publication of goods rates.

13,132. But are you not aware that in many London stations it is done?—I am not aware of that.

13,133. The London and South-western Company publish all their passenger fares between every station on their line in their booking office in London, do they not?—I am not aware of that.

13,134. (*Sir R. Hill.*) For the sake of simplicity would not it be advisable to reduce this large number of rates?—The tendency is rather to increase them; each of the companies, our neighbours, desires to have through bookings with us, and lately we have very greatly increased the number. Within these last few years we have established through rates with the Midland, the Manchester, Sheffield, and Lincolnshire, and the Great Northern companies, very much more ex-

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tensively than we had had before, and we are constantly increasing them.

13,135. Supposing that the table of rates were confined to your own line of railway, would not it be advisable as a matter of convenience to your own servants that the variety of rates should be reduced considerably ?—We cannot do so; it might be convenient and we should like it; the less rates we have the less trouble we have, but we find that the public necessity is such as to demand it; we must make those rates and the tendency, as I before stated, is to increase the number rather than to decrease them.

13,136. In consequence of the demands of the public ?—Yes; through the neighbouring companies.

13,137. Confining your attention to your charges upon your own railway, and not speaking of the charges which combine those of the neighbouring lines, might it not be advantageous to yourselves to reduce the variety of rates, and make some approximation to uniformity of rate ?—I think not decidedly. We have now no more rates than are absolutely necessary on our own line for the convenience of the public.

13,138. (*Chairman.*) When you are speaking of rates in your last answer you do not mean mileage rates but the total rates between different places ?—Yes; that is what I understand. I mean the total number of rates.

13,139. (*Capt. Galton.*) So long as railways are worked upon the present commercial principle it is perfectly impossible, I presume, to avoid having a large number of mileage rates ?—Certainly; you must have the ordinary class of rates on whatever principle you work.

13,140. If a railway was worked on a uniform mileage-rate principle, then, of course, the rates would be perfectly similar, would they not ?—It is not a uniform rate; you must have regard to the different articles to be carried. One man requires furniture to be carried, and another man requires boards to be carried.

13,141. But still those are classified in a certain number of classes, and if you had a uniform class rate you would then be able to say that class 1 was carried at such and such a rate per mile, class 2 at such and such a rate, and classes 3, 4, 5, 6, and 7 at separate rates. Therefore, there would be, at all events, comparative simplicity in that case ?—If you adopted the uniform mileage principle, it would be a very simple matter indeed, but it would be very wrong to the companies and, I think, prejudicial to the interests of the public, as I have before stated.

13,142. What I refer to is that under the present system of working, you must have this very large number of special rates ?—Yes; and they will become larger and larger, I think, every year, because you must have classes 1, 2, 3, 4, and 5, according to the value and character of the article; and even then you would want a very large number of rates.

13,143. You would want similar rates to those which you have for passengers, I presume ?—Yes, of course. I do not know what classes you would suggest goods being divided into; we now divide them into five, and from practical experience we say that that is a proper division; and then we have the special class and minerals in addition.

13,144. (*Chairman.*) Is there a uniformity of charge for goods in the same class, that is to say, are they always charged uniformly between any two points ?—Yes; that is the object of classification, and generally it is adopted.

13,145. But there are exceptions, I presume ?—Yes, sometimes; then frequently an article is withdrawn from a class and made into an exception.

13,146. (*Earl of Belmore.*) If you had a uniform mileage rate you would probably be obliged to have a great many more classes, would you not, because, although you may be able now possibly to keep certain goods of different sorts in a class, because you have arranged your mileage rate according to what it will bear to have put upon that class, yet you will find that eventually, in order to do yourself justice, you will want a great number of classes ?—You must have a large number of classes undoubtedly, especially if it were to be a permanent arrangement, but I say that you cannot make a permanent classification. We find in practice that we have to alter the classification constantly, and there are different classifications in existence in various parts of the country. On our own system the classification which applies to the Humber traffic is altogether different from the classification which applies to our local traffic.

13,147. (*Capt. Galton.*) Why is that ?—Because in dealing with the transit traffic across the country it must be carried at very low rates.

13,148. What sort of goods would be put in a different class ?—Cotton, for instance, is carried at a very low rate; and flax, and so on, we carry at a very low rate, and we make a special classification also as between, I think, the West Riding towns and London. Where there is an active sea competition the classification is necessarily disturbed if you are to have any traffic at all.

13,149. What class is cotton put in in your local traffic, and what class is it put in in your Humber traffic ?—We class the Humber traffic A. B., C., D., and so on under the alphabet. I do not know what class cotton is, but it is altogether different from the clearing house classification, and is specially applicable to the Humber traffic.

13,150. (*Chairman.*) Have you any complaints from your customers with respect to your charges for terminals ?—No.

13,151. In making a rate between two places you do not inform them what is for terminals and what is for carriage from station to station ?—No, we do not.

13,152. Do you think that there would be any objection to the terminals being fixed by Act of Parliament ?—I do. The circumstances vary. As I have before stated, in answer to the Liverpool witnesses, the cost at one place is very much in excess of the cost at another.

13,153. (*Capt. Galton.*) But circumstances vary with regard to tolls, and yet you have a toll fixed by Act of Parliament which you cannot exceed; why, therefore, should not you equally have a maximum terminal fixed by Act of Parliament ?—Of course, if the maximum terminal is fixed at an amount which will compensate us then there would not be very much objection to it. The question was raised before the chairmen of committees some years ago I recollect, and there was a proposition then made to have a maximum terminal, but it was not carried out. I think mainly in consequence of the coal owners, who opposed the arrangement.

13,154. You can charge now anything that you think reasonable ?—Yes, a reasonable sum. Of course there is the court to appeal to if we are not reasonable.

13,155. Would it not be very difficult for the court to be able to say that any charge which you made was not a reasonable charge ?—I do not see the difficulty; the court would have no great difficulty.

13,156. It would be a very expensive process, would it not, for any party to appeal to the court of law ?—I should think not.

13,157. It is not one of those questions which might be settled in the county court, is it ?—I think that they might try the case in the county court; they might take one consignment and try the case upon that.

13,158. (*Sir R. Hill.*) Have your customers the means of knowing, when you demand a certain sum for the conveyance of goods, how much of that sum is for terminal charges and how much for mileage rate ?—No, they have not.

13,159. (*Capt. Galton.*) Then would not it be very difficult to bring the question into a court of law ?—They would begin with the distance between the points between which we carry, and would apply to that the rate authorized by Act of Parliament, and then they would go into the question of what was a reasonable charge for the service which we performed at the stations. I take it that a reasonable sum would be very easily arrived at before the county court.

13,160. (*Sir R. Hill.*) That is to say they would consider the mileage proportion as made up of the maximum rate which you are entitled to charge as a mileage rate ?—That would be the plan which they would adopt I suppose.

13,161. In point of fact you do not charge the maximum mileage rate, do you ?—No, we do not.

13,162. Then how are your customers to learn how much of a certain charge is for mileage and how much for terminal expenses ?—It is impossible for them to do so. The fact is, that we fix the rate with reference to the requirements of the traffic, not distinguishing in so fixing it what portion is for terminal, and what portion is for mileage rate, taking care that the total rate which we charge is within the powers which Parliament has conferred upon us, and we are guided in that case as in all other cases by commercial considerations and what the value of the article may be.

13,163. (*Chairman.*) You do not consider that the collection and delivery comes within the denomination of terminal, do you ?—Not the carting.

13,164. Not in any case ?—No, not within the Act of Parliament. The "reasonable sum" applies to the station service.

13,165. (*Capt. Galton.*) What is your definition of "terminal ?" what would it actually include ?—My definition of "terminal" of course would include the porters' labour and shunting.

13,166. Would it include putting the goods into a siding ?—It would include shunting at the station and marshalling the trains.

13,167. Putting the goods into a siding or taking them out of the siding ?—It would include the loading and the service incidental to that loading.

13,168. I should like to understand what those services are which it would include ; would it include the porters putting the goods on the trucks ?—Yes.

13,169. What else ? — It includes what is mentioned in the Act of Parliament. The Act says, with respect to the conveyance of goods, "The "maximum rate of charge to be made by the "Lancashire and Yorkshire Railway Company for "the conveyance thereof along the said railways, "including the tolls for the use of the railways "and waggons or trucks and locomotive power "and every expense incidental to such conveyance, "except a reasonable sum for loading, covering, and "unloading of goods, and for delivering and collec-"tion and any other services incidental to the "business or duty of a carrier."

13,170. Covering would be putting tarpaulings upon the goods ; there would be a charge for that, would there ?—Yes.

13,171. And for warehousing ? — Yes, and for warehousing also ; that is included in covering.

13,172. You mentioned shunting just now, how is that incidental to loading ?—We have at Liverpool, I suppose, 10 or 11 miles of sidings near to the terminal station. We shunt all the waggons there, and we consider that a station service.

13,173. Upon the traffic upon which you charge your maximum rates, we will say the Burnley traffic, what terminals do you put ?—In fixing the rate it would of course depend upon the class.

13,174. Take the first class ; you stated, I think, that you charged your maximum rates from Burnley ? —I cannot say that the rates from Burnley are precisely our maximum rates, but they are pretty near it.

13,175. In a case in which you charge your maximum rates, what sum do you add to that amount for this terminal accommodation which you are speaking of at Liverpool ?—Supposing it was first class, I think the terminal there would be about 3*s.* at each end.

13,176. That would have to be added to the maximum rate ?—Yes.

13,177. What would it be for a higher class than that ?—Of course a higher class would be rather higher, 3*s.* 6*d.* at each end.

13,178. Then you do not adopt the clearing house rate of terminals at all ?—No, not in fixing the local rates. The clearing house terminal is an arrangement between the companies for mutual convenience and has no reference to the actual amount which we are empowered to charge to the public.

13,179. Then upon your local goods you charge something extra, I suppose ?—Yes ; in the terminal at Burnley we should include the collection in that case.

13,180. You would include the collection at Burnley and the delivery at Liverpool, would you ?—No.

13,181. What charge do you make at Liverpool for that delivery ?—Of course the charge there for carting varies. We contract for 1*s.* 3*d.* to 2*s.*, and we make that same charge to the public.

13,182. (*Chairman.*) Do you consider that the interest on the capital expended on sidings and rails and sleepers and on the land, and also the maintenance of that part of the permanent way ought to be covered by the terminal charges ?—Yes, I do.

13,183. (*Capt. Galton.*) In fact, you consider that all the cost of providing stations and station accommodation should be defrayed out of the terminal charge that you make ?—Yes. I consider that you are entitled, in fixing the terminals, to claim interest upon the capital which you have expended in providing station accommodation.

13,184. Then if that is so the public might be called upon to pay something enormously high in addition to the mileage charge, supposing there were no competition to prevent your fixing a high rate ?—If we attempted to exact a high terminal, higher than that which we are entitled to do, that would become matter for proof ; and we should have to show what we had spent at the station in constructing it, and what we had spent in conducting the business of the station ; and that would form the terminal charge.

13,185. You assume that the words of the Act of Parliament, "a reasonable sum for loading, unloading, and covering the goods," gives you that power ?—I do.

13,186. (*Chairman.*) Have you a large amount of excursion traffic on your line ?—We have.

13,187. Are you favourable to encouraging excursion traffic ?—Yes, I think it answers our purpose very well. We have an immense traffic. Still it is a question whether we should be better if we confined it to ordinary third-class trains ; but it is so large a traffic that we do not like to interfere with the principle which has been observed for many years past of encouraging it as much as we can. We have a very large excursion traffic in Whitsun week particularly. I have got a return for 1865 in Whitsun week, which shows that we carried a total number of 653,000 persons in the week in our district. Of course we carried them at very low rates, and we think that it answers our purpose.

13,188. Do not the excursion trains often interfere with the ordinary passenger service ?—Not very much.

13,189. Do you not find that your ordinary trains are more unpunctual when the excursion trains are working ?—Occasionally they are.

13,190. (*Sir R. Hill.*) I suppose you issue return tickets largely ?—Yes.

13,191. To third-class passengers ?—No, not to third-class passengers, not very many ; to some few places we do, but not to many.

13,192. I presume that you do your best to prevent the transfer of those tickets on the completion of the journey in one direction ?—Yes, but it is very difficult to prevent it.

13,193. Do you think that in point of fact the transfer is prevented ?—No, I do not think it is prevented. I do not see how you can prevent it ; it is impossible.

13,194. Might it not be better to abolish return tickets, and to charge a less sum for the single excursion ?—I think not. Return tickets are a great convenience to the public who are constantly travelling, and then an occasional passenger pays the ordinary fare.

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13,195. But supposing the ordinary fare were reduced so that your receipt for a given number of passengers should be made the same as it now is, might not that be an improvement?—I think not. I think that a reasonable return ticket for a tradesman who has to travel very frequently is a great convenience, and that an occasional passenger is very well served by paying the ordinary fare.

13,196. (*Capt. Galton.*) One great convenience of return tickets is that a man has not the trouble of getting a ticket at the booking office a second time?—Yes, that is a very great convenience indeed.

13,197. (*Earl of Belmore.*) Do you give return tickets extending over more than one night?—Yes, to the sea side at the end of the week. A person living in Manchester for instance being an apprentice or being engaged in business and going to Bury or other towns, can take a return ticket on the Saturday and use it on the Monday for coming back.

13,198. Putting Sunday out of the question, would you give return tickets from Monday to Wednesday under any circumstances?—Yes, on some parts of our line.

13,199. (*Sir R. Hill.*) Supposing that the restriction as to the transfer of return tickets were abolished, do you think it would make any material difference to you?—I do not see how we can possibly prevent them being transferred, because we do not notice the persons who take the tickets.

13,200. Then is not that a reason for not attempting to restrict the transfer?—I do not think you can restrict it. Of course if we see that they are improperly used and we detect it we complain, but practically we cannot prevent it.

13,201. But by forbidding the transfer you induce people to commit what railway companies consider a fraud, might it not therefore be better for all parties to allow the transfer?—Practically I do not know that that would be a very great injury to the companies because after all the great majority of the people who take return tickets do use them.

13,202. Then you do not see much objection to allowing the transfer of return tickets?—I think that the person who takes it ought not to do it; but there is no very great injury inflicted upon the company.

13,203. He ought not to do it because there is an understanding that he shall not do it?—Certainly.

13,204. But if the regulations of the company allowed of the transfer of return tickets then a person would be guilty of no impropriety in transferring his ticket and would not it come to the same in the end?—Of course.

13,205. (*Capt. Galton.*) Would not this at least be probable that all people who travelled would take return tickets in order to sell them at the end of the journey?—I scarcely think so. Of course they would only do that by establishing a market or depôt where they could have the sale, and we should at once discover that, and put a stop to it. I think that there ought to be a restriction upon selling them publicly.

13,206. (*Sir R. Hill.*) But you admit that you cannot enforce the restriction?—No, but still there is no attempt on the part of the public to carry on a wholesale business in selling return tickets.

13,207. Because, as I understand you, most people who take return tickets do return?—Yes, the great majority of them no doubt do.

13,208. (*Capt Galton.*) Do you run third-class carriages by most of your trains?—Morning and evening, and to some places more frequently.

13,209. Is that an increasing traffic on your line?—Yes, it is a very large third-class traffic.

13,210. Is the second-class traffic a diminishing traffic?—No; I think it is increasing too.

13,211. Would additional facilities given to the third-class develop a larger amount of traffic?—I think we give facilities to the third-class traffic equal to its requirements, and I scarcely expect that we should very much increase that traffic if we offered greater facilities.

13,212. What is the objection to giving return tickets to third-class traffic?—The fare that we charge is a very reasonable one.

13,213. What is it?—A penny a mile.

13,214. (*Chairman.*) Have you in no case fares under 1*d.* a mile?—Yes, in some cases we have lower fares, very considerably lower.

13,215. (*Mr. Gower.*) Have you any competition with omnibuses?—Yes, a little; between Bury and Manchester, for instance, the omnibuses run.

13,216. (*Earl of Belmore.*) Do you think that if you were to reduce the price of your tickets generally to any great extent you would stimulate your passenger traffic so far as to recoup you what you might primarily lose?—I am very much afraid that we should not. We are trying the experiment now between Bury and Manchester, and between Manchester and Rochdale, but so far the experiment does not show us that we shall gain by it.

13,217. (*Sir R. Hill.*) How long is it since you began the experiment?—From Bury, I think, 18 months; but from Rochdale not so long. The figures, so far as we have gone into them, show that we do not gain anything.

13,218. (*Capt. Galton.*) Do you lose by it?—I think that when we come to calculate our expenses we shall lose.

13,219. Has the traffic increased much?—A little; but then it has disarranged the traffic.

13,220. (*Sir R. Hill.*) Can you state to the Commission what the amount of the new fares is?—It is, when we have put on special third-class trains we run for 6*d.* a single journey and 9*d.* a return ticket, whereas the single ordinary fare before was 10*d.*

13,221. (*Capt. Galton.*) Do you charge that only by the special trains?—Yes, between those places only, and only by those trains.

13,222. It is scarcely a fair trial, is it, if you do not adopt it with all the trains?—It is an indication, I think, of what we may expect, but it is in a very crude state at present. I should be very glad to supply the Commission with full information if we had the materials of a definite character wherewith to do it, but we have not, we scarcely know ourselves what the result will be, but the present impression is that it does not answer.

13,223. As you have only tried the experiment with a limited number of trains, and not with all trains, the experiment, even if is proved not successful, would scarcely be considered a fair one?—Of course it is not like trying the whole of the railway.

13,224. I am not assuming that you are trying the whole of the railway, but I am assuming that that experiment between those two places is only tried with respect to certain trains in the day; there are other trains in the day, are there not, on which you charge high fares?—Yes, between those particular places, no doubt.

13,225. Therefore, I say, the experiment is not a fair one unless you have tried it with all the trains between those two places?—Even then, supposing that all trains between any two points are cheap trains, and that the principle is applied to all trains, still in the case of Bury, Bury is on the main line of the company to Manchester, and passengers get out of the main line trains at Bury and get into the cheap trains, and so go to swell the number of people travelling by the cheap trains, and that has a tendency to mislead us in our calculation.

13,226. You would not allow them, would you, to re-book and to go on by the same train at the cheap rate?—No, it is not quite so, but the trains are so frequent that a passenger waiting a few minutes can catch a train to Manchester, and then he goes as an ordinary 3rd class passenger. The difficulty is to ascertain the actual increase. I believe that in the town of Bury a number of people have been induced to get out of main line trains at Bury mainly through that difference, and to join the cheap train there.

13,227. (*Sir R. Hill.*) You stated that the average distance travelled by your passengers is 10 miles, and the average fare 9*d.*?—Yes.

13,228. Does that include the return ticket passenger and the excursion train passenger ?—Yes, the whole of them.

13,229. It would seem from that that your fares are unusually low, would it not ?—They are very low.

13,230. You have approached the present low system of fares gradually, I presume ?—Yes; the tendency has been rather to reduce them than to increase them; but, of course, as I before stated, many of the fares are good paying fares, and something like the powers that we have, but the low average arises from the fact that we carry an immense number of people between our local stations for very short distances, and so that reduces the average.

13,231. But you have from time to time made such arrangements as have reduced the average charge ?—Yes, the tendency is to reduce, no doubt.

13,232. I presume that you have not pursued that course without ascertaining, from time to time, whether the previous reductions have been profitable or otherwise ?—Yes, the reductions are gradually made; they are not periodically made in one general change. We keep altering the fares as necessity appears to require, and not at fixed times in the year. They are gradually being changed, and that gradual change has had the effect of lowering the average, no doubt.

13,233. Hitherto, I presume, you have been satisfied with the financial result of those reductions ?—Yes, we have been satisfied; we have accepted the result.

13,234. Are we to understand that all the experiments which you have hitherto tried in the way of reduction, with the exception of the one which is still under trial, have been successful ?—Yes, they have been successful; but then, of course, we have made no special reduction, the general tendency has been to reduce, as shown by the average of our receipts.

13,235. And we may hope that you have had no reason to repent of this reduction ?—No, we have not repented of it.

13,236. (*Earl of Belmore.*) What do you think would be the effect if you tried the experiment of a low scale such as some witnesses have suggested, namely, reduce all your fares as much as 50 per cent.?—That would simply take away our dividend. We, of course as I before stated, do charge full fares between many places, and get good paying fares, others are very low, and in each case we adapt the fares to the circumstances.

13,237. You do not think that if that were done the traffic would be so stimulated as in any reasonable time, to recoup you what you lost in the amount of the fare ?—No, I do not think we should be compensated for such a reduction as that by the increased traffic.

13,238. (*Sir R. Hill.*) Can you go back 20 years, and give the Commission an idea of what the actual reduction has been in your fares during that period, that is to say, how the present fares would as a whole compare with the fares 20 years ago ?—I cannot give you that.

13,239. Is it not possible that you may have reduced your fares even as much as 50 per cent.?—No. I can give you from 1860 to 1865. In 1860 it was 10*d.*, the distance travelled was 10·17 miles, and the receipts were 10·3*d.* per passenger. In 1865 the distance was 9·92 miles, and the receipts were 9·3$\frac{3}{5}$*d.* So that the distance has lessened correspondingly with the reduction in the receipts.

13,240. (*Capt. Galton.*) Practically you have not made very large reductions except in special cases ?—In the case of Rochdale we have lowered the fares to Liverpool and to other places from Rochdale. If persons come and represent that they desire the fares to be altered, we look through them and, if we find any necessity, to alter them, we do it. Generally the tendency is to meet the public wishes by reducing and not by increasing.

13,241. (*Chairman.*) I observe that you state that when the dividend of your company averages 8 per cent. for three years, your tolls and fares are subject to revision by the Board of Trade. Is that provision likely to come into operation ?—I hope it will.

13,242. Would that provision prevent your Company dividing more than 8 per cent. ?—I think so.

13,243. I mean would it have the effect of discouraging your company from dividing more than 8 per cent.; should you be afraid of going before the Board of Trade ?—We should not be afraid of going before the Board of Trade. According to the Act of Parliament, if we divide 8 per cent. for three years we may be called before the Board of Trade, and we shall have to submit.

13,244. Would this provision have the effect of preventing you dividing more than that ?—Yes, I think so.

13,245. (*Capt. Galton.*) You would evade it by some means ?—Of course it would be very natural to keep the line in as efficient a state as possible in maintaining it, but we should not throw our money away.

13,246. You might get rid of your mortgage debt in that way perhaps ?—Of course, but I have not considered the question as to how we could evade the Act of Parliament.

13,247. I mean that it could be evaded easily, that it is no real security ?—It must be a security; the shareholders cannot have more than 8 per cent.

13,248. But could not they, under their Act of Parliament, convert their mortgage debt into shares ?—They might do so, no doubt.

13,249. So as to increase their capital and allot it amongst the shareholders ?—No doubt.

13,250. The Act of Parliament allows that, I think ?—I am not sure whether we should have that power; but I think we have.

13,251. (*Sir R. Hill.*) What was your last year's dividend ?—Our last year's dividend for the whole year was 5*l.* 17*s.* 6*d.*

13,252. Then you are a long way from the maximum per-centage ?—Yes; but if trade revives in our district we hope to get it sometime. No doubt as we increase in prosperity we shall be better able to serve the public, and we shall be able to give greater facilities and advantages than they now enjoy.

13,253. (*Chairman.*) Are there any other points upon which you could furnish the Commission with any information ?—Not that I am aware of.

The witness withdrew.

Adjourned to Tuesday next at 12 o'clock.

Tuesday, 27th February 1866.

PRESENT:

The Right Hon. The Earl of Belmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M. P.
Robert Dalglish, Esq. M.P.
Geo. Carr Glyn, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., F.R.S.
E. T. Hamilton, Esq., M.P.
William Pole, Esq., F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

J. Grierson, Esq.

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James Grierson, Esq., further examined.

13,254. (*Chairman.*) Do you propose to put in the printed paper headed "General Observations" as a statement, or do you wish it to serve only as a guide to the Commissioners in putting questions to you?—As your Grace pleases.

13,255. Then I will take it paragraph by paragraph. Will you be so good as to favour the Commission with your opinions as to charging an uniform rate per mile?—I should state that the remarks in the printed paper have been made in consequence of the evidence which has been brought before the Commission, which I have seen, where some of the witnesses recommend a uniform rate first upon each particular railway, and other witnesses urging that there should be an uniform rate throughout the country, and I will read the observations to which your Grace's question refers: "If this company were compelled to charge an uniform "rate per ton per mile, it would practically have the "same effect as making it compulsory upon all the "companies in the country to charge an uniform rate, "unless they ceased to compete with each other; thus, "if the Great Western charged a particular rate, say "2*d.* per ton per mile, between Basingstoke and Lon-"don, the South-western, who have also a railway be-"tween those places, would have to charge the same "rate. And the same charge being applicable over "the whole Great Western system in like manner, the "London and North-western Company, competing "with the Great Western, for instance, between Leam-"ington, Birmingham, Shrewsbury, and Chester, would "have to adopt the same rate; and the Midland and "Great Northern competing with the London and "North-western, would be compelled to do the same "until that rate became universal over the whole "country."

13,256. You state that the South-western Company and the Great Western Company would have to charge the same rate to Basingstoke, do you mean the same gross rate?—Yes.

13,257. It would be an unequal mileage rate?—Yes; in that case it would, because there is a difference of three miles between us, but there are many cases where, the distance being the same, it would effect the same result.

13,258. But there are many cases where the distance is unequal as between the two lines, and where there would be the same gross rate, but an unequal mileage rate?—Yes; but I have no doubt that the proposal would bring about the same result, and that there would be an uniform rate upon every railway all over the country.

13,259. Would not the result be, either that the rates would fall into inextricable confusion, or that competition must be given up?—Yes, that is what I say, that competition would have to be given up, or the rate would be uniform in the end, although perhaps the proposers do not intend to go so far as to make it compulsory.

13,260. (*Capt. Galton.*) If you charged an uniform mileage rate, and all other companies did the same, it would follow of necessity that in some cases, as between London and Windsor, the South-western Company must charge a different fare from Windsor to London than the Great Western Company?—Yes; if their rates must be per mile, and then, as the chairman has said, competition would cease.

13,261. People must then select their route, and pay either a higher fare or a lower fare?—Yes.

13,262. As is the case at the present time between London and Paris?—Yes, quite so.

13,263. By the Boulogne route the fares are lower than by the Calais route, because the distance is greater?—Yes, at all events by Dieppe it is so. I do not think it is so *viâ* Calais and Boulogne, the fares I think are the same.

13,264. (*Mr. Horsfall.*) If the mileage rate were uniform travellers would naturally select the shortest route?—Yes. If goods were charged at per ton per mile between London and Birmingham, there would be no competition between the Great Western Company and the North-western.

13,265. The whole of the goods would go by the shortest route?—Yes; and it is evident that that is not the desire of the public, because they divide their traffic, although the rates are now equal.

13,266. (*Lord Stanley.*) If the same company had two lines, one a little longer and the other a little shorter, between the same points, it would not be in their power to use the longer line as a relief line to the shorter line?—No; if the rate were per ton per mile.

13,267. Even if they were willing to carry on the longer line at the same price as on the shorter, it would not be allowed by law?—No, it would not. The next point is a suggestion made by some of the witnesses that there should be an uniform rate all over the country, with respect to which I say, "An uniform rate through-"out the country, whether brought about in this "manner or by a parliamentary enactment that all "charges were to be uniform per mile, would act very "prejudicially to trade in various ways, unless it were "made in many cases unnecessarily low, whereby the "railway companies would suffer serious loss. For "instance, the rate which might be reasonable for the "conveyance of iron from Wolverhampton to Basing-"stoke for the small consumption of the latter place, "would be a very heavy burthen upon the iron trade "between Wolverhampton and London for consumption "there against iron imported by sea, and it would "especially tend to put a stop to export traffic between, "for instance, South Staffordshire and London or "Liverpool, as against Middlesboro' and the South "Wales iron districts, situated close to the sea. It "would likewise give to any town or port, particularly "those which are favourably situated, such as Liver-"pool, for the American trade, or any manufacturing "town or district where the cost of production is low, "a practical monopoly of the supply of all the adjacent "country, and in many cases a system of uniform "milcage rates would entirely shut up trade and "manufacture. For instance, at Westbury and Seend, "in Wiltshire, there is an extensive deposit of iron "ore, containing only about 30 per cent. of iron; but "no coal has been found in the neighbourhood suitable "for smelting it, and therefore the Great Western "Company have given low rates for the conveyance "of coal from South Wales, and for coke from Bristol "to those places for smelting purposes, and as these "places are about 160 miles from South Staffordshire, "they have also given low rates for the conveyance "of pig iron to that district for the purpose of manu-"facture. If the Great Western Company were re-"quired to charge an uniform rate, they would not "adopt the rates given to Westbury and Seend "universally over their line, but in their own interest "would be compelled to charge the rates obtained in "districts more favourably situated, and the conse-"quence would be that the ironworks in Wiltshire

" would be shut up. It is more profitable at fair rates " for the railway company and more beneficial to the " public to carry for a long distance at a comparatively " low rate than it is to carry for a short distance, and " this advantage both parties would lose with an " uniform rate of charge. In the cases of railways " competing with the sea, as the Great Western Com- " pany do between places in South Wales and London, " and of the carriage of import or export goods at " reduced rates, as between Liverpool and London, " the competition in the one case and the accommo- " dation to the trade of the respective ports in the " other would to a great extent cease."

"Again the Great Western Company convey emi- " grants and other passengers from London to Fal- " mouth at reduced fares, in order to induce them " to join their ships at the latter place instead of in " London, but that inducement would have to be " withdrawn. One witness suggests that the passenger " fares over a line, such as the Carmarthen and Car- " digan railway, where the population over the whole " distance within three miles of the line is probably " not above 20,000 persons, should be as low as those " on the North London railway, which passes through " a city with a population of between two and three " millions; but the circumstances are so evidently dis- " similar that, unless the metropolitan fares were raised " considerably, the attempt at an uniform scale would " be a source of serious loss to the Carmarthen and " Cardigan, and other similar lines passing through " agricultural districts."

" If, as suggested by one witness, a Government " Board should be at liberty to interfere with the tolls " of a company which had voluntarily reduced any of " them, such interference would discourage a com- " pany from reducing their rates, even where it " would be advantageous to the company and the " public to do so. Upon the whole the suggestion of " an uniform system of mileage rates and fares would, " if acted upon, be most unsuitable to the require- " ments of the trade of this country."

13,268. (*Chairman.*) You have stated that a rate which might be reasonable for the conveyance of iron from Wolverhampton to Basingstoke, where the consumption is small, would be a very heavy burthen upon the iron trade between Wolverhampton and London. Where the consumption is small do you consider it fair for the railway company to charge a higher rate?—Yes, and we do.

13,269. Upon what grounds do you consider that the persons living in towns where the consumption is small should be charged more?—For this reason: take, for example, London—iron is required in large quantities, but for the purposes of Basingstoke probably a couple of hundred tons of iron in a year is all that would be consumed, but in London the trade requires probably 100,000 tons in a year, and we consider, therefore, that there is such a difference of circumstances that it is only reasonable to charge, say, even our maximum rates to Basingstoke; but if we attempted to do that to London it would have the effect of throwing the supply of the bulk of the trade from districts such as South Wales and Middlesboro', as there would be competition by sea.

13,270. Is it then mainly on the ground that there is competition by sea between Wolverhampton and London?—No, that is not the main reason. I contend that in agricultural districts it is not at all necessary to charge the same low rates for the quantity of iron that is consumed there as it is for large towns. Take, for instance, iron coming to Wolverhampton from Shropshire, or from North Wales, smelted at those places, for manufacture in Staffordshire, I hold that that is a very different case, and one in which we ought to give much lower rates than for the conveyance of small quantities to a country foundry.

13,271. (*Mr. Glyn.*) The quantity conveyed is also taken into consideration?—Yes; we take into consideration the quantity conveyed. Take for instance a small foundry at Oxford, the quantity of iron consumed there may be 300 tons in a year, and if we charged half the rates that we charge now it is probable that it would not increase the quantity carried in a year 50 tons. If we charged as high rates from North Wales or South Wales, or from the Westbury Works, which have been mentioned, to Wolverhampton, it would have a very prejudicial effect upon the manufactures of that place.

13,272. (*Mr. Horsfall.*) If you charged those lower rates in agricultural districts would it not enable them to develop their resources, and bring an increased trade to the railway which would ultimately pay the company?—Shall I take the article of iron?

13,273. Yes.—I think not. I think that the course of trade is very much more to go to large towns where they get the best machinery, and where they construct everything on a large scale and on the best principles, and therefore much cheaper than in small places where they are doing only a small trade.

13,274. You do not think that lower rates in those districts would develop trade, and ultimately pay the railway company better?—Not taking certain trades. In the district that I have spoken of I have no doubt there are cases where agricultural implement makers may start in a very large way, and where it would be desirable to give them a smaller rate for the conveyance of pig iron; but as a rule I do not think we ought to charge as low in the agricultural districts for the carriage of iron as to the large towns.

13,275. (*Mr. Glyn.*) In the case you have given as an instance, a lower rate would not increase the consumption?—Only to a very small extent. Take salt, for instance, going into an agricultural district; I dare say, if we carried it at half the price we do to any of those towns, it would not increase the quantity; and if we charged the same rates as we do for local consumption to London, for shipment, it might stop the trade altogether.

13,276. (*Capt. Galton.*) You are obliged to charge a rate which the traffic will bear, so that the price at which the article will be sold will enable it to compete with an article coming from any other place?—Yes; and that is a great element in fixing the rates.

13,277. (*Chairman.*) Do you, in any cases, charge a different rate for the same article when intended for consumption in the town to which it is sent, and when it is intended for exportation?—We do; and I handed in, the last time I was here, a list of the rates for salt, which shows a case. We charge a higher rate upon articles brought for consumption in London than we do for shipment, and that, in fact, is not an unusual case, that smaller rates are given for traffic for shipment, and lower than the local rates; for instance, from Liverpool to London we give lower rates for traffic that is imported into Liverpool to be brought to London than for the local traffic between the two places.

13,278. (*Capt. Galton.*) Suppose a person is sending exactly the same quantity of salt to be delivered in London that he is sending to be delivered on board ship, you would charge a higher rate for that which was delivered in London?—Yes.

13,279. On what grounds do you consider that that would be right with reference to the Act of Parliament, which says that you must carry at the "same rate under similar circumstances"?—We certainly consider that we have full power to fix any charges within our Act of Parliament, so long as we charge all the parties alike.

13,280. But it would not be charging all parties alike if you sent exactly the same quantity of salt at the same time between the same stations?—I should have added the words "under the same circumstances" also. Then in that case one is for shipment and the other is for local consumption.

13,281. Do you consider that you are entitled to take into consideration the use to which the article is to be applied in saying whether it is carried "under the same circumstances"?—We do.

13,282. (*Lord Stanley.*) Will you be good enough to state upon what grounds?—For this reason, charging the same rate to all alike. First, we will consider that the Act of Parliament enables us to charge a penny per

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ton per mile, and we say that the traffic will bear that rate, say from Droitwich to London. We therefore say it is a fair rate, and the parties are satisfied with it. Beyond that there may be another trade established if we charge a lower rate, that being a trade in articles not for consumption in London, but for consumption abroad, and the salt merchants and shipowners in London say, If you will give us a reduced rate for the carriage of salt from Droitwich to London it will come to London instead of going to Gloucester; and we consider we are entitled to give and do give a special rate in the interests of London, of the salt manufacturers, and our own.

13,283. (*Mr. Glyn.*) It is a through rate made to the foreign place to which it goes?—It is practically that, although it is charged separately.

13,284. The circumstances of the two cases are not quite similar?—We do not consider them at all similar. We always find that traders, as a rule, desire to have that advantage. The Commissioners have had a few witnesses before them who have pressed upon you the expediency of adopting a uniform rate; and I do not hesitate to say, that for every person of that opinion the effect of a uniform rate would be that you would find 50 persons who would say that it was impolitic in this country.

13,285. (*Earl of Belmore.*) In fact, your opinion is this, that Parliament having given you power to charge certain maximum rates, you have a perfect right to get those rates if you can; and if you find it is necessary to charge lower you have a perfect right to do so?—That is entirely our view; and I should also contend that as a rule, and on the whole, it is found to work very satisfactorily and advantageously to the trade of the country.

13,286. (*Capt. Galton.*) That is your view, subject to the clause which says that you are to charge "equal rates under similar circumstances"?—Certainly.

13,287. (*Chairman.*) Do you convey any considerable number of emigrants and other passengers to Falmouth to join their ships?—Not a very large number, although they are increasing. It is only within the last two years that we have given any special advantages for parties joining their ships at Falmouth.

13,288. Is the passage money lower from Falmouth than from London on board ship?—I am not able to answer that question, but I think they give a through fare from London, and the company owning the vessel pays us our fare. Whether they make a difference between Falmouth and London I do not know.

13,289. (*Capt. Galton.*) Your arrangement is made with the shipping company?—Yes. They take the passengers through from London to Australia at a certain figure, and then they allow the parties to join the ship at Falmouth, and they have the advantage of not having the passengers on board the vessel in clearing out of the Thames, for the first day or two after she sails, and they make a little saving probably in the food that is thereby saved. It is not, I believe, a loss to them, and it is an advantage to the passengers.

13,290. (*Chairman.*) Are your fares the same in agricultural districts, and in thickly-peopled manufacturing districts?—As a rule our fares are the same, but in some districts we attach third-class carriages to most if not to all the trains, for instance, between Birmingham and Wolverhampton, and we therefore give the lower classes an advantage in that respect without reducing our fares.

13,291. You have stated that in such a district as that through which the Carmarthen and Cardigan railway passes, very low fares would be very unprofitable?—I am certain they would. You cannot induce an agricultural population to travel in the same way that you would induce people to travel, having business to attend to, for instance, from Birmingham to Wednesbury, or from Birmingham to Wolverhampton, where they travel as part of their business; in agricultural districts they merely travel occasionally, on pleasure, or on fair and market days, and that is met by giving them market tickets; but I think you could not induce farmers to travel regularly, even if you made the fares one-half of what they are now.

13,292. (*Sir R. Hill.*) Have any experiments been made with low fares in any agricultural districts?—I do not know of any experiments having been tried with that object, but the result of running excursion trains, and also where we have had competition for a time, and where the fares have been very low, has led me to think that you could not induce parties to travel for any long period, or continuously, except in thickly-populated districts.

13,293. You think, from the nature of their occupation, the agricultural population would not be induced to travel, even if the fares were greatly reduced?—Yes. Time is an element in the consideration, and if a man travels between Birmingham and Wolverhampton, suppose that he is a small manufacturer in Wolverhampton, or a shopkeeper there, and that he travels to a large town like Birmingham to buy goods, or for any other purpose, he is then paid in some shape or way, but a farmer, except going to a market town to buy or sell stock, &c., would not be compensated for frequently travelling and for the loss of time and his expenses, and much less so the poorer population in the agricultural districts. I do not see how they would be repaid for their loss of time; and that applies very much to the working classes generally. At Whitsuntide and at Easter we find them coming in very large numbers, but towards the close of the season our trains run comparatively empty.

13,294. (*Lord Stanley.*) Why is that?—Because you cannot induce them to travel above a certain extent. They will spend a certain amount of money in pleasure, but they have little or no occasion to travel on business; and they spend their money generally at certain fixed times—at Whitsuntide or Easter, or other holidays throughout the year. If we charged them very much less than the ordinary excursion fare it would scarcely induce them to travel more frequently.

13,295. (*Capt. Galton.*) You think that if the ordinary fares were all much lower, the working classes would not spread their expenditure over a longer period instead of parting with their money at particular periods of the year?—I do not think they would. I do not mean to say that they would travel at only two periods of the year. All railway companies give them excursion trains throughout the whole season; but, as a rule, we find that the excursion trains towards the end of the season scarcely pay.

13,296. (*Mr. Glyn.*) As I understand you, you would limit the excursion trains very much more than they are at present limited?—In some cases. During the last year, when we looked into this matter pretty closely, we knocked off some of the excursion trains that we had run in the previous year. Some of the excursion trains during that year had not paid for the locomotive power.

13,297. Do you think, generally speaking, that excursion trains interfere with the regular receipts upon a railway?—I am perfectly certain that running excursion trains induces parties to travel by them who really otherwise would and could pay full fares.

13,298. You think that it is the best course to limit excursion trains very much to holiday excursions?—Yes, if it could be done. I remember the very last excursion train that we ran from the north to London for the Exhibition of 1862. By that train we brought up six county families with their servants; of course we cannot prevent them using these trains. I do not think it is desirable to do away with excursion trains, for when we get a good excursion train, it undoubtedly pays the company, because the number of through fares are large, and give a high amount of receipts per mile; but if those low fares were adopted generally, I am certain there would be a serious loss to the railway companies.

13,299. You think it would be more profitable to the railway companies if they limited the excursion trains to particular times of the year?—Yes, if they ran them occasionally throughout the year.

13,300. (*Earl of Belmore.*) With regard to the agricultural population, if the fares for third class passengers were very much reduced, do you think you

would not induce agricultural labourers to travel three or four miles backwards and forwards to their daily work?—No, not in agricultural districts.

13,301. (*Lord Stanley.*) I suppose it is so near a chance whether an agricultural labourer lives near to a station, and whether his work is near to another, that you could not reckon upon any large number?—No; and walking to a station and from a station must form a large portion of the journey by road.

13,302. (*Chairman.*) Do you carry working people from the suburbs four or five miles into a town to their daily work?—No; but this year we are applying for the same clause to be made applicable to a portion of the Great Western and also to the Hammersmith line (which we work), that is upon the Metropolitan, in which case we should carry workmen at a low fare.

13,303. (*Mr. Gower.*) How low a fare per mile?—It would scarcely come out to a mileage proportion, probably 3*d.* a day through the week from the city to Hammersmith and back, the distance being probably seven or eight miles. So far as the railway companies are concerned, if they could see that there would be a very large expansion of traffic by carrying at low fares, they would be happy to reduce, as they have already reduced many of the rates.

13,304. Would something in the nature of season tickets be issued?—They would be like weekly season tickets. We should allow a workman to take a ticket once a week and pay 1*s.* 6*d.* to travel by the workmen's trains morning and evening.

13,305. (*Chairman.*) Then in the "general observations" you state your views as to the publication of rates and fares?—"The publication of tolls under the "old canal Acts, and, as originally intended, in railway "Acts, cannot be compared with the state of circum- "stances actually existing on railways. The publi- "cation of the tolls was, in the case of canals and "roads, and was intended to be in the case of rail- "ways, a protection to the carrier, but it had not "that effect as respects the public who did not use "the canals. The charges of carriers were not con- "trolled by the publication of the tolls; on the "contrary, they charged whatever fares or rates they "could obtain, and the same rates were not charged "by them to all parties alike. In the case of railway "companies, as a rule, so far as witness knows, the "rates are charged uniformly to all alike, varied only "according to what, to the best of their judgment, "they consider the requirements of trade or their "own interest, render necessary, but without intend- "ing to give or having the effect of giving special "advantages to any parties. If the rates were made "uniform and therefore comparatively unchangeable, "there would be considerable expense, but no prac- "tical difficulty in publishing them; but if railway "companies are to be at liberty to fix the charges, "subject to the powers of their Act, it would become "almost an impossibility to publish them in the same "way as the canal and turnpike tolls were posted; "as, for instance, witness will produce a portion of "the rates arranged with neigbouring companies which "have taken nearly two years to complete. The num- "ber of rates and fares in force on the Great Western "Railway is probably about 3,000,000; and under the "arrangements now being made with other railway "companies for through booking, it is quite probable "that the rates and fares in the Great Western books "will amount to 5,000,000."

13,306. You say that you "will produce a portion of "the rates arranged with neighbouring companies "which have taken nearly two years to complete"?—Yes, but unfortunately I have not the books here at present; however, there are four books which show the through rates that we have made with one company alone, and they have been put in force; it has taken two years to make those alone, and although they are now printed, a large portion of them have been altered from various circumstances which required corrections and alterations to be made.

13,307. (*Capt. Galton.*) Although you cannot publish the rates, could you arrange to give access to them to anybody who chose to go and see them?—Of course we have books, which parties might go and look at, but we do practically give them all that they require now: we give them information when they desire it.

13,308. Do you give it to anybody who chooses to ask for it; suppose, for instance, a person who was not a trader on the line, but living in the district, wrote and said, What is your rate from so and so?—Then we give it at once. If any person asks for a rate we quote it; but if any person came and desired to know what our rates were in all parts of the country, and occupied the time of our clerks in that way, we certainly should not do it.

13,309. (*Chairman.*) You would only give him information as to the rates in which he was interested?—We do not know that persons are really interested, but if any one calls at the goods station at Paddington and asks the rate to any place they get it; or, if any person writes to the station, or to the goods manager asking for a rate, he will get an answer.

13,310. (*Mr. Glyn.*) Can they obtain the same information at other stations besides the Paddington station?—Yes, as to a particular station.

13,311. But not generally?—No. Every station has its own rate book; there is a book kept there. The general rate books are kept at Paddington.

13,312. (*Sir R. Hill.*) Should you give, in addition to the ordinary rates, any of the special rates charged to certain individuals?—Do you mean if they came and asked what So-and-so's rate was?

13,313. If a person wanted to know the rate from Paddington to any other place, should you give him, in addition to the ordinary charges, a statement of any lower charges that you might make under special arrangements?—Yes, we should tell him that we would make an arrangement with him under certain circumstances, giving a specified quantity.

13,314. You would say in effect that although you charged usually so-and-so, still, under special circumstances, you charged a lower rate amounting to so-and-so, and you would state the circumstances?—Yes; but I must explain this. We should not do so in all cases; not in every instance, because the number of special rates given are few in proportion to the whole number of rates in force, therefore we should not give that answer always.

13,315. (*Mr. Horsfall.*) Upon what principle do you give special rates?—Take, for instance, between London and Bristol; if one of the sugar refiners there undertakes to send 1,000 tons of sugar at a time, we would give him a lower rate than the ordinary rate upon sugar.

13,316. (*Lord Stanley.*) You reduce the rate upon wholesale transactions?—Yes, upon such a quantity as they would charter a vessel to take round by sea if we did not give them a reduced rate.

13,317. (*Sir R. Hill.*) Should you give the same information to any sugar refiner who applied to you?—Certainly. No favouritism is shown to any particular firm, the object being to get the traffic on to our line, and not caring which firm sends it.

13,318. You would say in effect the ordinary rate is so much per ton, but if you will send sugar in a larger quantity then the rate will be somewhat lower?—Yes. In a case where special rates are given it is a matter of negotiation; our agent in Bristol being in the town, as a matter of course has to see the parties frequently with the view of making these special arrangements, and therefore they are not like parties who are writing simply for a rate in the ordinary way, but they are doing business with us every day, and there is a perfect understanding as to what our arrangements are.

13,319. There is no concealment as to the special rates?—No.

13,320. (*Mr. Horsfall.*) Do you find that this gives any dissatisfaction to the small traders?—I cannot say that the small traders like a special rate being given for a large quantity being carried, they say frequently that if a special rate was not given they might be able to send a large quantity, but they cannot guarantee it. However, it is very seldom that we hear a complaint,

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although I think it is a very natural objection for the small traders to make.

13,321. I think Mr. Allport stated the other day that they had pursued that plan on the Midland railway at one time, particularly as to the brewers at Burton, but finding that it gave dissatisfaction to the small traders they have now adopted one uniform charge, whether they send a large or a small quantity ?—Yes; of course I am not so conversant with the arrangement as Mr. Allport is, but I know generally this, that they had a secret agreement with one of the brewers, and that the others were excluded from it, so that that case scarcely comes under the category that I have been referring to.

13,322. The principle is the same, is it not ?—No. In that case there was a secret agreement which nobody knew of, except the brewers and the railway company.

13,323. Mr. Allport stated that they now make the same charge to the large brewers as to the small ones ?—Yes, I believe so.

13,324. You do not act upon that principle ?—Yes, we do.

13,325. I thought you stated just now that you made special agreements with a party if he sent you a large quantity, and that he had to pay more if he sent a smaller quantity ?—There are such special arrangements made over every railway, and I have no doubt they are made on the Midland railway. In the case of the Burton trade there was a secret agreement, although they have now thrown the trade open to all the brewers, but that was not the same as the case I have been referring to of the carriage of sugar between London and Bristol. When a sugar merchant buys in London, when there is a supply here and it suits him to purchase, he says to us, If you will give us a reduced rate we will send it by railway, but if not, we will send it round by sea.

13,326. I think Mr. Allport stated that the Midland Company had repudiated the principle which you still retain, of giving a lower rate to a party who sends a larger quantity as a general rule ?—If they have done so I did not know it.

13,327. (*Mr. Dalglish.*) If you make a bargain with a sugar refiner one week for the carriage of 500 tons at a certain low rate, do you allow him to send 20 tons the next week at the same rate, or does he pay the usual rate for the 20 tons ?—Yes, he does.

13,328. He has no advantage unless he sends you a very large load for the train ?—Certainly not. He must send the quantity agreed upon under the stipulations, and then if he sends any lesser quantity at another time, he pays the ordinary rate.

13,329. (*Capt. Galton.*) You said that there was a secret agreement with one of the Burton brewers; what is to prevent a secret agreement being made with a particular trader ?—I do not see anything to prevent it if railway companies choose to do so; but, as a rule, it is never done.

13,330. Would not the publication of the rates prevent that ?—No, not if the companies desired to do it.

13,331. Would any legislative enactment prevent it ?—Of course; then it would be a breach of the law; but I do not think the companies would do it. They have the power to enter into these special agreements; but, as a rule, there are no secret agreements on railways, and the case to which I have referred was a well-known special exception.

13,332. (*Mr. Dalglish.*) Railway companies do not enter into these special agreements for the advantage of the trader, but, I presume, for their own advantage ?—No doubt both; and the probability is that this agreement was entered into in consideration of their sending all their traffic by that particular railway, and upon guaranteeing that there should not be less sent than a certain minimum per annum, the rates should be so much per ton per mile; in fact, I know that it was so.

13,333. (*Sir R. Hill.*) And you see nothing unfair in that arrangement, so long as it is made known to the public ?—Nothing unfair in a special case, when the quantities carried are large, and where there is competition by sea and other circumstances.

13,334. Provided it is known that any one sending an equally large quantity will have the same reduction ?—Yes; provided every one sending under the same circumstances gets the same rate.

13,335. (*Mr. Hamilton.*) In the case of the Burton agreement, other people under the same circumstances could not have got the same rate, could they ?—I am really not able to answer that question. I do not know what the minimum payment was per annum; it might have been so high that none of the small brewers could send so much.

13,336. (*Mr. Glyn.*) It was founded, I presume, on the quantity sent ?—I believe so; but certainly it gave that particular firm an advantage over all the others.

13,337. (*Mr. Hamilton.*) An advantage over other firms who were able, possibly, to send the same quantity ?—It might have been so.

13,338. (*Capt. Galton.*) You do consider that the public are entitled to know what rates are charged in some way or other ?—Certainly; for instance, parties trading from the same places; but I do not consider that we should be required to tell the people in London our rates in Liverpool or in South Wales.

13,339. (*Mr. Horsfall.*) Why not ?—Because we simply give them the rates from London and to London.

13,340. But why should you object to give them both ?—Because we say they are not interested in that question; we fix the rates within our Acts of Parliament.

13,341. Are they not interested in knowing whether you charge less to the London district than to the Liverpool district ?—We certainly do not consider that they are, and that I think is one objection to their having legislative power to come and overhaul our rates. There is no doubt that a large number of persons would consider that it was to their advantage to keep continually examining our books of rates, and raising questions against us. In my own experience I have found that traders and manufacturers, and very respectable people, are quite willing to come to London, and hang about the office for a whole day, and to come month after month, in the hope of getting a special rate, and indeed tiring us out. In fact, if they had the power to come and examine our books, we must, of course, pay some attention to them; and if they could come and bring all the arguments they could think of to bear upon us about this freight and that, and all the rates throughout the country, we could scarcely carry on our business.

13,342. (*Mr. Hamilton.*) Do you never produce your rate book to an inquirer ?—We never show them that.

13,343. (*Capt. Galton.*) Would there be any difficulty in having a set of books which should be accessible to the public ?—No, not any practical difficulty, but I think it would be very objectionable, and I certainly do not see what advantage there would be in it.

13,344. You do not think that the public are entitled to know what the rates are ?—No, not unless you say that the rates are to be uniform. If they are not to be uniform, I do not see upon what principle they can require to see the rates on other parts of the line than that in which they are interested.

13,345. The Act says that you are to carry at equal rates under similar circumstances, and are not the public entitled to see whether you are carrying at equal rates under similar circumstances ?—We do not consider that they are, supposing you mean this, that the Wolverhampton ironmasters are entitled to see what rates we carry at from Swansea to London; they have nothing to do with that; but I must tell you this, that in fixing their rates, the competition they have to meet with in other districts, and also the rates we charge on other parts of the line, are raised by them as a fair ground upon which the rates are to be charged, and we always take that into consideration; but we do not admit their right to have any voice as to the rates charged on other parts of our railway.

13,346. (*Mr. Dalglish.*) In fact, you say that upon one part of the railway where you have no competition

you have a right to charge your maximum rate, and upon another portion where there is great competition you have a right to reduce it to meet that competition ?—Yes, as the traffic will bear these rates.

13,347. (*Capt. Galton.*) You would have no objection to allowing the rates given for any particular district, say from South Staffordshire, to be accessible to the people in that county, and all the rates given in London to be accessible to the people in London ?—I do not go quite so far as to say that we should have no objection to that, but I say that we practically do so now.

13,348. (*Mr. Horsfall.*) You could have no objection to publishing the maximum rate as a protection to the public ?—No, because that is a rate per ton per mile that is to be seen in the Act of Parliament.

13,349. (*Capt. Galton.*) And it is published upon the toll board ?—No, that is only the tolls. There is quite a misunderstanding as to that. These toll boards are merely, as it were, a copy of the old turnpike boards and the old canal boards, but they are practically useless for that purpose, and there is no comparison between publishing all the rates and publishing all the tolls.

13,350. (*Earl of Belmore.*) What is the object of the toll boards ?—It is compulsory upon a company to put them up ; it is in the Act of Parliament.

13,351. Do they profess to show the maximum rates that the company may charge ?—No, only the tolls. It was, as I have said, intended to be a protection to the carriers, but as the railway companies are now carriers and are charging less rates than the carriers used to charge, they are now useless.

13,352. (*Capt. Galton.*) Do you see any objection to publishing the maximum rates authorized by Act of Parliament on your boards ?—None whatever ; it would be simply a copy of the toll board by altering the words "maximum rates" to "tolls," and altering the figures ; but I am certain that it would be of no practical value to the public.

13,353. It would be a protection to the passenger, would it not ?—On the Great Western line we published our own fares at every station until they became so enormous that we had to give it up.

13,354. (*Earl of Belmore.*) You publish the fares at the stations now, do you not ?—Yes ; some of the old fares are published to a small extent. On the Great Western line we book to every station on our line, which perhaps few other large railway companies do, and the fares alone are so numerous that we discontinued our former practice, except as to some of the old ones, which you have probably seen.

13,355. (*Lord Stanley.*) Your objection to a general publication of rates is, first, that it is unnecessary, and next, that the law does not require you to do it ?—Yes.

13,356. Would any inconvenience to the company or to any one else arise from it ?—No practical inconvenience except this, that the parties would pick out any rates that they thought would answer their purpose, and there is no doubt that they would give us great trouble in satisfying them in replying to questions. Persons desirous of obtaining a reduced rate are quite willing to spend a great deal of time to attain their object, and they will bring forward any argument, whatever it may be, to assist them, and if they could obtain access to our rate book there is no doubt they would say, as they will no doubt after seeing this printed evidence, and seeing what the fares are on some parts of the line, You are favouring a certain district, and therefore you ought to give me a reduced rate. That is a state of circumstances that must continue to exist unless you make the rates uniform, and I can see that if you do so "per mile," you will injure trade very much.

13,357. (*Sir R. Hill.*) There does not appear to be any necessary connexion between a publication of the rates and uniform rates. Do you not encounter the trouble you have spoken of very much now that there is a general suspicion, as we find, that certain traders are favoured, and the public is therefore anxious to know what your charges are under all circumstances ? Are you not now very much troubled with such applications ?—Not on the ground of suspicion. I must say that there is no general suspicion. I think you will find that only one or two of the witnesses have said that there was any ; and you will find that the secretary and members of one of the chambers of commerce say they have no suspicion.

13,358. (*Mr. Dalglish.*) Your general objection to publishing your rates is that you fancy they might furnish a ground for claiming similar rates ; that there being a low rate in one district, parties in another district might claim to have that low rate ?—That is one objection ; but the number of the rates is so great that we should say it would be almost impossible to do it.

13,359. (*Mr. Hamilton.*) I suppose the meaning you attach to the words "publishing the rates" is giving access to the public to your books, not publishing for sale ?—Yes ; and I say that it would be impracticable.

13,360. You mean giving access to the public ?—Yes ; I say that it is unnecessary.

13,361. (*Mr. Gower.*) When there is an application made for a special rate who decides upon it ?—If it is in the case of a small trade the goods manager has full power to do that ; and if it is in the case of a large staple trade, like the coal trade, the question would come before the Board specially, and then the goods manager in communication with the general manager would fix the special rate.

13,362. (*Mr. Hamilton.*) Is a revision of the rates a continual occurrence ?—It is a continual business.

13,363. I understood you to say that it had taken you two years to complete some rates with neighbouring companies. Are those subject to constant revision ?—I think I also said that we printed them, and that a large portion of them had required to be altered within the period I mentioned.

13,364. Is the revision of the rates a continual tax upon the services of the establishment ?—Yes ; we have had a staff of clerks doing nothing else, and they have been fixing those rates for the last two years ; and I am certain it will take another two years before we complete all our through booking.

13,365. (*Mr. Glyn.*) The general managers of all the railways meet once a quarter or oftener, and a great part of the time of the general managers is occupied in arranging the rates, is it not ?—Yes, after the goods managers have had their meetings, and for other business.

13,366. (*Mr. Hamilton.*) What are the principal grounds of the revision that takes place ?—They vary, from there having been so many small railways made ; but one of the grounds for revision now is that the larger railway companies are looking over all these rates as through booking as being carried out. There are also the continual requirements of trade as to special rates and from new lines being opened.

13,367. (*Mr. Glyn.*) And a variety of applications for reductions ?—There are continual applications for reductions of rates ; they are not daily, but hourly.

13,368. (*Chairman.*) Have you any acquaintance with the French system of railways ?—Very little.

13,369. You are not aware, perhaps, that all the fares and rates on the French railways are published every three months on all the lines ?—Yes, I am aware of that.

13,370. Why would there be greater difficulty in England than in France in publishing the rates ?—If you made the rates unalterable it would be merely the expense ; but there would be no practical difficulty in it.

13,371. Does not the fact of their being published every three months show that constant alterations do take place ?—I am told that they are not so numerous, and that the rates are unalterable, as a rule.

13,372. Then why should it be necessary to republish them every three months ?—I do not know.

13,373. (*Mr. Glyn.*) Is the same system of rebooking abroad pursued as in England ?—I should say nothing like to the same extent. I should imagine that the number of rates in force in England must be 50 times as many as those in force in France.

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13,374. Do you know whether they adopt the principle of an uniform mileage rate in France?—I believe they do, or nearly so.

13,375. You have said that when "the arrangements "now being made with other railway companies for "through booking are complete it is quite probable "that the rates and fares in the Great Western books "will amount to 5,000,000"?—Yes, I made the calculation myself, and I got the goods manager and the chief rate clerk to make one also. The figures that I put down were 3,000,000, but that is 750,000 below the calculation. They also said that the 5,000,000 were very considerably below what it would be.

13,376. Can you explain how it is that such a vast number of rates arise from each place to every other place, for instance, there is a rate for every class of goods, and all the passenger rates, will there be anything in addition to those?—We have 500 stations, and there will be five classes, there will be three rates for smalls, probably 14 rates on the average.

13,377. Applicable to every one of the 500 stations, and therefore from each station?—Yes, those would be the ordinary rates to begin with. There would be the passenger fares and the parcel rates, and then the through booking to other lines, and they would soon mount up.

13,378. (*Capt. Galton.*) Could you not exclude from the list all the maximum rates which have been established by Parliament?—We do not fix our rates as maximum rates. We fix a rate from London to Bristol, what we consider the traffic will just bear; if it is 40*s.*, we should not show that separately.

13,379. When the maximum rate was charged, you would not have to make a return of that?—On the higher classes of goods you do.

13,380. (*Mr. Glyn.*) You only put down the working rate?—No. I do not see what advantage it would be to show what the maximum rate was.

13,381. Would not that very much shorten the tables?—No. I think not. It is frequently only in the highest classes that the maximum rate is charged.

13,382. (*Mr. Hamilton.*) You say that a publication of the rates would occasion additional trouble to your staff from the inquiries that would be made?—Yes.

13,383. Putting that question of trouble aside, do you consider that it would be prejudicial in any other way?—No; I do not see that it would be prejudicial; so far as the railway companies are concerned they have nothing to hide, and they do not fear the fullest scrutiny into their rates, if you come to the question of right or wrong.

13,384. (*Sir R. Hill.*) If you charged a moderate fee for the inspection of your tables of rates, would not that keep away idle inquiries?—I do not put it in that way so much as in this, that persons in trade knowing that railway companies do give special rates under certain circumstances, would expend any amount of time and trouble to bring every argument they could think of to bear upon us, why they should have a special rate, and I may add that there are very few persons who have given evidence here, who have not from time to time themselves used every argument in their power to get a special rate for themselves. It is one of the greatest difficulties that railway officers have to deal with to resist the demands of the public for something for their own advantage.

13,385. You admit that under the present system you do not escape that trouble, and you are apprehensive that it would be increased by a publication of the rates?—Yes, if it was made a matter of right.

13,386. (*Chairman.*) You do not give return tickets, I believe, to last for more than one day to places beyond a certain distance?—We issue return tickets where the distance is beyond 50 miles to last two days.

13,387. Within 50 miles over what period of time does the ticket extend?—One day.

13,388. (*Lord Stanley.*) What is the object of the distinction?—It is this, a short-distance passenger can travel with a return ticket within 50 miles in one day, but to passengers having to travel from 50 to 100 miles we give the advantage on account of the longer distance. In the same way for 300 miles we give them four days.

13,389. (*Chairman.*) That is not the practice of all the railway companies, is it?—It is almost universally in practice now. In fact within the last few months a new scale has been issued which has been generally adopted by all the railway companies.

13,390. Will you be good enough to state your opinion as to the establishment of a "Court of Ap-"peal"?

"If it were possible, and it were decided that railways should charge an uniform rate, and uniform terminals, a Court of Appeal would be unnecessary, as the rates would be composed of such simple calculations that any person could make them, and such as, in any case of dispute or complaint, a county or other court could promptly deal with. If, however, as suggested in answer to question 10,151, a Court of Appeal should have power to compel companies to charge rates irrespective of the powers which have been given to them by Parliament, it would in fact be depriving them of the rights in consideration of which they obtained the powers to construct their railways, and for which they agreed to expend their capital, and as a Court of Appeal, such as appears to be desired by some of the witnesses, would, if it had the effect of meeting what they desire, take into account the interest of the public and the traders to a greater extent than that of the companies, their decisions might be most prejudicial to the railway companies' interests. There would be great difficulty in defining the duties of such a court, and the rules by which it should be guided; and what such a tribunal would have to contend with may be seen from the different views which the witnesses who recommend it have expressed as to the proper mode of fixing the rates, &c.

"For instance, the Wolverhampton Chamber of Commerce desire (10,797) that railway companies should not be allowed to charge less than a certain minimum as well as not above a maximum to be fixed.

"Mr. W. Matthews desires (in answers to questions 10,248, 10,265, 10,361) that the rates should be uniform per mile, while Mr. W. Williams proposes that there should be special rates for large lots, and the manufacturers, who roll the iron in South Staffordshire desire low rates to introduce pig iron from other districts to mix and compete with the pig iron locally manufactured, while the mine owners who smelt iron complain of such pig iron being brought as an unfair competition with them.

"One witness (10,461), of great ability and experience in railway matters, even suggests that railway companies might, under certain circumstances, be required to carry at a loss; while another witness from the same district is willing that competing lines should charge higher gross rates where their route was the longest, which would, in fact, do away with competition.

"The case referred to by Mr. Corbett, of the Oxford and Worcester Company (11,069/5) taking up his siding, is a most isolated one, and the fact stated by him of the railway company putting it down again upon his applying to the Court, shows that there is no difficulty, in the present state of the law, of compelling a company to conform to it; and in the case alluded to, if the company were entirely in the wrong in taking up the siding, Mr. Corbett could have obtained damages if he had gone on with his action.

"In the case referred to by Mr. Lees (9,289), the inconvenience to the traffic of the line was removed much more rapidly by the action of a friendly company acquainted with the facts of the case, and with the working arrangements generally, than could possibly have been the case had it been referred to the arbitration of a public Court of Appeal.

"The interests of the public are now protected by—

"1. The railway companies Acts of Parliament:

"2. The desire on the part of the railway companies to meet the requirements of trade, which is shown by the reduction of rates voluntarily made:

"3. The influence of the traders themselves, who can

and do bring any subject of complaint before the directors of the companies, individually and collectively.

"4. The influence of the Chambers of Commerce, such as those which have been represented before the Royal Commission:

"5. The Courts of Law:

"6. The almost annual examination which takes place before the Committees of both Houses of Parliament when the companies are applying for additional powers or opposing other bills; when the traders are always willingly heard by the committees on any complaint which they have to make.

"In the case of the Great Western Company scarcely a session passes without the mode in which their business is conducted, the rates they charge, and the arrangements on the line being referred to in the evidence of traders before Committees, who take an equitable and business, and not a legal, view of the complaints made."

13,391. (*Capt. Galton.*) Have traders always a *locus standi* when Acts of Parliament are obtained?—I believe they have always.

13,392. In cases of amalgamation?—I should not like to answer that question off-hand, but my own impression is that they are always heard before Committees.

13,393. I suppose only in cases where the part of the line affected by the Act of Parliament is in their immediate neighbourhood?—Yes, or in any cases where the tolls or rates are proposed to be altered. Even although the traders do not appear by their own counsel, they are always brought forward by one side or the other.

13,394. In the case of the amalgamation Act obtained by the Great Western Company a few years ago were all the traders who chose to appear heard?—Yes, they were. The only opponents were traders, and they were heard by their own counsel. As a rule, I believe that no railway bill ever passes without the traders appearing as witnesses.

13,395. (*Mr. Glyn.*) Do you find that the county courts are now more resorted to in small actions against railway companies, than they were sometime ago?—I cannot say that our experience is that they are more made use of, because from the first we have had actions continually brought against the Great Western Company in the county court, and even in the superior courts.

13,396. A great number of actions at the same time?—A very large number; that is, upon our own whole railway system the number of actions has been very great.

13,397. (*Mr. Horsfall.*) What have those actions had reference to generally?—Almost everything. The slightest delay, the slightest alleged overcharge, and the claims are very numerous; generally, of course, the object is either to make us pay something or to get back something.

13,398. (*Mr. Glyn.*) Do the Great Western Company make any difficulty as to having these cases heard in the county court, or do they endeavour to move them into the superior courts for decision?—They have never done so, except in one or two instances in which they had them removed to a superior court, because we said it was necessary to have an interpretation of the Act, and the case ought to be decided there.

13,399. (*Sir R. Hill.*) Do you allow packed parcels to be carried on your line?—We cannot help it; it is, unfortunately, the law.

13,400. Do you not sometimes dispute it?—We never dispute the right to carry packed parcels, but what we do is this, we claim to have a right to charge for packed parcels a certain rate per ton, and that has been disputed.

13,401. Have you not claimed a right to charge for packed parcels as though they were separate parcels?—Many years ago, that was before the law was settled, we did that in common with other railway companies.

13,402. (*Mr. Glyn.*) You did it at the time when the law had not so decided it?—Yes, but we do this now; we claim to charge packed parcels at the highest rate, and I say that it is a very great hardship on railway companies that parties are allowed to carry packed parcels at the rates they do. I have sent six half chests of tea and six small bags of rice through a carrier between London and Bristol, and I have had them watched to see when they came to the Paddington station; they were all tied together, and they paid us 3*s.* for the conveyance of them to Bristol, and then they charged separately for them in Bristol. I had arranged with the parties who should receive them, and found from 10*d.* to 2*s.* 6*d.* was paid for those parcels, that is, when they found that a person was in trade, they would charge 10*d.*, and when they thought that other parties could pay, they charged 2*s.* 6*d.*, and they made 300 per cent. out of that. We were compelled to carry them at a rate per ton. I have seen the way bills of a carrier in one case where they got 18*s.* 4*d.* out of the public, and we got 3*s.* 10*d.* In any revision of the railway charges, the enormous profit which those packed parcels people make ought to be taken into consideration in fixing the rates that the company shall be entitled to charge.

13,403. (*Sir R. Hill.*) Is not the delivery of those parcels a very expensive business?—Yes, it is.

13,404. The company is saved that expense?—Certainly; and I should be prepared to make full allowance for that.

13,405. It is thrown upon the carriers?—Certainly.

13,406. Can you give any idea of what portion of the total charge in the conveyance of a parcel is represented by the cost of delivery?—No; but you may take it, I think, at from 1*d.* to 3*d.*, that is for the collection or the delivery, but that is the very highest charge.

13,407. It is double that for both collection and delivery?—It is never 6*d.*, if you take it from 1½*d.* to 2*d.* for either collection or delivery, that is about it.

13,408. Say 4*d.* for each parcel?—Yes.

13,409. Within what distance of a station in a country district, for instance, would you deliver, or have you any absolute rule?—No; but probably a mile and a half.

13,410. Would you deliver a parcel at a distance of a mile and a half for 2*d.* or 3*d.*?—Yes, in a town; but we do not charge that separately, it is included in the delivery.

13,411. (*Capt. Galton.*) Do you allow packed parcels on your line?—They are packed, and we carry them largely on our line.

13,412. I thought it had been much objected to?—Yes; we strongly object to them, but we cannot prevent it; we carry large quantities of packed parcels every day, and I think we have good grounds to complain of it. Persons in London establish an office, and they collect small parcels and bring them to a place close to the Paddington station; they put them into crates, hampers, and bags, and give them to us, and we charge them per ton.

13,413. If you organized a thorough system of parcels delivery, could you not successfully compete with that traffic?—Of course, and we do compete. There is no doubt that we carry the largest number of the parcels; but still, because of the convenience of sending them by the railways, it has induced the public to give a large proportion to them, but these parties to whom I have alluded do get a share.

13,414. (*Mr. Glyn.*) You gave, as an instance, an experiment that you made at Bristol with one of those parties who packed in this way; were the charges for which they delivered the goods, although they appeared high, compared with what they paid to you, lower than your own charges in the town?—The lowest charge was 4*d.* less. Ours would have been 1*s.* 2*d.* to every person. They charged to certain persons 4*d.* less, and to other persons 1*s.* 4*d.* more.

13,415. That was the only gain which the public had when you were deprived of a very large source of receipt?—Yes. Three or four of the principal wholesale grocers in Bristol were the parties who got the lower rate, and some of the private individuals had to pay the higher rate.

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13,416. (*Mr. Hamilton.*) Then, on the average, there was a loss to the public?—Certainly.

13,417. Because the greatest excess was 1*s.* 4*d.*, and the greatest reduction was 4*d.*?—Yes, and in many cases the public paid more than they would have paid to us, but we suffered.

13,418. (*Sir R. Hill.*) If the public lose by the arrangement, how can you account for the system being encouraged by the public?—Take, for example, the wholesale warehousemen in London, they will take care that they do not lose, because they will make a bargain that their parcels are to be carried cheaper. It is the persons who are not in the habit of sending regularly who would have to pay.

13,419. Is there anything to prevent those persons who do not send regularly employing the railway company?—None whatever; and notwithstanding all that these packed parcels pay, the public, having greater confidence in railway companies, give them the bulk of their business.

13,420. Do you charge less?—Not less as a rule.

13,421. Is it less in any particular instance?—Yes, we charge less in the gross.

13,422. If the public knew that, would they not bring all such parcels to you?—I think they would, if they knew it.

13,423. Would not that be one advantage that would result from publishing your rates of charge?—We do publish parcels' rates occasionally, but we cannot do it continuously.

13,424. (*Capt. Galton.*) If you had chosen to do so, could you not have successfully competed with the Post Office in the carriage of parcels to any of the towns to which you run?—We might compete, but we should injure our ordinary parcel traffic. We have the Post Office collecting and delivering parcels by their present staff, and they get them conveyed by the railway without any extra charge, and all the surplus is gain to them. If we charged as low as the Post Office, we should lose upon our present traffic.

13,425. (*Sir R. Hill.*) You say that the Post Office get these parcels carried without any extra charge?—I say that they get them carried without any extra charge by the railway company.

13,426. The Post Office pays you, does it not, for the whole duty you perform?—They pay for the train.

13,427. They pay you for the whole duty performed by the train in the carriage of parcels; if you conceive that you have a claim for greater payment, is there anything to prevent your making that claim?—No, but what I meant to say was this, that the Post Office started by getting a train service for letters.

13,428. When was that the case?—I am speaking from the very first.

13,429. Are you not entitled once in every three years to open the arbitration?—Yes.

13,430. Why do you not avail yourselves of that privilege?—We have never thought of doing it.

13,431. You seem to neglect your own interest; is that out of kindness to the Post Office?—Certainly not. I am afraid I must have made myself misunderstood. I was not making any complaint against the Post Office, but what I said was this, that the Post Office getting a train run for the letter service tacked upon that the small parcel service, and any surplus that is left over and above the expense of collection and delivery is a profit to them. If the railway companies reduced all their small parcel rates to the same sum it would be a serious loss to them.

13,432. Do you mean to say that in the payments made by the Post Office to the railway companies nothing is paid for the parcels which are sent by the Post Office?—No doubt the service is paid for in the rate per train mile.

13,433. Are you prepared to say that the Post Office does not pay double and treble the amount paid by any ordinary traders for the conveyance of parcels?—I should imagine that they do not pay a tithe of it.

13,434. What kind of parcels are they which the Post Office conveys?—Small parcels.

13,435. What are they otherwise?—I do not know.

13,436. Do you know what the rates they charge are?—Yes, I have a list of them.

13,437. Are they book parcels that you complain of?—I was not complaining at all.

13,438. You have said that the Post Office sends certain parcels by the railway companies for which they make no payment; are they book parcels?—That is one class of parcels.

13,439. Some years ago there was great complaint made on the part of the railway companies that the Post Office carried parcels with very miscellaneous contents; is that the kind of parcel you spoke of?—I spoke of large parcels, not being letters.

13,440. If a parcel, whatever its contents may be, pays the same rate as a letter, then is it not to all intents and purposes a letter?—I am not objecting to its being called a letter for that purpose; all I mean to say is this, that the Post Office have a service which they must have for the conveyance of letters, and then they attach to that also the conveyance of parcels, and they can carry cheaper than the railway companies can.

13,441. Was not that originally a part of the arrangement, that everything carried at letter rates by the Post Office should be carried by the railway companies; was it not part of the bargain that was made?—I speak under correction, but I certainly have always understood that the conveyance of parcels was not part of the Post Office business before there were railways.

13,442. Do you mean to say that there ever was a day when a person might not send through the Post Office anything he chose, if it was not calculated to injure the letters, paying the full letter rate for such conveyance?—Yes, I suppose there was; but what I mean is this, that persons would have had to pay such a high price by weight that they did not send them to the extent that they do now.

13,443. When was it that the Post Office began to carry the parcels of which you speak?—During recent years.

13,444. Do you mean when the penny postage plan was first adopted?—No, more recently.

13,445. Has it ever been the case since the penny postage was introduced that a person could not send a parcel upon paying the full letter rate for it?—No, but the rates have been reduced in recent years.

13,446. Since the adoption of the penny postage?—I think so.

13,447. Is your statement to be understood as applying to the book post?—Yes, it must be so.

13,448. Have you not entered into a contract with the Post Office to carry their mails, which mails are known well to consist in part of books and pamphlets, at a certain fixed sum?—Yes.

13,449. Is it not open to you at any time, if you choose to say that in consideration of your carrying books, or of the mails having increased in weight, you claim a larger amount of remuneration?—I have no doubt it is, but I must again say that I am afraid I must have been misunderstood. I answered a question that was put to me by Captain Galton, and I did not intend to make any complaint as to the payment made, or as to the Post Office carrying parcels. What I intended to say was, that if we were to compete with the Post Office we should lose very largely on the present parcel traffic that we carry.

13,450. If it was not to compete with the Post Office, have you any system by which you could convey parcels at an even rate from any part of the kingdom to another?—No, we (Great Western) could not, without working in connexion with other companies, we could only carry over a portion of the country.

13,451. Are you aware that the railway companies employ the Post Office to convey their book packages even to large towns, which are in immediate connexion with railways?—Yes, they do, no doubt.

13,452. Does not that show it is a very great convenience to the public that there should be such an arrangement?—I do not deny the convenience at all.

13,453. (*Mr. Hamilton.*) I understood your meaning to be, not that the railway company lost by its contract

with the Post Office, but that, owing to the Post Office having undertaken certain duties which it did not originally perform, they had deprived you of a certain amount of traffic which was formerly a source of profit to the railway company?—That is so, although I did not originate the idea.

13,454. (*Sir R. Hill.*) Do you affirm as a fact that the Post Office has withdrawn from your company a profitable business by the establishment of the book post?—I have no doubt that if the Post Office did not convey them at the price they now do, we should carry a large proportion as parcels.

13,455. Do you mean as single parcels or as publishers' parcels?—No doubt a good many of them would be carried as publishers' parcels, and some as single parcels.

13,456. Do not you charge the Post Office very much more than the publishers for the necessary weight of the book parcels?—Yes, per ton per mile, no doubt we do, but they have a special service. We run the Post Office special service at a very much lower rate per train mile than we run a train for the public when they require a special train.

13,457. Because you run several trains regularly every day for the Post Office?—Yes; between certain places we run a train up and down.

13,458. Would you not be happy to enter into an agreement with any private individual to give him the same number of trains at the same speed, and for the same payment?—Yes, no doubt; so long as we got a profit we should run any number of special trains; but we are charging the Post Office certainly one-half the price that we now charge a private person when he asks us to run a special train.

13,459. The Post Office does not ask for a special train, but for five or six trains regularly every day; do you call them special trains?—There are two descriptions of service. The one is a special train devoted to the Post Office alone; therefore I call that a special train. The other is the use of all our regular trains, and of course I do not call that a special service.

13,460. That which you call a special train, because it is devoted to the Post Office alone, is a train running every day in both directions, is it not?—Yes; probably the correct term would be a special service.

13,461. (*Chairman.*) Do you carry passengers by it?—No, not by the Post Office mail.

13,462. (*Sir R. Hill.*) Do you recollect who raised an objection to carrying passengers, the Post Office or the railway company?—That I cannot answer.

13,463. (*Mr. Gower.*) Although you object to a Court of Appeal for fixing rates or for establishing uniform rates, do you see any objection to giving the Board of Trade the power of deciding cases of complaints as to passenger trains not meeting at junctions?—I certainly would very strongly object to that, unless there were some definitions as to what the powers and duties of the Board of Trade were to be. I know of nothing so difficult as making trains join at junctions. On the Great Western line we might take, as an illustration, a train running from South Wales, North Wales, and the Weymouth district to London, and this train to meet trains from 35 branches of our own. We find it the greatest difficulty that we have to contend with to make the trains meet at those junctions, even upon our own line. But then, in addition to that, we have to meet the trains from 14 branches upon lines working very closely in connexion with us; that is quite irrespective of the junctions with other lines, which are either competing with us or are altogether independent, so that it would be an exceedingly difficult thing to make the trains to meet at the junctions.

13,464. Could you not rely upon a Court of Appeal making due allowances for those difficulties?—I have not the slightest doubt that they would make allowance for them, because they are so obvious that they could not but do so; but certainly it would be very desirable to lay down some rules by which any such court shall be guided.

13,465. (*Capt. Galton.*) Would it be possible to lay down any such rules?—I am afraid I cannot say I think so. The most difficult thing that we have to contend with is endeavouring to fix our trains to meet at the junctions.

13,466. (*Mr. Gower.*) Would not it have this result, that it would satisfy the public that the matter was very much more difficult than they imagine at present?—I think it would do that; but as between three neighbouring companies we have a clause in the agreement with them that we are to make the trains meet at convenient times at the junctions, and therefore it is actually compulsory upon us and upon them; and yet we find it impossible actually to do so.

13,467. (*Capt. Galton.*) You cannot do it with your own trains?—No, we find it impossible; and if you take the map of any one railway company, for instance, that of the Great Western, you see the trains are travelling east, west, north, and south; in fact, in every direction you will find trains travelling over that system, and to make them join at all their own junctions is impracticable; but when you take into consideration that other companies have the same difficulties to contend with on their systems, and that they have to try to meet all the trains at all their various junctions, the thing becomes impracticable except in this case: if you were to run fewer trains, and to take more time, or if you were to run a very great many more trains over certain portions of the line, then no doubt you could get better communication at the junctions. In the case of taking more time and running fewer trains, of course the public would suffer; and in the case of running more trains, of course the company would have to go to much more cost.

13,468. You do not think that any advantage would accrue to the public from there being a power of arbitration lodged somewhere in respect of those trains?—I do not think there would. I think that the interests of the companies themselves now, and the very much better feeling which exists between railway companies than existed some years ago, will correct that evil as far as it is possible. Every one knows that within a very few years railway companies were so opposed one to another in every respect that they threw every difficulty in the way of any communication at junctions; but now that the smaller lines have become absorbed into the larger systems the companies have been very much more anxious to interchange traffic at junctions; and I believe myself that that will be the best security that the public can get at present.

13,469. (*Mr. Gower.*) Would not such a Court of Appeal have been useful in former times, when this disinclination to interchange traffic existed?—They have Parliament, you know, which is a Court of Appeal which we always like to be very careful in preparing for.

13,470. (*Capt. Galton.*) The evil, you think, has corrected itself before this time?—No, I do not by any means say that. What I mean is, that it is correcting itself, I believe (speaking of the part of the country that I am acquainted with), as rapidly as can be done.

13,471. (*Mr. Glyn.*) As regards the principal lines, the principle of the interchange of traffic one with another is one which they always adopt, do they not, for their own sakes?—We adopt it for all non-competitive traffic; that is to say, where the public desire it, they get through-booking between any two stations from or to our line, but we certainly do not adopt it to enable another company to compete with us. Some of the witnesses who have been examined, I see, desire a universal interchange of traffic, which I think would be very unfair towards existing companies, except on fair terms, and to a great extent useless as regards the public. Take the case of a new railway springing up, we will say, from Hampton, which is a few miles out of Birmingham, upon the London and North-western railway, running through an agricultural district, avoiding all large towns, and joining the Great Western railway at Southall. Such a company as that of course may say, We want mutual facilities; we will interchange with you if you will interchange with us. Of course we

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have incurred all the expense of a station in London, getting out of London, and have the expensive service there. Then at the other end the London and North-western Company have incurred a large expense in Birmingham. Independent of that, the London and North-western Company have made stations at Rugby, and we are at Leamington, and the London and North-western are at Coventry. This new line would cross those lines, and the new company would be delighted to interchange traffic at the junctions for those towns; but neither the Great Western nor the London and North-western Company would get anything in return, because this new company would have made their railway through a cheap district, and one not producing a large or new amount of traffic.

13,472. (*Mr. Hamilton.*) Do not you see that that is merely a question of terms; what you object to in your statement now is the inequality of interchange?—Yes.

13,473. But it does not follow, does it, that it should be unequal; why cannot it be arranged upon fair terms?—We have no objection to the public getting such through booking and facilities as the interests of the public require, but for the interests of the companies we desire that it should be on fair terms.

13,474. (*Mr. Glyn.*) Is not the principle upon which the division of traffic, when it goes into a joint purse, is very often made, this, that an allowance out of the general receipts is made to the company which has incurred the largest cost in stations, and so forth?—No doubt, and to the one that has got the best line.

13,475. Might not that principle, if adopted generally, obviate very much the difficulty which you have stated?—Yes; but that question of a joint purse is one which the public object to almost more than anything else, because they always say that it is doing away with competition. Whether it is so or not, they very strongly object to it, because on the one hand they desire to have competition between the railway companies, (indeed some of them will even desire to have a competition of fares and rates, which I say is an impossibility for any length of time,) and on the other hand, they desire to have all the conveniences of companies working together in friendly relations, whereas the two things are quite inconsistent. I should like to read the preamble of an agreement which I referred to, and which bears upon the point which has been mentioned. It is this, "Whereas it would be to the advantage of "the companies themselves and also to the public that "the lines of the companies should be more fully used "for the accommodation of the traffic of each other by "mutual facilities, through booking, the efficient working of trains at convenient times, and, as far as "practicable, in due connexion, so as to satisfy the "reasonable requirements of the public, and develop "the traffic to be interchanged, and that such arrangements should be made at junctions, stations, and in "transit as shall carry out the above objects." From this it will be seen that it is an object with some railway companies to endeavour to meet this question as far as they can. That clause applies, I may say, as far as the Great Western Company is concerned, to all the large companies that we meet, and in two cases is compulsory upon us by law. I may also say that it is for our own interest, for railway companies find the difficulty in arranging the trains to be a most serious one. We have found it almost impracticable as yet to lay down anything like a perfect service of trains which will effect the object. It will be years before it can be brought to anything like, I will not say perfection, for that is impossible, but to be worked satisfactorily. I should wish, while we are upon this subject of the interchange of traffic, to refer to another point which is very much complained of, and that is the irregularity of the trains. The irregularity of the trains depends not only upon the trains meeting at the junctions, which, as I have before said, is a very great difficulty, but it also depends upon the irregular amount of traffic. Some days we have a train comparatively without any luggage, and at other times with tons of luggage; so that it is impossible, without keeping a very large staff indeed at the stations, to get the trains off to time, or to get the luggage or the passengers in and out of the stations within the usual time fixed. If you will allow me, I have here a diagram of the traffic upon the Great Western railway, showing the gross receipts for each year, each division being for a week, which I will show you. (*The witness produced a diagram, and after explaining the same to the Commission handed it in.* See Appendix CD.) The irregularity of the receipts which you observe represented upon the diagram will to some extent show the difficulty that a company have to deal with in having to provide for the maximum amount of traffic, and yet to give a train service which will be satisfactory to the public; because if we were to take the maximum amount of time, taking all the year round, we should have continual complaints. I may say that diagram refers to the Great Western Company only. It will be seen that the irregularity of goods and in the transit of private waggons is affected in like manner. Sometimes at a junction we have three or four special trains of coals sent in without a moment's notice, and the next day probably nothing like the quantity.

13,476. (*Earl of Belmore.*) Do you generally run your goods trains at fixed hours, or do you have many special trains?—We run as many as we can at fixed hours, but we have a large number of special trains, out of the mineral districts especially. The only way to get over the irregularity of the trains would be to take the maximum amount of time with every train, and that I am certain the public would not stand.

13,477. (*Chairman.*) Do you ever give a longer time for your trains in the summer months, when there is a great deal more passenger traffic than in the winter?—No, on the contrary; the public wish to travel quicker in the summer than in the winter.

13,478. (*Mr. Hamilton.*) Have you been able to trace any amount of irregularity to the want of vigour on the part of your officers at the different stations?—There is no doubt that occasionally a want of smartness sometimes does exist.

13,479. But that is continually under consideration, is it not?—It is a fortnightly subject of consideration. On the Great Western railway we have a special committee which sits once a month, and the superintendents are required to report that they have travelled with any train that is irregular; that is, they are required to say that they have travelled on such and such days with that train, and to say what the causes of the irregularity were.

13,480. As a general rule do you find it attributable to an extra quantity of luggage, or some great increase in the traffic, or does it arise from some want of vigour or smartness on the part of the officers?—Of course, sometimes there is a lax station-master or a lax guard, which does cause loss of time in a train throughout the line; that does occur occasionally, no doubt, but the great difficulty is the irregularity of the traffic, slippery rails, &c. To illustrate that, I may say that we have a small branch railway which goes to Wells, and we have a train running to Wells from the junction on the arrival of the 9.15 express from Paddington, that train has just time to get up to Wells, turn the engine, and get back to bring passengers for the up express train due in London at 6.10. If the 9.15 train is a heavy train, which in the summer it probably is one day in the week, so heavy as to cause an irregularity, the train does not get to the junction in time; say it is 10 minutes late, therefore the branch train does not start punctually and it does not get back until 10 minutes behind time, and then the up express is kept 10 minutes, and we cannot get over that in any way whatever, except by putting on another engine to run on a line which does not pay now.

13,481. Then it is just a question of cost?—Yes, it is just a question of cost, and it cannot be done in this case without heavy loss.

13,482. Do you find the unpunctuality greater at periods of the year where there is a great deal of excursion traffic?—We do, but it does not arise entirely from

the excursion traffic, but because the trains then are on the whole heavier; often the traffic varies very much on different days in the week.

13,483. (*Earl of Belmore.*) Upon what principle do you charge express fares by some trains and not by others which stop at the same stations and miss the same stations. Take, for instance, the 2.10 train from Paddington to Bath, and the 4.50 train from Paddington to Bath, they stop at the same stations between London and Bath, and the one is an express fare and the other is an ordinary fare?—The 2 o'clock train stops at more stations than the 4.50 train.

13,484. Not between Paddington and Bath, does it; it stops at Reading, and Didcot, and Chippenham, and the 4.50 train does the same?—The 2 o'clock train, which your Lordship speaks of, stops at Wootton Bassett.

13,485. Not always, does it?—It is so in the time table. The best answer I can give to that is this, that the 2 o'clock train was a train which stopped at a great many more stations than it does now. That is gradually becoming a heavier train, and with the view of making it keep time, stop after stop has been taken out. To show that this irregularity in the amount of traffic does not apply to the Great Western railway only, I have taken the traffic receipts of last year of all the railways in England, and had a diagram made of them, and the Commissioners will see that it is the same with regard to them. (*The witness produced another diagram, and after explaining the same to the Commission, handed it in.* See Appendix CE.)

Bearing upon the subject of the punctuality in the running of trains, which is admitted to be one of general importance as well as a question of convenience to the public, I have prepared two diagrams showing the number of passengers and the weight of excess luggage booked from Paddington each day in the year 1865. (See Appendices CF. and CG.)

It is not possible to make anything like a correct estimate of the ordinary luggage allowed to and carried by passengers, but the quantity is fully as irregular as that of the "excess" luggage.

It is evident that the number of passengers getting into and out of, and the loading and discharge of the luggage at stations, has a direct bearing upon the times trains are necessarily detained, as well as the weight of the trains has in running.

13,486. (*Chairman.*) Have you anything further to add with regard to that point before we go into the terminal charges?—Nothing further, I think.

13,487. Will you now proceed to state to the Commission your views with regard to terminal charges?—"Terminal charges are made to cover the interest on the cost of the construction and the maintenance of stations, sidings, sheds, cranes, turntables, and machinery, the interest on the cost of land, expenses of porterage, shunting, clerkage, stores, and other charges incidental to the receiving and forwarding of goods and mineral traffic by railway. In the case of canal companies who were toll-takers only, the carriers made the charges for the wharfage, cranage, shed, and other accommodation, when not provided by the canal company, and the canal companies made a charge for such of them as they provided. If the railway companies had remained toll-takers only the carriers would have had to construct their own stations, and would, of course, have been at liberty to make whatever charge they thought proper or could obtain, being under no such Parliamentary restrictions as railway companies. If terminal charges were abolished, and, as suggested by one witness at question 11,297, the mileage rate included not only the conveyance, but the station accommodation and services, the maximum rate per mile would have to be made very high, as, for instance, say for 12 miles."

	s.	d.
The present maximum rate for sugar, for 12 miles is, say 2*d.* per mile - -	2	0
Cost of terminals at both ends, say - -	4	0
Total - -	6	0

"Or equal to 6*d.* per ton per mile, station to station. The same witness advocates a uniform mileage rate, so that, taking a case where sugar would have to be conveyed for 100 miles, the rate would be 50*s.* per ton, station to station, which would be such an excessive rate that the traffic would not bear it, showing that a uniform rate per mile, to include terminals, is impracticable."

13,488. (*Lord Stanley.*) I suppose you put it in this way, that if the terminal charges were included in the mileage rate it would give a very unfair advantage to those who send goods only for a short distance, because they involve the same amount of trouble at the terminus?—Precisely so.

13,489. And they would not pay to the same extent by travelling over the line?—No; of course the terminal expense for traffic passing 10 miles between two stations is the same as it would be if it travelled 100 miles.

13,490. (*Mr. Horsfall.*) You do not object to a maximum terminal being fixed, provided that maximum is a fair one?—I have no objection whatever to it, taking into consideration the cost which the companies have incurred in constructing the stations. At present the clause which governs the charge is that it shall be a "reasonable charge." Speaking for the Great Western Company, I do not think they would have any objection to the maximum being fixed, of course, fair consideration being given to their very large amount of expenditure.

13,491. (*Mr. Glyn.*) Would you determine the terminal charge upon a calculation of the average of the whole outlay on all the stations?—I do not know any other mode than that or the present in which it could be done, although personally I have always opposed it even when it was under consideration before, because there are many stations upon the line where our expenses are very high. Bristol, for instance, is a most expensive station, having a lift, and Paddington is an expensive station; Birmingham is an expensive station; and therefore unless the average was made pretty high we should lose upon those and other similar stations.

13,492. London is always an exception, and there is a special terminal rate made for London, is there not?—Yes, and if it were done so no doubt it would be an advantage to us.

13,493. (*Capt. Galton.*) Do you charge a higher rate at Bristol, where you have all those extra expenses, than you do at other stations, Birmingham for instance?—No, I cannot say that we do, and I will tell you why. It is because so long as we keep down our maximum charge under the Act of Parliament we have only to consider what the traffic will bear.

13,494. But your terminal is not limited by the Act of Parliament?—No.

13,495. It is an addition to your toll?—Yes; still, although we might have the power to charge a higher sum at Bristol, yet, if the traffic will not bear it, it is no use our putting it on. I asked our engineer to try and make a calculation of what the cost of the stations and sidings upon the Great Western railway was, and they tell me that about six millions and a half of money has been expended. We have, I think they say, about 357 miles of sidings.

13,496. What has been your total expenditure on the Great Western railway?—Including branch lines it is something like 45,000,000*l.*

13,497. (*Mr. Glyn.*) In making up your terminal charge, what would you include in it as the proper heads of calculation?—The cost of the land, the cost of the sidings and sheds, buildings, cranes, turntables, and all the outlay necessary for loading and unloading the goods, and for marshalling the trucks, and then the porterage, the clerkage, watchmen and people connected with the station; the working charge of the station, the shunting, both engine and horse shunting; in fact everything that would have been done by the carriers, and which would have to be done by the carriers to-day if the railway companies were to cease to carry. Supposing we were to cease to carry between any two points upon our line, carriers would imme-

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diately spring up, and they would simply pay us the toll under the Act of Parliament, and they would perform all the same services and find all the accommodation; and they would of course take care to be covered by the charge made to the public, and they would be in this position, that they would not be limited by the word reasonable, but only by what the public chose to pay them.

13,498. (*Chairman.*) You would not allow them to use your sidings and station accommodation without payment?—Certainly not. It would be utterly impossible for a railway company to go and expend, as we have done, millions of money for siding accommodation, without getting any return whatever.

13,499. (*Mr. Horsfall.*) You stated that you include the cost of the land in your terminals; you mean the interest on the cost, do you not?—Yes; it would include interest upon buildings and sidings, and so on.

13,500. (*Chairman.*) Will you proceed with your statement with regard to private waggons?—"The Great Western Railway Company provide waggons for traders when called upon, but the traders necessarily send their traffic very irregularly, depending, as it does, upon the requirements of trade, so that sometimes they demand a very large, and at other times a comparatively small, number of waggons, the consequence of which is that during some periods of the year large numbers of the company's waggons are standing idle, while the traders continue, to a great extent, to keep only such a number of waggons as they can employ with comparative regularity all the year round. In the case of private waggons, the Great Western Railway Company work them in every respect as quickly as they do their own. No preference whatever is shown in their transit, except that cattle and perishable goods take the precedence of all other goods traffic, and general goods of minerals; and every facility is offered to the traders to trace their waggons through the company's books; or, in case of alleged continued or special irregularities, an inspector is put on by the company to trace the working, and every means is adopted to facilitate the transit of private waggons, the same as if they belonged to the company. In some respects the finding by the railway company of all waggons required for the traffic would be of advantage, inasmuch as it would, in many cases, save the cost of the unnecessary shunting which arises in separating the various private trucks; and the waggons could frequently be loaded back, instead of being sent home empty; but there would be a great difficulty, unless a very large surplus stock were kept, in satisfying the traders when traffic was generally brisk. In the northern division of the Great Western railway, the company, at one time, found all, or nearly all, the trucks employed for the conveyance of coal from the North Wales district, not only locally, but also to Saltney and Birkenhead for shipment, and the company were quite willing to have increased the stock as might be required, but when trade was very good the colliery proprietors always loudly complained if they did not immediately obtain all the trucks they required on demanding them, and at the same time they detained them sometimes even for weeks at the port, either from a desire to have coal ready to load any vessel that might offer, or from causes which they could not entirely control, such as waiting for vessels out of graving dock; but this was done to an extent they never would have allowed if the waggons had been their own, while at the same time they refused to pay demurrage, on the ground that the detentions were unavoidable considering the circumstances under which their trade had to be conducted. In the case of a railway company finding trucks, they do so at any time, as far as they can, at the request of the trader; and when a trader finds his own waggons, a sufficient allowance is always made to cover the mileage wear and tear, and ordinary detentions, so that railway companies could not be required to become liable for demurrage on trucks delayed by irregularities in the amount of traffic, the sending of too large a quantity to one station at a time, or the other numerous causes of detention over which the company have no control. With respect to the suggestion that private waggons should be dealt with under the clearing house regulations, railway companies charge and pay demurrage as between themselves, on waggons detained beyond the stipulated period; but in that case they interchange stock with each other, and have the power to load them back on their return journeys, but even railway companies do not allow each other either mileage or demurrage on waggons loaded with minerals under the clearing house regulations. In fact, so far as the mineral proprietors are concerned, and some of them have suggested to the Commission that they ought to be paid demurrage upon their waggons, they are in precisely the same position as the railway companies put each other in with the same description of traffic."

13,501. (*Earl of Belmore.*) A witness the other day suggested that the waggons of private owners, whether they were many or few, ought to be admitted to the clearing house system; what is your opinion upon that point?—That is what I have already referred to. The object of course of getting them put into the clearing house would be that we should be compelled to pay demurrage. If a waggon was delivered at one junction, say on Monday morning, and it did not according to the clearing house regulations get back again by Thursday morning, then they would wish that we should pay demurrage. What I say with regard to that is this, that where the traffic is given to us irregularly by the traders themselves, (and they cannot always avoid it,) it would be a very great hardship to impose upon the railway company the payment of demurrage when the railway company were not the cause of the delay. I took out the traffic day by day of two of the persons who have given evidence before the Commission, and I find that on some days they sent us 120 tons of traffic, and on other days not a truck. And to some extent in the same way with Mr. Corbett, who complained about his salt waggons, I find his traffic irregular, also, although not so irregular as what I have just mentioned. When such a state of things applies over a whole system of railway, it must be manifest that it is very difficult indeed to provide a stock of engines, and to perform the service without some delay being incurred. And further, I say, that in fixing the rates for the conveyance of traffic in owners' waggons, we take into consideration that they must be allowed a sum which will enable them to find the waggon. And if they can get, say, about 15*l.* a year out of the waggon they ought to be perfectly satisfied, because we never would allow them to make, say, 20*l.* or 30*l.* a waggon. We then would raise the rate, because they could afford to pay it. And so railway companies between themselves have found the same difficulty, and I might almost say the impossibility, of becoming responsible to each other when they send waggons with minerals off their own railways on to other railways. And I do not think that the trader ought to ask to be put in a better position.

13,502. (*Capt. Galton.*) Your argument is that in the rate which you fix for conveying goods in traders' own waggons you take into consideration the fact that those waggons can only work to a very limited extent, and run a limited number of miles in the year?—Sometimes we do; but traders' waggons as a rule (of course I speak only as far as I know upon our own railway) work exceedingly well. We have parties who rent our waggons from us, and pay us for some of our broad gauge waggons 20*l.* a year, and in order to do that they must get three trips a fortnight between South Wales and Basingstoke, and they do make three trips a fortnight.

13,503. They look after the waggons much more carefully when they provide them themselves than when you provide them?—Yes. Of course in the transit it does not depend upon them, but at the terminal stations it depends upon their customers, and that is where a difficulty lies. The customers make it as a rule a matter of convenience to themselves to unload the waggons, the waggons not being their own, and the sender of the traffic of course would like to make the company responsible,

because he thinks that we then could come upon the consignees. We find it almost impossible at the present time to collect our own demurrage, and we certainly would not like to be made agents to collect the demurrage of other parties.

13,504. In fact the parties who receive the goods very often make use of the waggons as warehouses?—Yes, sometimes.

13,505. (*Mr. Glyn.*) In fact the real difficulty arises from the irregularities of the deliveries at the termini, does it not?—The irregularity of the quantity of the delivery to the customers. All through the winter you may take it that from November to March the traffic is very irregular, the colliery proprietors and other persons who own their own waggons will take care to supply their best customers first. And they supply the others afterwards, and then probably they send much more than they are able to unload and to deliver within a reasonable time.

13,506. (*Mr. Hamilton.*) Is there no report sent to them, in cases of detention, as to what the causes are?—No, not with regard to detentions at the terminal stations; but with regard to anything like the breakdown of a waggon which has been referred to by one of the witnesses, we always send the owner a formal notice stating that the waggon has broken down and the causes of it. We certainly do not keep any account of the detention of waggons by the consignees.

13,507. (*Chairman.*) You think that that is the business of the parties themselves to look after?—Yes, as between buyer and seller, in fact.

13,508. (*Earl of Belmore.*) I gather from your answer that you think that in some cases it would be found that the colliery owner himself is to blame for the detention of his waggon by sending to certain customers a greater number than they can unload in a given time, is that so?—That is so. I cannot give the Commission a better instance than one I have just thought of. The London and North-western Railway Company obtains a large quantity of coal for locomotive purposes from one of our colliery branches in North Wales. Their engineer complained, some time ago, to Mr. Cawkwell, their manager, that their waggons were very much detained. I put on an inspector to look after them for a short time, and I found this,—that the colliery proprietors, whenever they had a vessel at Birkenhead waiting for coal put the London and North-western Company's waggons into a siding and let them lie there until they had sent off their own coal in their own waggons, and that then they loaded the London and North-western Company's waggons. If those waggons had been for a coal merchant it is quite probable, in fact I have no doubt it is certain, that as soon as they had loaded the vessel they would have sent so many waggons to the merchant that he could not have unloaded them probably within three or four days.

13,509. (*Chairman.*) When you made the discovery of this state of things were you able to apply any remedy?—No further remedy than to tell the London and North-western Company that they must look after it themselves. Of course we put the London and North-western Company in the same position as any other traders.

13,510. (*Capt. Galton.*) One of Mr. Corbett's complaints, I think, was that he forwarded salt to Bristol in narrow-gauge waggons belonging to the Midland Company and that then it was detained there for want of broad-gauge trucks, and that he was called upon to pay demurrage to the Midland Company whilst it was so detained?—I observe that he did make that complaint.

13,511. Was that salt waiting for the waggons of the Great Western Company?—Not at Bristol, but at Gloucester. There is no doubt that that is the case sometimes.

13,512. That would be a hardship upon him, would it not?—No doubt it is a hardship. I do not say that it is not. At the same time I must explain that we find waggons for salt upon the broad gauge system, which no other company does. There is no doubt that it is inconvenient, and that to some extent arises from the irregular amount of traffic which we have received. During the summer we have, I might almost say, thousands of waggons, certainly a very large number of waggons standing idle, and then in the winter we have not enough.

13,513. In the cases of traffic such as salt, which is irregular, and coal which is irregular, do the persons who are sending the traffic give you notice so many times beforehand that they are going to send traffic?—Not an hour's notice. Traffic is given to us out of the various branches without any notice whatever. But we keep persons running up and down amongst the collieries and large works in order to keep ourselves advised as much as possible, but it is impossible to do so perfectly.

13,514. It would not be unreasonable if they should be required to give you notice, would it?—Except that I do not think it would be practicable. It is one of those things that we must put up with as well as we can. They do not do it on purpose; it is the nature of their business.

13,515. I presume their orders come in and they are obliged to comply with them as they can?—Yes. Take for instance a colliery, once a fortnight the men will be off for a couple of days in the week doing nothing, and on the next day they will have a large quantity of traffic. Then probably they may be slack for a week, and then vessels may come into dock and trade may be very brisk. I do not think that any regulation would ever overcome that.

13,516. (*Chairman.*) Do you consider the inconvenience arising from the break of gauge to be very great?—In some parts, no doubt, it is objectionable.

13,517. Do many delays arise from that source?—Not to a very large amount.

13,518. (*Earl of Belmore.*) Do you find that much damage to the goods arises from the necessity of loading and unloading them, where a break of gauge occurs?—I do not think that the amount of damage done to goods is considerable.

13,519. (*Capt. Galton.*) Of course the cost of loading and unloading is considerable?—It is probably about from 8*d.* to 1*s.* per ton.

13,520. (*Earl of Belmore.*) Does that apply to coal traffic?—No; upon coal traffic it would probably not be more than about 4*d.* to 6*d.*, taking in all the expenses, excepting, of course, the damage to the coal.

13,521. How would you provide for that; would you do it by an addition to the terminal charge?—We do not perform that service ourselves; we allow the public to do it. At Salisbury, for instance, where we have a pretty considerable coal trade passing from the south-western district on to the South-western line, the parties do the transfer themselves.

13,522. Are the colliery owners obliged to have agents there to see to that?—They have, generally, an agent for the sale of their coal, and, therefore, the same agent sees to the transfer of the coal.

13,523. (*Capt. Galton.*) When you bring up coal from Staffordshire do you bring it up by narrow gauge to London?—We bring it both by broad and narrow gauge. We bring from the broad gauge branches *viâ* Gloucester, and we bring the narrow gauge traffic through Hereford.

13,524. (*Chairman.*) You mentioned some time ago 15*l.* per waggon as the amount that a private owner ought to get for each waggon annually; is that the gross amount out of which they have to keep the waggon in repair?—Yes.

13,525. A narrow gauge waggon costs somewhere about 100*l.*, does it not?—They can get the very best narrow gauge waggons now, probably from 75*l.* to 80*l.* each.

13,526. How many tons would such a waggon carry?—Eight tons. You would get them with wheels not of the best quality, for perhaps about 65*l.* to 70*l.* each.

13,527. (*Mr. Hamilton.*) Do you consider that the

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traffic on the double gauge is increasing or diminishing?—So far as the Great Western railway is concerned it is somewhat diminished by our amalgamation with the West Midland railway, because that gave two routes for the traffic to London. Before the amalgamation we had the only communication with the broad gauge branches in South Wales, and it was very loudly complained of; but by the amalgamation with the West Midland railway we make not only a part of the South Wales portion of our line, but also our line from Oxford to London useful for both gauges.

13,528. (*Mr. Glyn.*) Have you found the admixture of the two gauges inconvenient?—We found having one gauge only a very great inconvenience at the time.

13,529. (*Capt. Galton.*) What would be the cost of altering the broad gauge to the narrow gauge on the Great Western system?—That I cannot answer offhand, but the cost of the simple alteration would be only a comparatively small element in the question. The value of the stock, which of course is very large, would have to be taken into account.

13,530. (*Mr. Hamilton.*) Do you know what the present broad-gauge rolling stock of the Great Western railway has cost?—Probably two millions; the Great Western broad-gauge stock alone.

13,531. Does that include locomotives and carriages?—Yes; speaking roughly, I think it is about that, but probably, if you take the whole broad gauge on our lines and on the lines in connexion with them it would be about four millions.

13,532. (*Chairman.*) Is the dead weight in a passenger train more upon the broad gauge than upon the narrow gauge?—I should say no to that, because we do not run such long trains upon the broad gauge as we do on the narrow gauge.

13,533. Do you think it would be practicable to reduce the dead weight in passenger trains and to give sufficient accommodation to the public by running a smaller number of carriages than you do run at present?—Yes, it would be quite possible; but I am bound to say that the public are very much averse to it; they desire to have a through carriage by every junction, and the consequence is that the trains now are becoming very long, and that is one of the causes of irregularity in the time.

13,534. (*Mr. Glyn.*) That is quite unavoidable, is it not?—It is unavoidable if you give the convenience in accommodation. Most railways, I think, try periodically to reduce their trains, and for a short time they cut down the number of carriages in a train; but it is very soon found that the complaints are so great that they have to be put on again.

13,535. (*Sir R. Hill.*) So long as that is the practice, is not it quite impossible to hope to fill an ordinary train with passengers?—You cannot fill it, as a rule.

13,536. So that all calculations of possible reductions founded upon the hypothesis that a train will be full of passengers are fallacious, are they not?—Yes, quite so.

13,537. (*Mr. Glyn.*) In fact you must always provide for the possible maximum loading?—Yes.

13,538. (*Mr. Hamilton.*) There is no doubt that the public in the long run pay for the additional convenience which they get?—No doubt they must, that is if you take it that the railway company must live, and some of us scarcely do that.

13,539. (*Sir R. Hill.*) Do you give the same convenience to second-class passengers as to first-class passengers, of passing them in the same carriages from the branch to the main line and *vice versâ*?—I think I may say yes to that, although probably not to the same extent, but in recent years all railway companies have been making what has been called composite stock, which does give the same amount of accommodation to the second class as to the first class.

13,540. (*Chairman.*) Those carriages are considerably used on branch lines, are they not?—They are very considerably used on all railways now. It is a class of stock which, in consequence of the great interchange of traffic, is being built very largely by all companies. We are building them very largely at the present moment.

13,541. Do you ever take third-class passengers on to branch lines in the same carriages?—Yes, where they are long lines, but not where they are small branch lines.

13,542. The third-class passengers have to change carriages much more frequently than the first and second classes?—Yes, they have.

13,543. (*Mr. Hamilton.*) You gave an answer just now with regard to the cost of altering the rolling stock. Can you give the Commission any information as to the cost of relaying the line, making it from broad gauge into narrow gauge?—Probably about 500*l.* to 750*l.* per mile; but I should not like to commit myself to that.

13,544. (*Chairman.*) Would the whole of the rolling stock of the broad gauge system become useless if the broad gauge line were converted into a narrow gauge line, or could any of the stock be converted?—A certain portion of the materials no doubt could be made available for the construction of other stock.

13,545. (*Mr. Hamilton.*) The wheels and axles might be used, for instance, might they not?—The axles, I believe, might be used, but I should not like to speak positively as to the wheels, because they are larger than those on the narrow gauge; but there is no doubt that many portions would come in, for instance, the springs and many other portions.

13,546. (*Earl of Belmore.*) On the northern part of your line, on which you have both gauges, do you think, on the whole, your tendency is to run narrow-gauge trains or broad-gauge trains?—More to run narrow at present, because we have such a large addition to our narrow-gauge lines north of Oxford and Birmingham.

13,547. In case of your having to increase the quantity of your stock you would rather increase your narrow-gauge stock, and utilize your existing broad-gauge stock on the southern portion of your lines?—Yes, we are doing that. We are increasing our narrow gauge much more rapidly than we are the broad. The great increase of traffic has been more in connexion with the narrow-gauge lines, and lines with which we have amalgamated recently, than on the broad gauge, although that has largely increased also.

13,548. (*Capt. Galton.*) Do you consider that any additional safety could be afforded to the travelling public by conferring further powers on the Board of Trade?—No; I do not. I think that if the Board of Trade now, with their present powers, could show the railway companies any reasonable method by which they could increase the safety of the public, the railway companies would be only too glad to adopt it. Our only difficulty is to know what to do. I do not think that there is any subject upon which railway companies are more anxious than to find some means of satisfying the public that their safety is provided for to the very utmost. We have had meeting after meeting, in fact, there is a standing committee of railway managers meeting occasionally now; but we have been quite at a loss what means to devise.

13,549. In fact, you consider that the best means for securing the safety of the public is to leave the full responsibility upon the managers of the company?—I believe that. At the same time I, for one, have always said that we should be exceedingly glad to see the Board of Trade make some suggestion as to what we should do.

13,550. In fact, the Board of Trade learns more from the railway companies than the railway companies do from the Board of Trade?—I would not say that. It learns no doubt from the railway first, but we find that the Board of Trade inspectors know a great deal. But they themselves, of course, like the railway managers, see the difficulties of the case; and I think I may say they decline to lay down any rule as to what the railway companies should do.

13,551. (*Mr. Gower.*) You do not think that the pointsmen are overworked?—I do not believe that as a rule they are. I do not know what it may be upon all railways, but certainly upon our own line, and on the lines in connexion with us, it is a subject which we have frequently had under consideration, and in fact, have regularly inquired into, and I believe that the pointsmen are not overworked.

13,552. (*Mr. Hamilton.*) Is it not the fact that accidents have generally occurred not at the points of the greatest traffic?—Yes, not from the pointsmen generally, and not always at the points of the greatest traffic. The pointsmen, as a rule, have 11 hours by day, and 13 hours by night, when their duties are light; when their duties are heavy, then they have eight hours. Take any important junction where a man has to attend continuously to the signals and to the points, there we give him only eight hours.

13,553. Is there not any reduction in the number of hours employed, in consequence of the inquiry that has been made upon the subject?—We have made no alteration, and recently the men have been agitating for more wages, but no alteration has taken place as far as we are concerned, either as to wages or hours. Our pointsmen get, I think, from 21*s.* to 23*s.* per week, and they get two suits of clothes a year, and 5*l.* bonus if there is no complaint against them.

13,554. (*Capt. Galton.*) That is a very good rate of wages, is it not?—Yes; they are a very important class of men. I do not say that it is by any means too much, but it is a good rate of wages for working men of their class. As to improving the class of men, and putting a higher class of men to those duties, I say that that would be quite a mistake; in fact, as I once said to a Government Inspector, if you put a high class of men at the points, I should almost decline to travel in the train. The company want a pointsman who will think of his duty and almost nothing else. If you get men of a superior class, for instance of the class of clerks, you would get them reading, and you would be certain to have an accident. Some of the very best men for that duty are men who can scarcely more than read and write, and who think of nothing else but their work, although as a rule no railway companies employ men who cannot read and write.

I understood that it would be desirable to lay before the Commission the rates that have been charged by canal between London and Birmingham, London and Manchester, Birmingham and Manchester, and South Staffordshire and Liverpool, prior to the opening of the railways, and I have had tables prepared to show that.

The witness handed in the following tables:

RATES, LONDON and BIRMINGHAM, by Canal in 1836; by Railways and Canal in 1842; and by Railways in 1866.

ARTICLE.	Rates by Canal, collected & delivered.		Rates by Railways, collected and delivered.	
	Before opening of Railways.	After the opening of Railways.		
	1836.	1842.	1842.	1866.
	Per ton. s. d.	Per ton. s. d.	Per ton. s. d.	Per ton. s. d.
Undamageable iron	25 0	—	—	15 0
Damageable -	27 6	—	—	17 6
Hardware - -	60 0	35 0	40 0	27 6
Nails - -	40 0	32 6	32 6	21 8
Sugar, raw -	40 0	37 6	37 6	21 8
Sugar, lump -	50 0	37 6	40 0	27 6
Tallow - -	35 0	35 0	30 0	21 8
Tea - -	50 0	37 6	40 0	32 6
Drapery - -	70 0	—	45 0	40 0
Spelter - -	—	18 0	20 0	17 6
Pearl shells -	—	30 0	35 0	27 6
Glass - -	70 0	—	—	27 6 O.R.

NOTE.—During the stoppage of canals from frost or other cause, prior to the opening of railways, goods had to be sent by road waggon at charges as under:—

Glass - - 140*s.* per ton.
Other goods - - 120*s.* „

RATES, LONDON and MANCHESTER, by Quick Vans in 1833–4, by Canal in 1834, by Railways in 1840 and 1866.

Articles.	Quick.	Vans.	Canal.	When Railways opened, before Railway Companies were carriers.	Rates by Railways, the Companies being the carriers.
	1833.	1834.	1834.	1840.	1866.
	Per ton.	Per ton.	Per ton.	Per ton. s. d.	Per ton. s. d.
Sugar, raw - -	—	—	—	61 8	28 4
for refiners -	—	—	—	—	20 0
Tallow - - -	—	—	—	61 8	25 0
Lead - - -	—	—	—	61 8	28 4
Bales, packs, and trusses.	20*l.*	18*l.* 13*s.* 4*d.*	4*l.*	64 8	35 0
Smalls - - -	2*s.* 3*d.* each	—	2*s.* each	—	25*s.* for shipment. 28 lbs. 1*s.* 8*d.*; 56 lbs. 2*s.*; and 112 lbs. 2*s.* 2*d.*
Hardware - -	—	—	—	64 8	40 0
Silk - - -	—	—	100*s.*	—	Insured 87*s.* 6*d.*; smalls 3*s.* 2*d.* Uninsured 62*s.* 6*d.*; smalls, 2*s.* 2*d.*
Glass - - -	—	—	100*s.*	69 8	40 0
Furniture - -	—	—	140*s.*	—	70*s.* 0*d.* O. R.
Luggage - -	—	—	—	79 8	50 0
Wines and spirits -	—	—	—	69 8	40 0
Hides - - -	—	—	—	69 8	28 4

RATES, BIRMINGHAM and MANCHESTER, by CANAL in 1836, by RAILWAYS and CANALS in 1842, and by RAILWAYS in 1866.

Article.	Rates by Canal, collected and delivered.		Rates by Railways, collected and delivered.	
	Before Railways opened.	After Railways opened.		
	1836.	1842.	1866.	1842.
	Per ton. s. d.	Per ton. s. d.	Per ton. s. d.	Per ton.
Undamageable iron -	22 6	—	—	10*s.* to 11*s.* 6*d.*
Damageable iron -	25 0	—	—	11*s.* 6*d.* to 13*s.*
Hardware - - -	40 0	20 0	25 0	20*s.*
Nails - - -	30 0	17 6	20 0	16*s.* 8*d.*
Wire iron - -	—	17 6	20 0	16*s.* 8*d.*
Packs and bales -	30 0	20 0	25 0	22*s.* 6*d.*
Flint glass - -	40 0	—	—	22*s.* 6*d.* O. R.

RATES, SOUTH STAFFORDSHIRE and LIVERPOOL, by Canal in 1831, and Railways in 1866.

ARTICLES.	Rates by Canal, collected and delivered.	Rates by Railway, collected and delivered.
	1831.	1866.
	Per ton.	Per ton.
Undamageable iron -	18*s.*	10*s.* to 11*s.* 6*d.*
Damageable iron - -	20*s.*	11*s.* 6*d.* to 13*s.*
Hardware - - - -	40*s.*	15*s.* 10*d.* to 18*s.* 4*d.*
Nails - - - -	27*s.* 6*d.*	14*s.* 2*d.* to 16*s.* 8*d.*
Glass - - - -	40*s.*	22*s.* 6*d.* O. R
Timber - - - -	13*s.* 4*d.*	10*s.* to 12*s.* 6*d.*
Grain - - - -	13*s.* 4*d.*	*10*s.* to 12*s.* 6*d.*

* Grain rate includes collection in Liverpool.

13,555. (*Chairman.*) Were they generally higher or lower than the rates at present?—In no case are the present rates anything like so high.

13,556. (*Mr. Hamilton.*) What is your object in putting in those tables?—I did not intend to put them in, but from a remark which was made the last time I was examined, that it would be desirable to have that information.

13,557. It is a well known fact that the public pay less now for their traffic than they did before the institution of railways?—Yes, we know that very well.

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and I think the public know it also. Take, for instance, from London to Birmingham, the rates for iron before were 25*s.*, they are now 15*s.*; for damageable iron they were 27*s.* 6*d.*, they are now 17*s.* 6*d.* I will just draw attention only to one column, which shows the rates that were charged by the carriers over the railways before the railway companies were carriers. You will see that on the railway between London and Manchester the carriers, who were not controlled by Act of Parliament, charged 61*s.* 8*d.* for a certain class of goods, whereas now the charge is 28*s.* 4*d.* when the railway companies carry, and all the other rates are in proportion.

13,558. (*Chairman.*) Are there any additions which you would wish to make to your evidence on any other point?—No, I think not.

The witness withdrew.

Capt. H. W. Gordon, C.B.

Captain H. W. Gordon, C.B., examined.

13,559. (*Chairman.*) You are superintendent of Her Majesty's stores at Woolwich?—Yes, principal superintendent.

13,560. Is it a matter of great importance that you should have the means at all times of promptly forwarding all descriptions of warlike stores direct from the Royal Arsenal to all out stations, more particularly to the naval outposts, such as Portsmouth, Devonport, and Chatham?—It is.

13,561. Is it the fact that, although you are now in actual communication with Portsmouth and with Devonport, the South-eastern railway will not undertake delivery or prompt action beyond the limits of their own line?—It is.

13,562. And, therefore, in practice you do not forward your stores by the South-eastern railway?—We do not.

13,563. Is there any Act of Parliament by which you can compel a railway company to use all reasonable diligence in forwarding your stores?—I am not aware, but I believe that they are compelled to do so as far as their own line is concerned, but they do not exercise any control over other lines with which they may be in connexion.

13,564. Have you had any communications with the other railway companies over whose lines stores would have to be forwarded?—None whatever, excepting with the South-eastern railway.

13,565. (*Capt. Galton.*) Do you make arrangements with the company or with the carriers?—Solely with the carriers.

13,566. And you leave the carriers to make their arrangements with the different companies?—Certainly.

13,567. (*Chairman.*) Do you know whether Messrs. Pickford and Company have attempted to make any arrangements between the South-eastern and other railway companies, in order that the stores might be carried without loss of time over the different lines?—I do not.

13,568. Do they always, in practice, carry the goods to London?—Always; I may say they invariably do so, in preference to using the line of railway with which we are connected.

13,569. (*Mr. Glyn.*) Did you never apply to the South-eastern Company to give you a through rate to Devonport?—The South-eastern Company are in connexion with the South-western, but they will not undertake anything further than the limits of their own line.

13,570. Did you ever apply to them to make a through rate?—I applied to the traffic manager, Mr. Eborall, and he answered me to the effect that they could not be responsible beyond the limits of their own line, and could not undertake to deliver beyond its limits within a reasonable time (*copy of letter annexed*).

South-eastern Railway, London Bridge Station,
11th December 1865.

Sir,

Referring to your communication of the 14th September, I beg leave to acquaint you that inasmuch as this Company are not the proprietors of the railway throughout, from Woolwich to Portsmouth, I find there will be some difficulty in giving the guarantee for the delivery of the stores sent one day from Woolwich, on the following day at Portsmouth, and I could not recommend the directors under the circumstances to enter into such an arrangement.

I am, &c.
(Signed) C. W. Eborall,
General Manager.

Captain Gordon,
Military Store Office,
Woolwich, S.E.

13,571. (*Capt. Galton.*) It is not so much the question of charge that you complain of, as the delay which takes place in the delivery?—It is the delay. If, for instance, I wanted to send a gun to Portsmouth to-morrow, the South-eastern Company would not undertake to deliver it the next day at Portsmouth, they would only undertake to carry it as far as their own line went.

13,572. How long would they take to deliver a gun at Portsmouth?—If we sent it by Messrs. Pickford to Nine Elms, it would only take 12 or 14 hours.

13,573. And if you put it on a South-eastern truck, which truck goes into the arsenal, it would take longer than that, would it?—We have no security when it will be delivered.

13,574. (*Mr. Gower.*) Have you not the same power against the South-western Company that you have against the South-eastern?—We have no power against either.

13,575. (*Capt. Galton.*) They are bound, are they not, to convey military stores at a certain charge per ton per mile?—They are; but our agents, Messrs. Pickford and Company, make their own arrangements with the companies.

13,576. (*Earl of Belmore.*) Do they make a special arrangement every time?—No; we have a regular contract with them, running throughout the year, to convey goods whatever they may be.

13,577. You have a contract with Messrs. Pickford, and Messrs. Pickford have to make their arrangements with the companies when they find it necessary to do so?—Yes, quite so.

13,578. (*Chairman.*) Are there no special provisions in any Act of Parliament which allow the arsenal authorities to call upon railway companies to forward stores to any part of the country without delay?—None that I am aware of.

13,579. Do you think that any alteration of the law is desirable in that respect?—The Government should be treated the same as any private party, except in the conveyance of gunpowder and combustibles, and with regard to those articles, I think it is most essential that railway companies should be compelled to convey them whenever they were called upon to do so by Government officers, more especially in time of war or emergency.

13,580. (*Mr. Glyn.*) Do you remember some years ago a Commission being appointed, composed of certain authorities at the Horse Guards and some of the managers of the leading railways, to go into the question of the conveyance of troops and military stores upon the railways?—I have heard of it.

13,581. In consequence of the report of that Commission, was not an Act of Parliament brought in for the regulation of the traffic of soldiers and military stores upon railways?—I do not think so.

13,582. Was there not a certain understanding arrived at between the principal railway companies and the Horse Guards upon that point?—I believe that there was an understanding as to the conveyance of troops and stores accompanying them; but nothing

with regard to munitions of war which would be sent for reserve, or would be sent independently of troops.

13,583. In consequence of the report of that Commission, did not some companies, certainly the London and North-western, provide what was necessary for the conveyance of gunpowder upon the line?—They provided trucks, and most lines have gunpowder trucks; but some companies will only convey it once or twice a week. No companies will undertake to deliver it, except upon certain days which they have laid down themselves, and in case of emergency this is most inconvenient.

13,584. (*Earl of Belmore.*) As a general rule, do they send trucks containing munitions of war by special trains, or do they attach them to their ordinary goods trains?—They would be attached to their ordinary goods trains, except under certain circumstances when expedition might be required.

13,585. (*Mr. Hamilton.*) You say that in cases of emergency it might be inconvenient to have gunpowder only delivered upon certain days; has that inconvenience ever arisen?—Certainly, inconvenience has arisen. I have been obliged to send powder through London when I consider it ought to have gone direct by railway to Portsmouth or Southampton from the arsenal without going into the metropolis at all. But in the case that I mention now, namely, sending stores to Southampton for shipment, we have to send them to the Nine Elms station by vans, passing through London, instead of being put in a special truck inside the arsenal and taken the whole way without going through London at all.

13,586. Did you in that case apply to the railway company to give you a special day?—No; I allude to this transaction in connexion with the South-eastern railway not guaranteeing delivery the next day at the station to which the stores are consigned.

13,587. (*Chairman.*) Is it a matter of frequent occurrence that you have to send stores to Portsmouth or Devonport?—Very frequently, especially at this time when most important experiments are being carried on on board the "Minotaur" with guns, which affects our manufacturing arrangements and expenditure of money, as I cannot send a gun to Portsmouth in consequence of the South-eastern and South-western companies having no trucks capable of conveying it; they cannot take anything above eight tons, whereas this gun weighs 12 tons, and therefore it has to be sent by water, which causes very great delay.

13,588. It would be hardly reasonable, would it, to expect railway companies to provide those trucks unless they were paid something extra for the use of them?—The Great Northern and the London and North-western companies have trucks capable of conveying 30 tons.

13,589. Do they use them in their regular traffic?—Yes, in their regular traffic.

13,590. Do you know for what description of goods?—For boilers and engines; and the heavy guns from Elswick all come by railway to King's Cross, and then they come by water to the arsenal.

13,591. (*Mr. Hamilton.*) But those two railways are connected with manufacturing districts, and they are likely to have a demand for powerful trucks of that description, whereas in the case of the South-eastern Company they would have no such demand?—No; but in this case I think we should have a truck ourselves.

13,592. (*Chairman.*) Would a railway company object to your providing trucks of that sort for yourselves and keeping them in the sidings?—I do not imagine that they would object, as they would be kept in the arsenal.

13,593. (*Mr. Glyn.*) Have you made any application to the South-eastern Company since they have made a communication with the South-western in London?—Yes; quite recently I made this application, in consequence of what occurred when Her Majesty embarked at Woolwich. I saw a director there, and he wished me to do it. I wrote, and they sent me an answer that they could not guarantee prompt delivery.

13,594. (*Chairman.*) Have they refused to make any communications with the railways over which it would be necessary for the stores to pass?—They decline to guarantee delivery within a reasonable time.

13,595. Do you know whether any communications have passed between the different railway companies on the subject?—I am not aware.

13,596. (*Mr. Gower.*) Has the South-western Company refused to guarantee the direct transit of the stores?—No; but then we convey the goods to their line, and they go direct to the place where they have to go to, and do not leave the line at all; we take them to London, and they convey them on.

13,597. (*Chairman.*) There are two objections, are there not, to the present mode of conveyance, the first is, that you have to bring the powder and stores through London, and, next, that there is a considerable delay, and that the goods are not delivered as quickly as they might be if they were conveyed at once from Woolwich?—No, that is obviated, as our agents take them to the station in London.

13,598. Is that as rapid a mode of conveyance as it would be if they were taken by rail the whole distance?—I think it is quite as rapid, but it is more inconvenient.

13,599. (*Mr. Hamilton.*) What remedy would you propose for this inconvenience which you experience at Woolwich?—That the South-eastern Railway Company should guarantee, as far as is in its power, to deliver any stores within a reasonable time at the place to which they were intended to go.

13,600. You delivering them to the railway?—Quite so.

13,601. As I understand, you deliver them to one railway company, and wish another railway company to guarantee that they shall be delivered at a particular time?—I wish goods to be sent the same way as I should expect to travel myself, that is to say, if I take a ticket at a station connected with two or three lines of railway, for the place that I am going to, I should expect to be conveyed by the different trains taking me on.

13,602. But you cannot take a ticket from the station at Woolwich now, and book yourself to Portsmouth?—No, I cannot; but there are many places where I could under similar circumstances; it is not exactly the inconvenience I complain of, but that the railway company refuse to guarantee to deliver stores within a reasonable time.

13,603. And the reason is, that the railway connected with Portsmouth, and which runs into Portsmouth, is not the railway to which you deliver the goods?—Quite so.

13,604. What is the remedy for that?—I do not know what the remedy would be, except by mutual arrangement between the lines.

13,605. (*Mr. Gower.*) Does the South-western Company refuse to carry your goods?—No, not at all.

13,606. You cannot expect the South-eastern Company to guarantee delivery beyond its own line, can you?—I think if I send a parcel to the South-eastern Railway Company, as any private person might do, and they take it, they do guarantee its delivery at the place where it is directed to.

13,607. Although it is beyond their own line?—Yes, I think so. I think they would be responsible if they took it.

13,608. (*Earl of Belmore.*) Is it your complaint that those two railway companies will not make a through rate?—No; but that they will not guarantee reasonable expedition.

13,609. But one depends upon the other, and if they make a through rate they would be responsible for quick delivery, would they not?—I suppose they would.

13,610. (*Chairman.*) Do you know whether they book through any other description of goods for private traders from the neighbourhood of Woolwich for Portsmouth and its neighbourhood?—They will take a parcel and deliver it. I conclude if they take a parcel and book it, they are responsible for delivering it.

13,611. (*Mr. Hamilton.*) What I understand you

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to mean is, hat they should guarantee expeditious delivery?—Quite so.

13,612. That would imply that the South-eastern should have some power over the traffic of the South-western railway?—That there should be some mutual arrangement.

13,613. (*Mr. Glyn.*) I do not understand you to say that you require more expedition than would be given to any particular quantity of goods, but all that you require is that if you consign goods to them at Woolwich you shall have them down at Portsmouth according to the regular custom of trade?—Quite so.

13,614. (*Capt. Galton.*) How do you send goods to Sheerness, for instance?—Generally by barge.

13,615. (*Mr. Glyn.*) I suppose you would say that Government stores ought in fact to have the preference in conveyance on the part of railway companies rather than otherwise?—I certainly think so.

13,616. (*Capt. Galton.*) Do you provide special powder vans?—No, the companies provide special powder vans; at least most lines do, but some, I believe, have none at all.

13,617. Where there are not special powder vans do they refuse to carry powder, or do they carry it in ordinary goods vans?—There are no specific arrangements; some lines will take it twice, and others will only take it once a week.

13,618. (*Chairman.*) What would be the route that stores would take from Woolwich to Portsmouth; would they go to London if they went by rail that way?—No, they would take a circuitous route, they would go to Guildford on the South-western line, or else they would they would go by the London, Brighton, and South Coast line.

13,619. (*Mr. Hamilton.*) Why should they do that, considering that they have now actual railway communication between London Bridge and Waterloo Bridge?—There is no goods traffic communication between London Bridge and Waterloo Bridge.

13,620. (*Chairman.*) Are you of opinion that all railway companies should, on receiving 24 hours' notice, be prepared and compelled to convey powder or ammunition to any place that they may be required to convey them?—I am; and in case of war or tumult they should be compelled to convey them whenever required at any time by competent authority.

13,621. (*Capt. Galton.*) You have great difficulty, have you not, in sending stores which are required for the life-boats now?—Yes, very great difficulty, as well as in sending any combustible stores. I do not mean difficulty, but expense.

13,622. When they convey stores for the life-boats only, do they charge a very high price for them?—They do. For instance, for the carriage of 10 rockets for life-saving apparatus to Aberdeen, the Board of Trade was charged somewhere about 20*l.*

13,623. Could not you send them by steamboats?—The supply of life-saving apparatus is very pressing. A demand for rockets is often received requiring them to be sent off at once; we have not the means of sending them expeditiously by water, and we are obliged to send them by rail.

13,624. (*Mr. Hamilton.*) What would be the weight of those rockets?—They weigh 12 lbs. a-piece—120 lbs.

13,625. Was that the whole weight of the package that you sent to Aberdeen?—It was; the Board of Trade had to pay the same as for two tons of gunpowder at 8*d.* a mile, on account of there being no classification of combustibles in the same way as there is for other railway traffic; although those rockets would not be nearly so dangerous to convey as oil or turpentine, or such like inflammable articles, or at least hardly more so; they would require a light to be applied to them to ignite them.

13,626. (*Capt. Galton.*) In the event of a collision might there not be an uncomfortable accident with the rockets in the luggage van?—No, it would require fire to ignite them.

13,627. Would not a blow do it?—No, they are not self-igniting.

13,628. (*Chairman.*) Do the railway companies convey gunpowder at 4*d.* per ton per mile?—Yes, but not less than two tons to be sent at a time. Therefore if we were to send 1 lb. of powder, it would be charged as two tons. (*See conditions of contracts annexed.*)

TERMS and CONDITIONS of a CONTRACT for the CONVEYANCE of AMMUNITION made between Her Majesty's Principal Secretary of State for War and the Railway Company.

To Her Majesty's Principal Secretary of State for War.

SIR,

I HEREBY engage on behalf of the railway company to perform such services as are enumerated hereunder at the price named, and I do hereby agree to abide by and fulfil all the terms and conditions herein named.

1. The articles comprised under the head ammunition are such as tubes, fuzes, signal rockets, port fires, quick-match, blue, percussion, and long lights, powder, rockets, filled shells, gun and small-arm cartridges, with percussion caps.

2. Combustible stores to be carried by the railway company only in metallic cylinders, or in gunpowder vans.

3. The charges to be station to station, as follows:—

1. When in metallic cylinders:—One ton and upwards 6*d.* per ton per mile, below one ton ½*d.* per cwt. per mile; but the charge for a quantity below one ton not to exceed the charge for one ton.
   The minimum weight to be three cwt., and the minimum charge 5*s.*
2. When carried in gunpowder vans:—4*d.* per ton per mile; minimum weight, two tons; minimum charge, 20*s.*

4. Returned empties to be charged for according to the ordinary scale in operation for the return of empty packages.

5. The ammunition to be conveyed at the risk of Government.

6. The ammunition to be conveyed to the premises of the railway companies by the war department or the troops, as the case may be, but (except in London, where companies having termini in London will make their own charge) the railway companies will effect the delivery at the rate of 2*s.* 6*d.* per ton, with a minimum charge of 1*s.*, within the usual limits, and the ordinary additional rate for extra distances; the servants of the company to assist in loading the ammunition.

7. If the collection of the ammunition at the barracks or military station be required, the expense of such collection shall form an extra charge according to the distance.

8. The metallic cylinders used for packing the ammunition shall be legibly painted or marked "powder magazine."

9. This contract to continue in force from the date of acceptance, until terminated by three months previous notice being given by either party.

Dated this day of 186 .

Witness Signature
Address Address

Acceptance.

I hereby, on behalf of Her Majesty's Principal Secretary of State for War, accept the above tender, and agree to pay the sums to grow due thereon, according to the terms of contract.

Dated this day of 1865.

Director of Contracts.

13,629. Do you think that there should be a new classification of combustible stores?—I do. In the same manner, as all railway companies have various scales of prices for the conveyance of stores, charging more for oils and other inflammable materials, so should the same rule obtain with combustibles, which may be divided into two distinct classes, viz., those that carry ignition in themselves, and those that require the application of fire to ignite them, and these classes may be again divided into others. The first into two, namely, explosive and non-explosive; and the second into three, namely, explosive, incendiary, and non-explosive. The explosive of the first class would be represented by shells filled with powder and with percussion fuzes in the fuze holes, or by small arm ammunition of a self igniting character. The non-explosive, on the other hand, would be confined to friction tubes and percussion fuzes. The explosive

of the second class would be comprised in gunpowder, filled shells without fuzes, and small arm ammunition made up without caps. The incendiary, of rockets of all kinds, whether signal, life saving, or war, as well as of fireworks generally, that is to say, that after they were lit they would fly about and set other articles on fire, although they would not explode. The non-explosive would be represented by common fuzes, quick match, port-fires, long and signal lights, light balls, carcasses, and tubes requiring fire to ignite them.

13,630. (*Capt. Galton.*) But railway companies object to such a classification, do they not?—I do not think so. I believe that our agents, Messrs. Pickford, send combustible stores and the companies do not object. I believe gunmakers send their ammunition by railway just the same as other packages without ever declaring it at all.

Capt. H. W. Gordon, C.B.

27 Feb. 1866.

13,631. Have you ever sent a gun by railway?—Yes.

13,632. How long does it take?—It takes a long time, on some occasions.

13,633. For instance, three or four days, perhaps?—It would take three or four days sometimes, and this is very inconvenient, especially when experiments are going on at Portsmouth, and when it is most important that it should be delivered with the utmost expedition.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Thursday, 1st March 1866.

PRESENT:

The Right Hon. The Earl of Belmore.	Geo. Carr Glyn, Esq., M.P.
The Right Hon. Lord Stanley, M.P., F.R.S.	Capt. Douglas Galton, R.E., C.B., F.R.S.
The Hon. E. F. Leveson Gower, M.P.	E. T. Hamilton, Esq., M.P.
Sir Rowland Hill, K.C.B., F.R.S.	
T. B. Horsfall, Esq. M.P.	William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

James Allport, Esq., further examined.

J. Allport, Esq

1 Mar. 1866.

13,634. (*Chairman.*) You wish to make some additions to the evidence you gave on the last occasion?—Yes; since I was here some additional evidence has been given as to the coal traffic of the Midland Railway. I have received a memorial that was sent from the Wingerworth colliery proprietors. Unfortunately I have not had much time, as I only received it this morning from Derby, to go into all the particulars. They state, "The railway companies (almost all of "them, and particularly the Midland, and London and "North-western), require the coal merchants or coal "masters to provide waggons for the traffic." That is perfectly true. When the coal trade was first established on railways, the coal owners preferred finding their own trucks, and that has continued; so far from being compelled to do so, it was only yesterday morning that I was talking to one of the largest coal merchants in the kingdom, and suggested to him the propriety of the railway companies buying the trucks; I know that several of them positively refused, and if they bought them it would be but partially done, for many of the coal owners would still prefer to find their own, and it would scarcely do to have a double system. My view decidedly is in favour of the companies finding the trucks, the work would be done at much less cost, and much fewer trucks would be required for the purpose.

13,635. (*Capt. Galton.*) Why do you think that they prefer finding them for themselves?—Because they have them so entirely under their own control; they think they get more work out of them, but I think the opinion is not shared universally by them. To take the Clay Cross Company, and two or three other companies, the Staveley Company, who are large coal owners on the Midland line, they would prefer the railway company finding the trucks, but unless it were done generally, I do not think it would work well. The Commission, however, I think will see that it would simplify the work; we get a train of 50 empty coal trucks consisting of the trucks of 25 or 30 owners, and these are mixed together, having been picked up at various stations; they are in great confusion, but they must stop somewhere upon the line to be shunted. You cannot leave one man's truck at another man's colliery, but if all the trucks belonged to the railway company, then we should merely leave a certain number, according to the requirements of that colliery, and I think it would be better for the trade generally.

13,636. You think you would use a much smaller number of trucks altogether?—Yes. It often happens that one or two collieries are very busy, and they cannot find a sufficient number of trucks, while other collieries may have but little to do, and if the railway company owned all of them, that state of things would be remedied.

13,637. There would be a sort of average number required?—Yes. At the present time I believe we have 20,000 or 22,000 trucks belonging to private owners on the Midland Railway

13,638. What diminution in the number of trucks employed, do you think, could be made if the whole of them were owned by the railway company?—Fewer certainly, perhaps one-fourth less, and that would be a great assistance to the companies; it would also save a great expenditure in sidings and for shunting. At two or three places on the Midland line we have laid down a system of sorting sidings. We have one set on the Erewash Valley line, and I suppose at that place we have 15 or 16 miles of sidings. At a place called Chaddesden, a mile and a half out of Derby, we have 14 or 15 miles of sidings, and a considerable part of those would be saved if the trucks belonged to the railway company instead of to the various private owners.

13,639. (*Mr. Glyn.*) Have you calculated how many trucks you would require for the whole of the traffic?—I cannot speak positively about it, but I think where we have from 20,000 to 22,000 on the Midland Railway, we could do with certainly one-fourth less, if not more. I have been long of opinion that it ought to be done.

13,640. (*Mr. Horsfall.*) I think you have stated that the trucks carried six tons each?—The older ones were made to carry about five tons, but they have gradually increased in size, and they now carry five, six, and eight tons, and even up to ten tons.

13,641. (*Chairman.*) Ten-ton waggons, I believe, are by no means uncommon now?—No. I do not think it is the best form of waggon, because I think it is too great a weight upon two axles; they are not so convenient to work as six or eight ton waggons.

13,642. (*Mr. Horsfall.*) Originally, I believe, you only allowed waggons to carry four tons?—The ordinary goods waggons were limited to four tons, and if it was so originally with coal waggons it must have been many years ago.

13,643. When you subsequently allowed them to carry more tons per waggon, did you require the axles to be altered?—We never had any restrictions of that kind. We allowed the coal owners to put trucks upon the line to any extent they pleased, not exceeding seven tons. I am not positive about that, but of course a

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seven-ton waggon would require a stronger axle than a four-ton waggon. I have no recollection of any alteration being made in the waggons carrying four tons.

13,644. A complaint has been made to me that originally you would only allow four-ton waggons, and that you subsequently required the Wingerworth Company to alter their axles, while at the same time you allowed the Staveley Company to run with their old waggons?—I entirely deny that it is so; such a thing has not occurred since my connexion with the Midland Company, or since 1852.

13,645. Are you satisfied that it is not the fact?—I am quite certain of it. Whatever regulation might be in force would be applied to the whole of the collieries alike both before and since my connexion with the Midland Company.

13,646. How long are you in taking coals from Clay Cross to Derby?—I think about an hour and a half.

13,647. I have a statement before me in which it is said from Clay Cross that the length of time required for delivery in Derby varies from two to six days?—It is quite impossible.

13,648. In December?—I think it is a pity that the Wingerworth people did not send this to me, to enable me to test it, for I unhesitatingly say that this is not a true statement. It would be impossible for the Midland Company to carry on their traffic if there was any foundation for such a statement. We have now from 130,000 to 140,000 tons a week, and without the greatest system of regularity and care we should get into confusion. This I can assure the Commission, that no complaint of this kind has ever reached me from the Wingerworth Company, and I was very much astonished to receive a copy of the memorial through the secretary this morning, but I should be very glad to test this identical paper which I have had handed to me.

13,649. I think it is very desirable, because the gentleman who forwarded it to me I know to be a person of great accuracy in his statements?—I will look into it, and this brings me to a point that I was going to allude to in this evidence, and also in the Nottingham evidence. The railway company has no control over these coal waggons, and the consignment of the coal traffic is altogether different from the goods traffic. The goods traffic we load and unload, and we dispatch the waggons at our own time; we receive them at our stations by our own servants, and we handle the goods entirely, and as long as they are upon our premises. But with the coal traffic it is not so; the waggons are loaded by the coal owners and brought to us at a siding; they are consigned to their own people and we know nothing of them, and all we do is to carry the trucks from Clay Cross to Derby or any other station. They are then put into sidings, and there is no doubt that the consignees are very frequently detaining these trucks, and that is one of the great sources of inconvenience to us, so much so that we have been obliged to charge siding rent, if they have been kept beyond a certain time, and we have done so to prevent the stations being entirely blocked up. But to say that trucks would be two days or five days going from Clay Cross to Derby, a distance of 20 miles, is simply an absurdity.

13,650. (*Mr. Glyn.*) They use your sidings as depôts?—Yes; and we have really no control over the trucks until they come upon our line, nor from the time that they are put into the sidings at their destination.

13,651. (*Capt. Galton.*) Referring to the waggons again, if it would save a third of the number of waggons you use upon the line, and also a very large amount of the working expenses in conveying the trains and in sidings, is it not worth your while to offer terms to the colliery owners which would induce them to give up their waggons into your hands?—It has grown into such a large question now that it is a very difficult thing to deal with the waggons upon the Midland Railway, and would probably involve an expenditure of a million sterling.

13,652. For the purpose of purchasing those private waggons?—Yes; in round numbers, if there are 20,000 waggons probably worth 50*l.* apiece, that would be exactly a million, so that it has really become a most serious question to deal with.

13,653. If you could use that number of waggons to carry a third more trade than you now carry, or half as much again as you now carry, would it not be worth your while to offer favourable terms to them to give up their waggons?—We allow the colliery owners now a certain sum per ton for finding the waggons, about 9*d.* per ton, and that is a very liberal allowance; it is very likely that we might be able to make an alteration, but I do not think it would amount to any per-centage per ton. The quantity now carried is so large, upwards of six millions of tons, that the saving would be such as to be a very small per-centage per ton.

13,654. If two waggons did the work of three there would be a great saving?—Yes.

13,655. How many tons does a waggon carry in a year?—I cannot tell how many tons the coal waggons carry; our goods waggons will carry, I suppose, from about 400 tons a year to 500 tons.

13,656. That is getting more work out of them than most railway companies do?—I think we do. I have had to compare notes with several large railway companies, and I have found our waggons earn more money per annum than on most of the other railways. I may state that in the numerous collieries on the Midland Railway, amounting I suppose now to 200, I do not think that the coal owners would make, except the Wingerworth Company, such a charge as that against the Midland Railway Company, but on the contrary. During the late autumn, when there is always a great press of business, our trade has been stopped at various junctions by other companies, and in no single instance have we ever delayed a train or waggon of coal that I know of during the entire autumn or winter up to this day.

13,657. (*Mr. Horsfall.*) You may not be aware of the fact, but if you will observe in that statement the number of the waggons is given, and the date when the delay took place, and you will have ample opportunity of testing it?—Yes, I shall be able to trace every waggon, and I shall be happy to do so, and furnish the Commissioners with the result.

13,658. I think you stated that no complaint had been made to you as to these delays?—Yes.

13,659. If you will look at this letter of your own (*handing the same to the witness*), you will see that complaints have been made?—This is dated September 29th 1864, and I should remark upon this that at this time, and for a considerable period of time in 1865, as no doubt the Commissioners must be aware, there was a strike in Staffordshire among all the colliers, so that the entire of Staffordshire was out of work. This threw such an immense amount of work upon the Midland Railway Company, and upon the collieries in Derbyshire and Nottinghamshire, that the receipts from the coal traffic alone for many months averaged between 3,000*l.* and 4,000*l.* sterling more than in the corresponding period in previous years, and that will show the enormous amount of work that was thrown upon us, and we had the greatest difficulty in getting this coal carried away into Staffordshire; we do not go into Staffordshire ourselves, and I can quite understand that in October 1864, and in January 1865, this might have occurred, if this applies to that date.

13,660. It applies to last December?—It does not say the year.

13,661. I think the inference is that it is so?—I question it very much; the last letter is January 21st, 1865. I observe in one of my letters I say, "I have had an "inquiry made into the subject of your note of the "26th ult., and find that the accident in question was "caused by the defective condition of the draw bar of "one of your waggons, which I learn had just been "welded."

13,662. I do not produce this to show that your justification is not a good one, but because you said you had had no complaint?—I thought you said December; my mind was running upon December 1865, and this is December 1864, more than 12 months ago,

if this refers to that period, I at once withdraw what I have stated, but if it refers to December 1865 I do not think there is any truth in it. I am very glad I have seen the dates.

13,663. (*Chairman.*) You think it is very probable that the waggons of the coal owners are detained a considerable time in the sidings?—Yes, they are, very much indeed.

13,664. But that is owing to circumstances over which you have no control?—Yes; the memorial goes on to state that "the railway companies sometimes "delay them five or six weeks;" that delay is caused as I state, and we are constantly pressing upon them to empty the waggons; they are not delayed by the company. Then they say, "and at other times smash them up "in shunting, and refuse to pay compensation, alleging "the damage to be caused by wear and tear." Our system is this, if a waggon fails from being made of defective material, or from ordinary wear and tear, and is damaged, we send it back to the colliery naturally to repair it, but if it is damaged from any fault of the company we invariably repair it and send it home. If a waggon is a Clay Cross waggon, and breaks down and damages, from defective material, half a dozen waggons belonging to the Staveley Company, we should repair the Staveley Company's waggons and return them without any charge, but we should not repair the Clay Cross waggons having caused the accident. If we damage any waggons by our servants we invariably repair them, and we pay large sums every year for the repair of these waggons; in a great measure it is caused in this way, one colliery owner's waggon is damaged by another colliery owner's waggon failing.

13,665. (*Capt. Galton.*) You call upon the coal owner whose waggon fails to repay you?—Never.

13,666. (*Earl of Belmore.*) When a private owner puts a new waggon on to the line, do you have any inspection made of it to see that it is not defective?—We do; we do not say that it shall be made of any particular dimensions or material, but we examine it to see that it is a safe waggon and fit to run; we do not put any restriction upon the construction of a waggon.

13,667. But you do put a restriction upon the number of tons it has to carry?—Not up to 10 tons.

13,668. (*Chairman.*) Have you many disputes with the colliery owners about the breaking down of waggons?—We have had one or two with the Wingerworth Company; we have had many disputes with that company as to their waggons, and we have had probably more than with any 20 collieries put together on the Midland Railway, and it arises partly from the weak construction of their waggons. Unfortunately there is a heavy incline, a self-acting one, over which the waggons have to be worked. We frequently have the chains and couplings break, and the waggons run adrift and they are very much broken, but at other times a sudden snatch will break the rope on the incline, and when the rope breaks or anything occurs to the machinery we invariably repair the waggons, but we do not do so when they fail from defects in the waggons themselves.

13,669. (*Mr. Glyn.*) Is that their own incline?—No; it belongs to the company.

13,670. (*Mr. Horsfall.*) You say that the Wingerworth waggons are more weakly constructed than the waggons of any other company?—No; I did not say that, but owing to this incline, I said that we had had more complaints from them than from any other.

13,671. I have a letter here of yours, dated 14th November 1865, in which you say, after alluding to the damage, "However, as the work is not now so "heavy, and I find we shall be able to clear your "present traffic by running down four waggons each "journey, arrangements have been made for this to be "done;" evidently showing that the complaints have been made so recently as November last?—That is damage to the waggons in consequence of a press of business, and at their own request we ran, I think, five waggons instead of four for the sake of getting through the business. My letter alludes to reducing the number, the press of business being over. I said that we should reduce the number of the waggons; and that was entirely to avoid breakage.

13,672. It appears to have reference to the damage. Then the intermediate portion of the letter appears to have reference to another complaint, because you go on again to refer to the damage?—It all refers to the damage. I say, "I have had inquiry made "into the subject of your note of the 26th ult., and "find that the accident in question was caused by "the defective condition of the draw-bar;" this is exactly what I stated, "There does not appear to be "any ground for the supposition that the breaks were "applied too suddenly; nor do I think that under ordi-"nary circumstances, there is any danger in running "five loaded waggons down the incline at a time. "However, as the work is not now so heavy, and I "find we shall be able to clear your present traffic by "running down four waggons each journey, arrange-"ments have been made for this to be done. With "regard to the damage the waggons sustained in conse-"quence of the accident, I must at once decline to "admit any liability on the part of the Company in "respect to them, as I do not consider our people at all "to blame in the matter." It all refers to what I have stated, the draw bar causing the waggon to give way.

13,673. (*Chairman.*) I suppose you are the sole judges of the cause to which any damage is attributable?—If there is any dispute we always invite them to meet one of our inspectors on the ground, and if they agree as to the cause of the accident, and say that it is the fault of the Company, we pay for the damage without a moment's hesitation.

13,674. Is it the fact that the Midland Company charge 5*s.* 4*d.* per ton from Clay Cross to Grantham, when they charge only 4*s.* 4*d.* by the South Yorkshire to collieries coming on to their line at Swinton, which is 20 miles farther off than Clay Cross?—I have not our rates with me.* Coals coming on to the Midland at Swinton, come from collieries on the South Yorkshire Railway, and a through rate is the charge made, and that should be taken into account in the Midland proportion. I am not prepared to say that that is the Midland proportion of the through rate; but this I will say, that there is no charge made for coals north of Clay Cross, where the Wingerworth coals come on at a less gross sum than the Clay Cross Company is charged; not a single instance. The South Yorkshire Company require a considerable toll; that is added to the through rate, and the total charge is made up; the object being to put all the coal owners in a position to compete with each other. If we were not to do that the more distant collieries in Yorkshire or Derbyshire could not compete at all; take, for instance, the London market. The entire coal trade of London by railway would be confined to a few collieries—the nearest; whereas by graduating our scale, and still keeping a higher gross charge for the longer distance, we enable nearly all the collieries, from one end of our line to the other, to come to the London market, and every other market. That is the system we have adopted, and I believe it is a sound commercial principle that would influence any tradesman in any branch of business.

13,675. There is also a complaint against your company for having refused to carry coals to Birmingham and Nottingham, unless it were confined to merchants of their own choosing?—I desire to go into that a little further, and I have got some papers connected with that matter since I was here last, but for the present if you please I will go to the memorial. The next paragraph states that, "Lower rates are given "to large collieries for gas coals and on quantities "which smaller collieries cannot raise; this is mani-"festly unjust to small colliery owners." With regard to gas coal we make a reduction, and it must be a very small colliery indeed that cannot comply with our

* The following note was subsequently added by the witness:—Swinton is a common point to both the Great Northern and Midland; and as the Great Northern route to Grantham is shorter than the Midland, our rates are necessarily governed by those of the Great Northern.

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requirements. I hold in my hand a circular which has been in existance for years, which I will read, "On "fly leaf hereof I hand you the rates that will be "charged, and the drawbacks that will be allowed "upon coal in owners' waggons from your collieries "for gas coal contracts of not less than 500 tons per "annum, or for not less than the whole annual con- "sumption of coal, where less than 500 tons is con- "sumed." Suppose a gas work can only consume 300 or 400 tons, then a drawback is given; but it is on gas coals, and it must be an exceedingly small colliery that could not raise 500 tons of coal per annum, or 5,000 tons, so that that complaint falls to the ground. Then we say, "When drawbacks are claimed certifi- "cates will be required signed by the manager or "secretary of the gas company, to the effect that the "coal has been used for gas purposes, showing date, "weight, and waggon number." That is the circular that the Wingerworth Company had, the same as any colliery upon the Midland Railway.

13,676. (*Sir R. Hill.*) Do all the collieries sending 500 tons per annum pay at the same rate?—They have the same drawback. We allow so much per ton drawback upon the total consumption of the gas works.

13,677. The first gross charge being a uniform one? —Yes. The certificate of the gas manager or secretary is required, and then we allow them a drawback of so much per ton.

13,678. The result of their sending so many as 500 tons per annum is, that they pay a net sum at the same rate per ton?—Yes; and in fact the circular does not limit it to 500 tons, for it turns out that in small villages they are now putting up gas works, and they do not perhaps use 500 tons, and we added to the clause to meet those cases.

13,679. Your expenses, I presume, are less in proportion to the quantity, that is, if you deal with a large quantity, and if you deal with a small quantity?—Yes. Gas coal generally goes in train loads, and they get it at a certain time of the year. The memorial states, "Lower "rates are given to large collieries for gas coals, and on "quantities which smaller collieries cannot raise; this is "manifestly unjust to small colliery owners." I presume there are two questions there, the large quantities of gas coals; but as I stated before, we have no separate charge for large or small quantities on the Midland Railway. The Clay Cross Company is the largest colliery probably on that railway, and the Wingerworth is a small one, but coming on at the same spot, the charges are precisely the same, except that in the case of the Wingerworth, it comes two miles further down this incline, for which they pay an extra mileage, but nothing for the extra expense of the incline. In saying that there was no differential charge made, I may observe that some few years ago an application was made to us to reduce our charge or give a rebate upon quantities going into the Eastern Counties district, and it was stated to us that if we would do that the trade would be very largely increased. We consented to give that rebate, provided a certain quantity was sent, but we said we will not give this rebate to the coal owners as it will have the effect of throwing the entire trade into the hands of certain large collieries. We prefer to give it to the coal merchant in the Eastern Counties district, and have a certificate from the manager of the Great Eastern Railway that those coals have been sent; and the result is that the gentleman whom I spoke to yesterday gets coals from many collieries on the Midland line, and if he gets 50 tons from Wingerworth, and 50,000 tons from Clay Cross, he would get a drawback on both alike; consequently the Wingerworth Company would be placed in the same position as the Clay Cross Company; but if we gave a rebate to the coal owners, the Clay Cross Company would get the rebate, and the Wingerworth Company would not. There is not the slightest foundation for the charges in the paragraph that I have read. Then it says, "An arbitrary charge is made "for siding accommodation and signalmen's wages at "some colliery junctions, while other collieries are not "required to pay any expenses of this kind." That is true to this extent; where we have sidings at a station, and where the ordinary staff at a station can work those sidings, we do not charge the coal owners, but we take the expense entirely upon ourselves. But where a siding is brought upon the main line between stations, and we are obliged to put up separate signals, and employ a man, we do charge; and that is uniform throughout the entire system. We endeavour to relieve the coal owners as much as we can from these charges, and latterly, in order to relieve them still further we have made an arrangement by which the Company take upon themselves half the expense of the signalman's wages in all cases; but it would manifestly be unfair to ask the Company to put in a siding, and put up expensive signals which certainly do not cost less than from 100*l.* to 130*l.* a year, including wages, and other expenses.

13,680. (*Chairman.*) Are there many instances besides the Wingerworth colliery where special signalmen are necessary?—I am not in a position to say that the Wingerworth Company do pay anything. I think that the Wingerworth Company pay nothing.*

13,681. (*Capt. Galton.*) I suppose there is a certain amount of traffic which would induce you to put in sidings and signals without charging anything?—No, we do not do that. That would be construed into a favour given to one colliery over another. A man would say, I do as much as I can, and it is not fair to charge me for signals when you do not charge another party. When the signals are at a station we do not charge, but when they are away from the stations we do. Knowing as I do well the Wingerworth incline, I am strongly of opinion that the Wingerworth Company pay nothing for signals at Clay Cross; but I will look into it.

13,682. (*Mr. Horsfall.*) Perhaps you will at the same time have the complaint as to delays tested, and inform the Commission of the result?—Yes. That, I think, exhausts the Wingerworth complaints, except Birmingham and Nottingham, and that will take me back to the Nottingham case. I have made it my business to inquire about the extra charge for coals which is stated to have been made in consequence of the change that we made about the middle of last year. I have three letters from coal owners, and I have five letters from coal merchants. I will read the coal owners' letters. The owners of the Hucknall Torkard Colliery say, "We have to acknowledge receipt of "letter from Mr. Tatlow of February 26th, addressed "to writer, respecting arrangements for coal traffic at "Midland Wharf, in Nottingham. With respect to "the statement that the restrictions on the number of "coal merchants there 'has caused a rise to be made "'in the price of coal sent from the collieries over the "'Midland line to Nottingham,' so far as we are con- "cerned, this and the empty waggons returned would "probably have led us either to refrain from sending "coal to Nottingham, or to have raised the price, so "as to have covered the loss of waggon hire, &c. We "think it is evident that what facilitates the trans- "mission of the traffic of coal must in itself be "admitted to be advantageous to the consumer, and "we are not aware of the existence of any cause in "the place to which we have been referring that is at "all likely to neutralize the benefit derived from a "restriction of the number of the coal merchants." I have another from Nottingham. "In reply to your "inquiry in reference to the sale of coal being "restricted to nine merchants at Nottingham station "having had the effect of advancing the price of the "coal at the collieries, we beg to say that no alteration "has been made in the price of our coal for that "market for more than 12 months, and, as far as we "are aware, the present system works satisfactorily." This is another: "In reply, we beg to say that the "changes made in June last has not had the effect

* The witness afterwards added the following note:—No signalling charges are made in respect of the Wingerworth Colliery at Clay Cross; but that company do pay such charges for their Avenue Colliery situate between Clay Cross and Chesterfield, and rendering extra signals necessary.

" of advancing the price of coals at the pits, as no " general advance has been made for more than 12 " months past. We consider the restrictions were " necessitated by the circumstances. The traffic now " works better in consequence of the limitation of the " number of traders." I had a similar circular addressed to the coal merchants, and five out of nine have sent replies ; the others have not. "In reply to " your inquiry, we beg to state that we have not made " any advance on the price of our coals since Septem- " ber 1864. There has been an exceptional case or " two, in which one or two of the collieries have " advanced us, but we have not charged it to our " customers." This is another : "In answer to your " inquiry, I beg to inform you that the price for coal " at Nottingham is the same now that it has been for " a period of more than 12 months past." Another writes : "This is to certify that I have not advanced " the price of any of my coal since October 1864, " although two of the collieries advanced the price " to me."

13,683. (*Capt. Galton.*) When was this system commenced ?—About the middle of last year. This is another : "In answer to your inquiry, the price of coals " is the same as it was 12 months ago." This is another : "In reply to your question, I have to state " that (with two exceptions) there has been no altera- " tion in our prices of coal since October 1864. The " two exceptions in question are the Bennerley coals, " the colliery having advanced them 6*d.* per ton, and the " Grassmoor coals, which the Grassmoor Company have " reduced 3*d.* per ton ; our prices have simply been " altered for those two coals only in the same ratio." Referring again to the Wingerworth Company, I have a return before me showing the quantity of coals sent from the various collieries into Nottingham, and the parties are named. I find that there were 67 coal merchants in a place like Nottingham, and of course it is idle to suppose that the traffic could be conducted with anything like satisfaction either to the company, the coal owners, the coal merchants, or the public ; but this return is for the month of December 1864, and during the entire of that month, it appears that the Wingerworth Company sent four waggons to Notting- ham out of a total number of 1,571.

13,684. (*Mr. Horsfall.*) Do you know what is the total getting of the Wingerworth Company during a week ?—I should think, perhaps, 2,000 or 3,000 tons weekly ; it may be 5,000, but I really cannot say. I have also had taken out a return for three months before the alteration took place, and since the altera- tion, and for the same three months at Nottingham I find that in November, December, and January in 1864, 1865, and 1866, the quantity has increased from 21,657 tons in three months, when we were in a state of confusion, to 24,579 tons since the alteration was made, so that the traffic has increased very considerably at Nottingham, and I have not had a single complaint from any of the public, nor from any of the large coal dealers. I find that a great number of the small dealers in three months only received a single waggon, or they were running from one to 10, or 14, or 15. There was a man of the name of Brentnell who com- plained very much ; he said that his trade had been stopped. Out of 24,079 tons he had only in three months about 150 tons, and whereas nine traders had 3,543 trucks during that time Mr. Brentnell had only 25 trucks. It was also stated by Mr. Brentnell that Mr. Revill was stopped in consequence of not conforming to the regulations and not paying our demurrage. I hold in my hand an agreement that was signed by Mr. Revill, and this is signed by all parties using the coal wharves. " In consideration of the Midland Railway Company " affording me siding accommodation at their coal " wharf at Nottingham, for the receiving and unload- " ing the coal which may be conveyed by them, and " consigned to me at such wharf, I hereby promise " and engage with and to the said company, that I " will cause all waggons whatsoever, containing coals " consigned to me, to be unloaded within two clear " days after their being placed upon the said wharf ; " or that in case of neglect I will pay to the " Midland Railway Company, on demand, for the " occupation of the siding, and for the trouble and " inconvenience which may be thereby occasioned, " the sum of 1*s.* for every day or part of a day that " each waggon shall remain unloaded after the expira- " tion of the said period of two clear days." We allotted to this man sufficient room for seven waggons, and I find by the return that he frequently had 15, 20, and even 25 waggons with no place to put them in, and he then refused to pay the time rate, and we did issue the circular stated. The circular was issued on the 7th November, in consequence of his refusing to comply with the agreement he had signed ; he then intimated his intention to comply with it, and on the 15th November, eight days after, the restriction was with- drawn, so that he had very little to complain of.

13,685. What company is Mr. Brentnell connected with ?—He does not represent any company, he was one of those small coal merchants.

13,686. (*Mr. Hamilton.*) You stated in answer to Captain Galton, that if the railway company provided all the waggons it would require an expenditure of something not far short of a million ?—Yes.

13,687. You estimated the number of waggons at 20,000 ?—Yes ; or from that to 22,000.

13,688. Do you estimate the cost of a waggon at 50*l.*?—Yes ; originally they cost more than 50*l.* I may have been a little over the mark in saying a mil- lion, because many of them would be probably cheaper, and we should buy them as low perhaps as 25*l.* or 30*l.*, in consequence of their age, but a new coal waggon now will cost about 80*l.*

13,689. (*Lord Stanley.*) To carry what load ?—It makes very little difference whether it is six tons or eight tons ; we have just contracted for 1,000 mineral waggons, very similar in construction to the coal waggons, and I think the price is 84*l.* per wagon.

13,690. (*Mr. Hamilton.*) If the stock was new, your estimate was within the mark rather than over it ?—Very much within it.

13,691. (*Chairman.*) Do you think that if the coal waggons all belonged to the company there would be much difficulty in satisfying the trade that they were fairly dealt with ?—I think not ; I should mention that many years ago, when I had the management of the York, Newcastle, and Berwick Railway, we adopted that plan and bought the coal owners' waggons ; it worked very satisfactorily, and it has continued to this day. On the North-eastern Railway they do find all the waggons, and on the Great Northern the company find the greater part of the waggons. I think probably they have complained occasionally of the trade perhaps outgrow- ing the supply of waggons ; I think that is very likely.

13,692. (*Mr. Glyn.*) I suppose the circumstance of a railway company owning the waggons would very likely tend to prevent the waggons being defective ?—Yes ; no doubt they would be a better class of waggons.

13,693. (*Sir R. Hill.*) How many waggons does your company own ?—We have none, except for our own purposes.

13,694. All your customers supply their own waggons ?—Yes.

13,695. Do any of the goods waggons belong to in- dependent parties ?—I think not.

13,696. This arrangement is peculiar to the coal waggons ?—To what we term the mineral traffic, it is for coals, and iron ore, and limestone, and that descrip- tion of traffic, that the owners find the waggons.

13,697. (*Mr. Glyn.*) In fact the mineral traffic is conducted on entirely different principles from the goods traffic ?—Yes, entirely. We do not know whether the coals are required or not, they are brought to us, and we carry them to their destination ; a piece of paper is handed to us to this effect, " Receive so many wag- " gons of coal for so and so, Birmingham or Notting- " ham," and we take them there ; we do not know whether they are required. It is a constant occurrence that when the coals reach their destination we find that the person has already his siding or his wharf tolerably

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full, and he cannot receive them, then we put them into sidings to wait until he can receive them.

13,698. Unless you entered into some different system for delivering the coals, would it be possible to make any arrangement to allow them to carry on the traffic regularly ?—Not unless we took it into our own hands.

13,699. Have you contemplated also delivery at the station at which they arrive ?—No ; but I should adopt different regulations if the coal waggons belonged to the company. I should then more rigidly enforce the emptying of the waggons within two days, or not exceeding that. It is very obvious that the Derbyshire coal is not like the north country coal, where you can open a door at the bottom, and the coal all falls out into the cells. The other coal has to be lifted out of the waggons and stacked on the ground. If a coal merchant can sell his coal direct from the truck, and they can come to the station for a ton of coals, he goes to the truck while it is on their own siding, and the result is that he saves labour on that coal. It is a great temptation to a merchant to delay the trucks from that cause, and that is what we have to contend with. If the trucks belonged to the railway company I should certainly enforce the regulation that the trucks should be emptied within two days after they were placed on the sidings.

13,700. You would do that, I suppose, by imposing a heavy fine ?—We should charge them a rent of 1*s.* a day per truck.

13,701. (*Sir R. Hill.*) Do you charge that as the rent now if the trucks remain unemptied an unreasonable time ?—We have such a regulation in force, and when we get such a man to deal with as Mr. Revill, who really set us at defiance, and blocked up our sidings, then we enforce it, not for the sake of revenue, but in order to get rid of the traffic, and to work it satisfactorily.

13,702. (*Mr. Glyn.*) You do it for the purpose of maintaining the regulations ?—Yes.

13,703. (*Mr. Hamilton.*) Would not the saving of plant ultimately be for the benefit of the public ?—No doubt of it.

13,704. That, I think, was the drift of the questions put to you by Captain Galton, that by becoming proprietors of the waggons you would be enabled to save plant, and the public would in the end be really the gainers ?—Probably it would not lead to any perceptible reduction in the price, because the coal owner must charge for the use of the waggons ; he may charge a little more, because every coal owner must now have his own separate establishment, or pay for the repair of his stock, but if the company had them they would be repaired at the central establishment of the company, and they would no doubt be repaired at a cheaper cost at one establishment than at 20, 30, 40, or 50 spread over the country, and to that extent there would be a saving ; we charge so much less, the average is about 9*d.* per ton per trip for the carriage of coal less than other companies charge who find waggons ; we should have to make a charge of that kind if we found the waggons.

13,705. (*Mr. Hamilton.*) From which party would the objection proceed to such a change, the railway company or those who own the waggons ?—I think some railway companies are not prepared for it. My own directors do not by any means all agree with me in the desirability of purchasing these waggons ; I know that other companies entirely differ from me in opinion, that the railway companies should purchase the waggons, and I do not think that the question is ripe for dealing with just now.

13,706. I suppose it comes to this, that the saving would be too small to compensate for the increased responsibility connected with such a regulation ?—It would be more in time and convenience, perhaps, than in money. Certainly there would be a considerable saving of time in getting the waggons cleared out, and getting them away, and in the convenience of not having so large a number filling up the sidings.

13,707. (*Sir R. Hill.*) If I understand you, there would be a saving of about 7,000 waggons ?—I may have said that rather hastily.

13,708. At all events several thousands ?—Yes, no doubt of it ; out of 22,000 waggons we might save a fourth or a third.

13,709. There would be a saving of 5,000 or 6,000 waggons, and a further saving of the standing room for so many waggons ?—Yes.

13,710. Would not those two savings amount to a sum which might be advantageously divided between the company, the coal merchants, and the coal owners ?—It might come to that, but I do not think when you come to take a large quantity, five, or six, or seven millions of tons, it is very appreciable.

13,711. (*Mr. Hamilton.*) Is it not one of your principal duties, as manager of the goods traffic on the line, to take care that there is the greatest amount of work got out of every waggon ?—Yes.

13,712. Is not that one of the secrets of success ?—Yes, and we flatter ourselves on the Midland line that we do get, not only out of the coal waggons, but out of our goods waggons, more than upon many railways in the kingdom. We have a large staff of inspectors, whose duty is chiefly confined to looking after these trucks, and to see that they are not delayed.

13,713. To see that there are no idle waggons ?—Yes.—It is not our interest to have the Wingerworth or any other coal owner's waggons standing idle, we would much rather see them moving.

13,714. Has it ever happened that by changing an inspector and getting a more efficient officer at particular points you have got a greater amount of work out of your waggons ?—I think not. We hope that our servants are looked after pretty well.

13,715. Still one great object of management is to keep the waggons always at work ?—Yes. I have observed that one witness suggests that all the waggon stock should be one common stock.

13,716. (*Chairman.*) Of all the railway companies ?—Yes. Mr. Brown gave that evidence, but I can conceive no system that would lead to greater confusion than that, or greater delays and inconveniences. There are certain districts where the traffic is very large, and the companies would take good care to keep all the waggons they possibly could in their own hands, to the exclusion of other districts. It is a subject that has been mooted as to having a universal waggon stock over and over again, and I have been on certainly four or five committees for the purpose of considering the best system for interchange, and usefully employing the return empty waggons, and the result of our meetings and consideration is embodied in the railway clearing-house regulations. We do, as far as possible, allow return empty waggons to be loaded. Take for instance, on the London and North-western, a waggon is loaded to Derby, if we have a load to send back on to the London and North-western, we are allowed an extra day to keep that waggon, to load it back on to the parent line. All that has been done to the fullest extent that it can go, but a universal stock would, in my opinion, be a universal confusion.

13,717. (*Sir R. Hill.*) Does any considerable proportion of the rolling stock belong to the rolling stock companies or the waggon companies ?—Yes, but they hire them to the various coal owners. They are not worked in common. A coal owner will hire a certain number of waggons for 12 months, and for that time they are to all intents and purposes the coal owners' waggons.

13,718. Is the company remunerated by a mileage charge ?—No, I think they charge so much per annum for the waggons, a charge varying from 9*l.* to 11*l.* and 12*l.* per annum, according to the size and value of the waggon.

13,719. Without regard to the distance run by those waggons ?—Quite so.

13,720. Are locomotive engines supplied in a similar manner ?—I think not.

13,721. Or ordinary passenger carriages ?—I am not aware of any instance of the kind ; it merely applies to coal waggons. It is, perhaps, to relieve the coal owner of a certain amount of expenditure of capital.

13,722. (*Chairman.*) Do you think that improvements have taken place latterly in getting work out of waggons as compared with 10 years ago?—Yes, they get a great deal more.

13,723. Is that owing to the clearing-house regulations that experience has suggested?—No, I think it is owing to the system of being worked better, the waggons being looked after better than they were. No doubt one cause is the large increase of the traffic of the country, and that has necessitated a better system of working, and better looking after.

I observe that Mr. Brown, of Staffordshire, Cannock Chase, complains of a want of through rates with the Midland. I do not know why he complains. It is true that up to a certain period no through rates were established between those collieries of which Mr. Brown is manager and the Midland, but I think it was owing to some agreement that they had with the London and North-western, by which the coals were carried at a very low rate to Birmingham, which agreement has not expired, but certainly the two local rates combined to all stations upon our Midland Railway south of Birmingham, Moseley, King's Norton, Redditch, and so on, as far as Cheltenham, Stonehouse, and even to Bristol, have not prevented the coals being sent to those places. I mean that two local rates added together still left them much lower in point of charge than the charge to collieries on our own line. Through rates were not kept back to discourage the Cannock Chase coal and encourage coal from our own line, but through rates are now arranged with the North-western Company. Then, in answer to a question put by one of the members of the Commission, Mr. Brown stated that he had no through rates to the north-east. If Mr. Brown had applied for them he would have had them, but how coals can be sent from Cannock Chase through Derby and through the Derby coal field to the north-east I cannot conceive, unless the companies carried them entirely free: even then, I suppose the price is so much higher in Staffordshire than in Derbyshire that he could not compete with the coal owners.

I have put down the various points that my attention was called to before with regard to "terminal charges," "uniform rates," "through booking," and "a uniform classification and publication of the rates."

13,724. (*Chairman.*) What is your first heading?—"Terminal charges." Many of the witnesses, I observe, desire that railway companies should be prohibited from making any terminal charge, and in answer to that I have had a statement made out to show the importance of the question. I find that on the Midland Railway, as near as we can get it out, from the early history of the line, no separate accounts were kept of the expenditure upon the main line, and the expenditure upon the stations; but as near as we can get it out, out of a total capital of 20,900,000*l.*, we have spent upon stations nearly four millions and a quarter alone. I have separated, as well as I possibly can, the amount due to passenger stations, and the amount due to goods stations and sidings, and I find, putting five per cent. upon the cost of the latter, and adding to it the cost for the repairs of the stations and the daily expenses of the goods department alone, that during the year ending December last, the expenses upon the Midland railway for the goods traffic alone were 344,000*l.* The whole of that expenditure involves the question of terminals.

13,725. That sum must be paid out of the terminal charges?—Quite so. I mention those figures to show the injustice that would be committed upon railway companies if they were prohibited from making a charge for terminal expenses.

13,726. (*Sir R. Hill.*) Have you ascertained what is the aggregate amount of your terminal expenses; and can you say whether that amount is repaid in terminal charges?—If it is divided it is a very difficult thing; we do not make a separate charge for terminals. The way in which the rates are made up is to make a total gross charge, including the tolls, the terminal charges, and in case of cartage, the collection and delivery. In many cases it will be found that we carry goods at very low rates, below what, in my judgment, we ought to charge even for terminals, without anything for the use of the line, upon many of our goods which are of great weight. Our traffic is heavy, such as pig iron, and heavy raw material. Now, according to the clearing-house classification, a terminal of 9*d.* per ton is allowed upon certain traffic, and 1*s.* 6*d.* upon other kinds, and these allowances are exclusive of cartage; and if you divide the 344,000*l.* upon the total weight of the goods, it will amount certainly to from 2*s.* 3*d.* to 2*s.* 6*d.* a ton at each end of the line, the mere expenses alone, including London. At London we have not had the same experience as other companies; we are only now developing the London goods business; but in London alone, before we have completed our goods station arrangements, I have no doubt we should have spent at least half a million on the goods alone.

13,727. (*Mr. Hamilton.*) You would expect, of course, to get a return upon that capital by means of the terminal charges?—Quite so. I think it is but fair that we should get a profit; and not only have the working expenses returned, but a profit returned upon them. I do not think that the railway companies hitherto have paid such large dividends as to justify no profit being allowed upon the terminal duties they perform.

13,728. (*Capt. Galton.*) Assuming that you are entitled to make some terminal charge, do you see any objection to having a maximum terminal charge fixed?—I do not see any objection to it, if it was fairly adjusted; on the contrary I think it would tend to settle the matter, and to avoid a great many complaints. These gentlemen who come here complaining of these terminal charges are probably quite unconscious of the enormous sums of money that have been spent by railway companies; in our own case it amounts to nearly one-fifth—just about that—of the entire capital.

13,729. I suppose your case is similar to the rest of the railways in the country?—Yes; very similar.

13,730. You have not probably expended much more upon stations than other companies have in proportion to the wants of your line?—No.

13,731. (*Lord Stanley.*) Do you include in the estimate you have just now given the cost of your new approaches into London, which are not yet completed?—No, I purposely kept out London; I took our capital at the end of 1864, when we had only spent not quite 21,000,000*l.*, but we have now spent some 24,000,000*l.* or 25,000,000*l.*

13,732. (*Sir R. Hill.*) I think you said that your expenditure amounted to about 2*s.* 3*d.* per ton, at each end of the line?—It would amount to that; I have not gone into the calculation, it is a very difficult one; but as near as I can estimate it, it would be about that.

13,733. That would be 4*s.* 6*d.* upon every ton of goods conveyed?—I have taken the ordinary goods traffic, bales and cases and boxes and so on; there is no company in the kingdom, at the larger stations, that can do it for anything like 2*s.* 3*d.* a ton.

13,734. The terminal expenses incurred by the company must be to a very great extent irrespective of the distance the goods are carried?—Yes.

13,735. If you take your gross charges for various distances and deduct 4*s.* 6*d.* from the gross in each case, would you not arrive at a conclusion which would show that the mileage rate is pretty much the same, whether for a short or a long distance?—No, as I stated just now, I believe that in many cases if a fair terminal charge was deducted, it would be found that we carry goods for nothing over the railway.

13,736. That is, where the distance is short?—Yes.

13,737. Have you ever examined the gross charges with a view to determine what is properly the mileage rate after deducting the heavy terminal charges?—We never attempt to fix our rates on the principle of a mileage; they are fixed upon the principle of a gross charge, and the rates vary according to circumstances. As I have explained, upon some parts of our line we may be charging a halfpenny per ton per mile, upon

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other parts three farthings per mile, and upon others a penny for the same traffic.

13,738. I understand that by taking the gross charges as they are, and deducting from those gross charges 4*s.* 6*d.* to compensate you for terminal expenses, a certain amount for rates would remain ?—Yes.

13,739. And those rates may be considered as payment for working expenses ?—Yes.

13,740. Would not that result in this, that the mileage rates would be pretty nearly the same for a long distance as for a short distance ?—Certainly not.

13,741. Would they be higher for a long distance ?—In some cases higher, and in some cases very much lower.

13,742. Then they have not regard to distance ?—No ; one of the witnesses from Derby came and complained of the larger charge from Derby to certain places, Mr. Wheeldon, the corn merchant ; I have been at the trouble of getting out some of his charges that he has called upon us to put in operation. I find that we are carrying his malt a distance of 211 miles for 16*s.* 4*d.* and 218 miles for 16*s.* 8*d.*, those are very low charges, and I think it would have been but fair to have given a few of those instances in which we have endeavoured to bring him into competition with maltsters 200 miles away from his place of trade, when complaining of our charges to other districts. If uniform rates were adopted, such a trade as this would be entirely abolished.

13,743. Can you give me some of the gross charges for short distances to compare with these ?—There are loads of them in the evidence. Mr. Wheeldon complains of the charge of 15*s.* 2*d.* per ton from Liverpool to Derby.

13,744. What is the distance ?—92 miles, which is also brought as a charge against the Midland Company. It is not the Midland railway at all, but still it will illustrate the principle. There is a charge of 15*s.* 2*d.* for 92 miles, which is not an excessive charge, then there is a charge of 15*s.* 8*d.* for 204 miles. If Mr. Wheeldon's principle was carried out, no doubt he would prefer seeing 92 miles reduced to those mileage rates, but the companies would naturally and necessarily, if they paid any dividend at all, keeping within their parliamentary tolls, charge higher rates, and then the longer description of traffic would be ruined.

13,745. The company prefers a longer distance with a small mileage rate to a shorter distance with a higher mileage rate, because the transaction is in some respects a wholesale one ?—That is not the principle that is acted upon. A person will come and say, there is a traffic I can do in a certain part of the country if you will give me a rate to enable me to do it ; and as long as it leaves a profit we give him the rate, and that is the principle which I believe guides every manager in the kingdom. The question of mileage never enters into the calculation.

13,746. According to my calculation, after deducting 4*s.* 6*d.* for terminal charges, when you carry goods a distance of 218 miles you get 12*s.* 4*d.*, and when you carry them a distance of 92 miles you get 10*s.* 6*d.* Which of those transactions do you consider the most profitable ?—The 10*s.* 6*d.* one, most undoubtedly.

13,747. (*Mr. Hamilton.*) It is very easy to understand that a trader is interested in getting a very low rate quoted to enable him to compete at different places ?—That is so.

13,748. But is it also to the interest of the railway company to give him excessively low rates ?—As I have before said, so long as there is a profit upon the transaction, I think it is to the interest of the railway company, certainly it has been an immense benefit to the public to have such such an enormous development of trade throughout the country. The unfairness of the great bulk of this evidence is, that they are perfectly satisfied with the low rates for long distances where they have been enabled by the railway companies to get a traffic which they never had before ; and then they complain because for short distances they are not charged lower rates. Certainly an uniform rate would destroy the trade ; take for example the iron trade of South Wales or of Cleveland. The Cleveland district, as every one knows, has been enormously developed in the last 15 years. I remember when I lived in the north that it was a barren waste, and there was not a work of any description there, but now I believe there are upwards of 100 furnaces there, and it is by means of very low rates that the Cleveland iron has been brought as far as Staffordshire ; large quantities are now brought to the Staffordshire iron masters, and if it was not for that low rate, Staffordshire, as an iron district, would be almost ruined. They have exhausted pretty nearly their own ironstone, but the rolling mills, the works, and the population are all on the spot, and by getting iron from distant markets they are enabled to keep their trade together, and a profitable trade too. But if we were compelled to charge the same rate per mile for short distances, say from the Clay Cross iron works, or the Wolverhampton iron works, to Derby, the same as we charge from Cleveland to Staffordshire, it would result in this,—that we should say we will not have the Cleveland trade, we cannot afford to carry it ; we should not pay our expenses if we charged to all the same mileage rate. Take the iron ore trade, there are enormous quantities now being sent from Northampton to Wales, and also very large quantities brought up from North Lancashire and Cumberland, the hematite, to Staffordshire, which is carried at very low rates. If we were compelled to charge from Northamptonshire to Derbyshire the same mileage rate as from the Northampton quarries to Wales, or from Cumberland to Staffordshire, it would result in Wales and Cumberland being abandoned.

13,749. What we want to know is, if the profit when you carry at low rates is very small, what special interest the railway company has in wishing to retain the power of making such a difference in them ?—I apprehend that if a railway company or any man in business can make 5 per cent. profit, he will transact business for the sake of that 5 per cent., but if he could get 10 per cent. he would be too glad to get it, and if he could get 40 per cent., he would be still better pleased ; that is what influences all railway companies.

13,750. I understand you to say that if the rate was an universal one, the railway company would be very much damaged ?—Quite so.

13,751. Then if that is the case, what special interest has a railway company in possessing the privilege of being able to charge these differential rates ?—Simply because it all tends to make up the total dividend that we have to pay to our shareholders. The aggregate expenses of the railway amount in round numbers to 50 per cent. Upon some traffic it is 60 per cent. ; upon some it is 90 per cent., and upon some it is 30 per cent. ; but it all tends to make up the gross sum at the end of each year which is divisible among the proprietors. If we can get 10 per cent. on one kind of traffic, 20 per cent. on another kind of traffic, and 30 per cent. on a third kind of traffic, all three together are perfectly legitimate, and I think the railway manager would be justified in refusing to take a lower rate of profit if he could get the higher.

13,752. Do you think it is for the benefit of the public that railway companies should have the power of charging differential rates ?—I do.

13,753. And an abatement of that power would be injurious not only to trade but to the railway companies themselves ?—Yes.

13,754. (*Sir R. Hill.*) Your statement appears to show that you charge high rates for short distances ; is that because you charge low rates for long distances ?—Of course that is one way of putting it. We charge moderate rates for short distances, and very low rates for long distances, to enable the trader to transact his business.

13,755. (*Chairman.*) Are you of opinion that a great reduction of traffic would take place if you were compelled to make uniform charges all over your line ?—I believe it would be the most fatal thing to the commerce of this country that could ever occur. I observe that from the last published returns of the Board of Trade,

the value of the exports last year amounted to 164,000,000*l.*, whereas 17 or 18 years ago they only amounted to 50,000,000*l.* That enormous increase, in my judgment, is due to the development of trade by means of railways. It has been a great public benefit to the country, and so long as it realizes any profit at all, they should be allowed to charge anything within their parliamentary tolls.

13,756. Do you consider that in any instance you carry traffic which is actually unremunerative?—I do not know of an instance of that.

13,757. Are you ever obliged to refuse traffic which is offered to you?—We do frequently refuse traffic. As bearing upon the question of the uniformity of rates, I would take as an instance the coal trade. Out of 6,000,000 of tons carried by the Midland railway there would be about 1,500,000 going to London. We carry that at a very low rate, not exceeding three-eighths of a penny per ton per mile; but if all our coal traffic is to be carried at three-eighths of a penny per ton per mile, I am quite sure there would be no dividend for the Midland shareholders from that traffic.

13,758. (*Sir R. Hill.*) Would that be the case if it were all carried at the mean of the two rates?—If you advanced the London rates that would shut up the inland coal traffic. It is a balance now between the sea and the railways. A very slight advance, certainly anything like what is indicated by the question, which would be probably from 2*s.* to 3*s.* per ton more, would drive out the inland coals, and would practically shut up the railway coal trade altogether.

13,759. And cause London to be supplied from remote collieries by sea?—Yes.

13,760. Might not London obtain its coal from nearer collieries at a lower rate than it now does?—No, I think not. The nearest collieries supplying the London market are on the Midland railway. The Staffordshire coalfield is a little nearer, but the quality of the coal is not suitable for the London market, and I know there is no colliery in England which can supply coals to London by railway better than our Midland collieries.

13,761. (*Chairman.*) Will you state your opinion upon the subject of through booking?—The companies have, as far as is reasonable and practicable, adopted through booking both in the case of passengers and goods. It would be impossible to make it universal without such an amount of labour and difficulty that no check could possibly be had. Take the case of passengers: there are probably upon the 13,000 or 14,000 miles of railway in England not less than 3,000 or 3,500 stations. Each station must have at least seven descriptions of tickets. If you multiply 3,000 even by seven there are 21,000, and then if you multiply that again from station to station it would become such an unwieldy thing that no system of accounts or book-keeping could possibly check it. And all for what? I believe it is universal throughout the whole of the railway system, that wherever we find there is a passenger traffic sufficient to justify through booking we immediately put it into operation, but on our own system, as I have already explained, we do not book through from every station to every station. We are obliged to make breaks. Take Birmingham, for instance; we book from small stations north of Birmingham to Birmingham for small stations south of Birmingham, but from large stations, such as Sheffield, Nottingham, or Derby to small stations south of Birmingham, we do book through, but from small stations we do not.

13,762. (*Mr. Horsfall.*) But from every station, however small, you book through to London?—I think we do with very few exceptions; I am not aware that there is any exception on the Midland Railway.

13,763. (*Mr. Glyn.*) You book through to every large place?—Yes; for instance, take a place like Chesterfield, I think we book through from Chesterfield to almost every large town in the kingdom.

13,764. (*Chairman.*) Have you through-booking arrangements with the south-western parts of England?—We have only adopted them very recently. We could not adopt them before in consequence of the break through London, and even now very few people avail themselves of it. People who come to London prefer remaining in London a night or a day or two.

13,765. You book through to a certain extent with Ireland, do you not?—We do. We book from London and all our large stations to Belfast, and one or two other stations in Ireland. As regards goods, we have a more general and perfect system of through booking than is the case with passengers, because it is a difficult thing to re-invoice goods at junctions, and therefore, as far as we possibly can, we have through rates. It is the same with coals.

13,766. What happens when goods are sent to a station off your own line to which you have not made through rates; how are goods forwarded when they get to the end of your line?—I will assume a case. If we were to send a waggon of goods from a small station to go on to the North-western we should invoice it to Rugby, and there the invoice is handed over to the North-western for them to take the particulars and re-invoice it, charging what we term a "paid on," that is, the amount paid to the Midland Company. Then they of course add to that their local charge, and the total charge is paid by the consignee, and the consignee only knows of one transaction. The object of booking through is perhaps more for the purpose of saving delay than any thing else. A passenger can very easily get out of a train, re-book, and go on by a succeeding train, but you cannot do that with goods. Generally speaking, there is a delay of at least 24 hours where goods are re-invoiced at junctions.

13,767. (*Mr. Glyn.*) In that case how would the liability with the next company be dealt with?—The liability to the public would be with the first company, whoever undertook to carry the goods would have to sustain the liability over the whole distance.

13,768. In point of fact the liability would attach to the company first dealing with the goods?—Yes.

13,769. (*Sir R. Hill.*) When a passenger books through to some very distant town, the rate per mile that he pays is less than if he paid his fares to the different places in succession, is it not?—Yes, that is so. Take, for instance, from London to Edinburgh, or London to Aberdeen; if a passenger were to book from London to York, and re-book from York to Newcastle, and from Newcastle to Edinburgh, he would pay more money than by booking through.

13,770. Then the average fare which he pays when he travels the whole distance is less than the ordinary fares?—In no case does it amount to more than the local fares, and in the great majority of cases the through fare consists of the local fares added together; but in the instances I have given from London to Edinburgh, and from London to Aberdeen, there are no doubt very powerful steamers plying between those places, and the fares of those steamers are very low, and the consequence is the companies are obliged to charge lower fares than they otherwise would.

13,771. Can you say whether the railway companies in the returns they make to the Board of Trade of their average fares take these low through fares into account?—Yes, I think we do; but that is more a question for the accountant to answer than for me. I believe we do. I can ascertain that and I will add it to my evidence.*

13,772. (*Mr. Hamilton.*) Is it the fact that on the main lines on which through booking takes place the through fare is the sum total of the local fares?—I should say in 19 cases out of 20 that it is.

13,773. (*Earl of Belmore.*) That is not the case in through booking from London to Ireland?—No, there is a very great difference there. There are a few exceptional cases, of which from London to Ireland is one, and from London to Scotland another.

* The following was afterwards added by the witness:—The average fares are calculated as follows: The total is obtained by adding together the ordinary fares charged for the single journey from either terminus of the line to every station on the line, including branches, and that is divided by the total obtained by adding together the distance in miles of such terminus from each station.

13,774. I do not mean places on the coast of Ireland, but in the interior?—At the request of the Irish companies, most of the companies in England have reduced their fares in order to encourage passenger traffic to Ireland. Some years ago we adopted a low scale of passenger fares from almost all the large towns in England to Dublin, Belfast, and other large towns in Ireland, but that is quite an exceptional case.

13,775. (*Mr. Hamilton.*) Take the case from London to Derby; would the through rate to Derby be made up of the local fares?—That is a local fare.

13,776. You mean that it is all on one line?—Yes; if the passenger had to book from London to Bedford, from Bedford to Leicester, and from Leicester to Derby, the three fares together would come to within a penny or so of the through fare.

13,777. Then you do not give the public more than a small advantage in through booking?—We give the public a considerable advantage in the rates we charge. For instance, by our Act of Parliament we can charge 3*d.* per mile for first-class passengers. With the exception of one portion of our line, our highest charge is 2*d.* per mile. We have abolished express fares for a long time. We have gradually been reducing our fares to that standard, 2*d.*, 1½*d.*, and 1*d.*, and we have abolished what is termed third class. On most lines there are first, second, third, and Government or parliamentary fares, 2*d.*, 1½*d.*, 1¼*d.*, and 1*d.* We have abolished the third class altogether on the Midland. We have taken first one district and then another to reduce the fares to, and now I believe there is but one part of the entire Midland system where the high fares prevail, and those will be reduced on the 1st of May.

13,778. (*Capt. Galton.*) What system is that on?—The Bristol and Birmingham. Last year we reduced the whole of the fares on the southern portion of our line as between Nottingham, Derby, Leicester, and London, and on the face of the account it will be about 26,000*l.* a year. Consequently it would have been too serious a loss to have done it on the whole system at one time.

13,779. (*Chairman.*) Do you expect that it will be ultimately be for the benefit of your company?—I believe it will; already the loss is *nil.*

13,780. Should you be disposed to recommend carrying that experiment any further?—We have carried it very much further on certain portions of our line. Where there is a large population, such as the manufacturing districts, I think low fares will pay better than high ones. For instance, between Nottingham and Derby we have a very large traffic, and between Sheffield and Rotherham, and Leeds and Bradford, and many other places on the Midland Railway we do not charge half our parliamentary scale, but I do not think it would increase travelling to any very great extent if we reduced the fares. Generally, particularly in agricultural districts, or where there is very little travelling, people do not travel unless they have either business or pleasure.

13,781. (*Earl of Belmore.*) It would not answer to reduce the fares all over the system of railways uniformly, without any consideration as to whether part of the district traversed was agricultural and part manufacturing, or whether it was wholly manufacturing or wholly agricultural?—Certainly not. The companies generally have exercised their discretion as to reducing the fares in certain parts. They have done so where it has been proved to them to be for the public benefit, and of course also where they expect an increased traffic to a very large extent.

13,782. (*Sir R. Hill.*) In the cases you have named of charging very low fares between neighbouring towns, do you not reverse the principle which you described a short time ago, of charging a low rate of mileage for long distances, and a high rate of mileage for short distances?—Passengers load and unload themselves.

13,783. But you do reverse the principle?—No doubt we do.

13,784. Although passengers load and unload themselves, must not the terminal expenses be increased in respect of passengers?—Not in the terminals I have given; I have confined my remarks to goods terminals alone. I have not added the cost of the passenger stations or the cost of working the passenger stations. The figures I have given apply exclusively to goods.

13,785. But with the view of ascertaining the fairness of passenger charges, must we not consider that certain terminal expenses are incurred as respects passengers?—Certainly.

13,786. Booking expenses, and so forth?—Yes.

13,787. If, therefore, you were to deduct the terminal expenses in respect of passengers from the total fares of the passengers, the mileage rate for these short distances would be something very small indeed?—The terminals on passengers must be exceedingly small. Indeed, I have no doubt that has influenced companies in the earlier history of railways not to charge terminals on passengers. It was never contemplated in the original acts of Parliament that railway companies should find these large stations without charge; they were merely to provide the railways, and other people were to provide the stations. It is owing to the very small charge which would be necessary to cover the expenses that that has never been done.

13,788. Are you aware that there is upon the Brighton line an instance where they issue a ticket for one penny by parliamentary trains?—Yes, I dare say there is. I have no doubt that we have places upon the Midland line where we charge a penny.

13,789. One would think that the whole of the penny would be absorbed in terminal expenses?—Not when you come to spread it over a large number of passengers, amounting as they do to millions. It is a small per-centage, and the expenses for passenger stations are very much smaller than they are for goods.

13,790. (*Mr. Gower.*) Is the increase in your traffic consequent on the reduction you have made in the fares owing in your opinion to traffic diverted from other lines or traffic newly created?—I think it is traffic newly created. Take again the Midland coal field; 25 years ago there was scarcely a colliery upon the entire line between Derby and Leeds. Now it is one series of colliery works from one end to the other. I hold a return in my hand showing the increase of mineral traffic upon the Midland Railway. From 1850 to 1865 we have increased our mileage from 506 miles to 748 miles. We have increased the tons of goods from 1,198,000 to 3,874,000; we have increased the tons of minerals from 1,280,000 to 5,294,000; and our total weight of goods and minerals from 2,479,000 to 9,169,000 tons. I believe that is entirely due to increased facilities, and not to having taken traffic from other railways. It is probable, and no doubt is the fact, that the railways have taken a great deal of traffic from the canals, but all the canals in our part of the country could not accommodate anything like the traffic I have stated from these tables. It is a pure development of the resources of the district.

13,791. (*Mr. Glyn.*) Is the same increase going on over the whole country, to your knowledge?—I believe over the entire country; certainly it is the case on all the larger railways. The North-western, the Lancashire and Yorkshire, the Great Northern, the North-eastern, the North Staffordshire, and the Great Western, in my opinion, all show a corresponding increase.

13,792. Has agricultural traffic increased in a larger ratio now from what it was before railways were introduced?—No, there seems to be almost a stagnation in the agricultural parts of the country. Some portions of our line pass through agricultural districts which are remarkable for their small development of traffic. We have tried everything, including low rates and extra facilities, but there is only a certain amount of produce to come out of the country, and whether it is carried at moderate rates or no rates at all we cannot get more. And it is the same with passenger traffic. The agricultural people are essentially a non-travelling people.

13,793. (*Lord Stanley.*) You get all the traffic that is to be got at the present rates?—Yes. I do not know that there is any instance where high rates have

prevented agricultural produce from coming out of any district.

13,794. (*Sir R. Hill.*) Taking railways as a whole, the rate of increase in goods and mineral traffic far exceeds the rate of increase in passenger traffic, does it not?—It does.

13,795. Can you state what is the comparative rate of increase?—I should state with regard to passengers, that although the mileage has increased from 506 miles to 748 miles, and the traffic in goods and minerals has increased so largely, that the total receipts from passengers have only increased from 607,000*l.* to 902,000*l.*, or about 49 per cent., against nearly 300 per cent. in minerals, and nearly 200 per cent. in goods.

13,796. Does that pretty accurately represent the increase all over the kingdom?—It does.

13,797. (*Chairman.*) Would the mineral traffic be as largely increased upon lines generally as upon your line?—Not unless there is a coal field. Our great object has been to send our coals the longest possible distances that we can. Gentlemen travelling in the south of England may see Midland coal waggons as far as Brighton, Southampton, Dorchester, and the extreme south-east of England. Our object has been to get our coal into every possible market that we can, and we invariably take a mileage rate with the companies who are willing to join us in these low rates.

13,798. (*Mr. Hamilton.*) As a rule, do you carry manure and other things which are necessary to carry on agriculture with, at a very low rate?—Yes, we do.

13,799. You feel that they have a claim upon you?—I do not know that it is from any feeling of sympathy for the agriculturalists, but it is purely a question of business. Can we get anything out of it? We know that manure can only travel a certain distance; it cannot go many miles, and we charge low rates to enable the farmers to get it. I am afraid I must say that it is not the result of any particular love for the farmers, or for any particular district, that we do it.

13,800. You simply feel that if you do not charge a low rate you would get nothing at all?—Quite so.

13,801. There is no favour?—No; at any rate I would say no partiality.

13,802. (*Sir R. Hill.*) Do you charge as low for manure as for minerals?—I have not our rates with me, but I should think we charge lower for manure than we do for minerals. We do not take manure for anything like the same distance that we take minerals. We should not take manure, for instance, from London into Derbyshire, so that I can hardly draw a comparison. Manure will go, say 50 miles; if you had a manure rate for 50 miles and a coal rate for 50 miles we should charge more for coals.

13,803. (*Mr. Gower.*) With regard to the interchange of traffic, I understood you to state that you invariably fixed the time of the departure of your trains solely with reference to the public convenience, and without reference to the interests of your own company?—Of course the departure of our trains is fixed with a double reference to the interests of the company and the interests of the public. The honourable member seemed to suppose that our trains were fixed with the view of preventing passengers taking certain lines, and what I stated was that that was never done.

13,804. I will call your attention to a case which I am familiar with from living in the neighbourhood, and that is the difficulty of getting from Grantham to Lincoln, have you ever considered that?—That is not on the Midland Railway.

13,805. But the Midland Railway goes from Newark to Lincoln?—It does; but from Grantham to Lincoln is on the Great Northern.

13,806. I am referring to the very inconvenient hours at which the different trains leave Newark to go to Lincoln?—That is a very good illustration of what I remarked. Our trains to Lincoln are timed with reference to the arrival at Derby from various quarters. Having reference to forward trains from Lincoln to Hull and Grimsby, they must run at a certain time. The Great Northern trains are fixed with reference to their own main line. There are very few people from the Great Northern line going forward on the Midland. If we attempted to arrange our trains, which we should be very willing to do if we could, because it is clearly our interest to take all the passengers from Newark to Lincoln which the Great Northern could bring us, we should do so, but we cannot, unless we put on such an additional number of trains that it would never pay.

13,807. What would be the inconvenience of delaying the departure of your train half an hour from Newark to Lincoln, as compared with the advantages which the public would derive from such a change?—Picture to yourself a train stopping at a small place like Newark, with perhaps from 100 to 150 passengers, and delayed there half an hour, waiting for one or two passengers coming from the Great Northern to Newark. I should be very sorry to be at that station amongst those passengers.

13,808. Would not the result of a delay of half-an-hour be, that the whole traffic from London to Lincoln would go by the Great Northern instead of the Midland?—The direct route from London to Lincoln is by the Great Northern. You would not come to Grantham from London to Lincoln, but by way of the loop line. From Peterborough the line is as direct as it can be. No passenger would come from Newark to go to Lincoln.

13,809. All passengers travelling from London to Lincoln go by the Midland, and not by the Great Northern, do they not?—I should say it is exactly the reverse. I do not suppose we get 10 passengers a week from London to Lincoln.

13,810. Do not all passengers coming from London by the Great Northern have to remain two hours at Newark in order to get on to Lincoln?—That is not the route to Lincoln. They do not come to Newark at all. The route from London to Lincoln is by way of Peterborough. The line is as direct as it can be from London to Lincoln.

13,811. (*Chairman.*) What is your next head?—The uniform classification of goods. No doubt the classification under our Acts of Parliament of all the companies differ very materially from the clearing-house classification. It has been suggested that that classification should be uniform. To a certain extent that might be adopted. But, again, you must allow companies a certain amount of discretion, because what is a very large source of traffic in one district is a very small one in another district. I cannot adduce a better illustration of that than the article of raw silk. It would be manifestly very unfair to put raw silk generally in the third class, or even manufactured silk, because it is a very expensive article, and to the greater part of the kingdom it goes in small quantities; for instance, to the manufacturing district of Nottingham, Macclesfield, and Coventry. The same remark would apply to pig iron, and iron generally, and a variety of other things. To show that uniformity has been attained to a great extent this classification prevails, with the exceptions I have pointed out, throughout the kingdom.

13,812. The general rule is uniformity of classification among all companies, with particular exceptions?—Yes, it is.

13,813. Have you any observations to offer upon the question of the publication of rates?—It has been insisted upon by several parties that the rates should be published, but that would be an utter impossibility. Whenever there is any alteration of a rate the trade is invariably informed of it, but at our large stations the rates amount to many thousands, and they necessarily vary from time to time as the trade requires alterations, and a correct list to-day would be a very incorrect list next week. Therefore a compulsory publication of rates would lead to great delay in getting any alteration of rates at times when the public would require it. For instance, it frequently happens that people come to us and say, there is a large contract, such as a contract for rails, or any other material, there are 5,000 or 10,000 tons of rails, and if we reduced our rate it is very likely

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we should get it, but by the time the rate is published the contract would be let and the traffic lost.

13,814. (*Capt. Galton.*) Do you see any objection to companies keeping a rate book in some place accessible to the public, so that they might be enabled to see what the rates are between two places?—I am not aware that anybody has ever been refused. We furnish stations with a list of rates, and certainly I never have given instructions not to let the public know them. I believe our rates are as well known to the public as to ourselves.

13,815. (*Lord Stanley.*) Still that is more a matter of favour to the public than of right?—I do not think there would be the slightest objection to all the world knowing what our rates are; it is merely the convenience of the thing.

13,816. Is it a fact that the rates of one week are altered in the following week?—Frequently; I suppose there is not a day passes in which rates are not altered throughout the kingdom.

13,817. Not raised?—I dare say they are raised frequently, but they are very much more frequently lowered than raised.

13,818. (*Mr Glyn.*) What previous notice do you give?—Generally a month. We never advance or lower our rates, except at the first of the month, unless it is to meet the special cases of contracts which I have indicated, which must be done on the spur of the moment; but otherwise they are always altered on the first of the month.

13,819. (*Mr Horsfall.*) Consequently any change of rates could only take place once a month?—We alter the rates so as to come into operation on the first of the month; but there are many special cases, such as I have indicated, constantly arising of their being altered from day to day.

13,820. On those days it is not necessary to give a month's notice?—No, we do not in that case give a month's notice.

13,821. (*Chairman.*) Are you acquainted with the system adopted on foreign railways?—I know the system to a certain extent.

13,822. Are you aware with regard to this point that all the rates and charges in France are published every three months?—I am aware of that.

13,823. Can you explain why, if it has been found practically advantageous in France, the contrary should be the case in England?—This I know, that the practice in France has tended most materially to interfere with the development of the trade between the two countries. We are now booking through to many places on the continent; but we have the greatest possible difficulty in getting through rates with them. We frequently find that goods take a very circuitous and indirect route; but the French railways in consequence of that law cannot reduce their rates, and we have had great difficulty in getting through arrangements with foreign railways entirely owing to that system.

13,824. Is the system of uniform charges very much more adopted in France than in England?—I cannot answer that question.

13,825. (*Mr. Hamilton.*) You say that the difficulties of through booking have been very much increased through the system of the publication of uniform rates which prevails in France; what is the reason of that?—There are steamers running between Hull and Grimsby to Havre, and the rates by that route per mile are perhaps the same as by way of Boulogne or Calais; but in consequence of that law prevailing in France, the Direct Northern of France Railway Company cannot alter their rates to meet the competition by way of Havre, and we consequently cannot make those satisfactory through arrangements to Paris with the trade at Leeds or Bradford that we otherwise could do. We should prefer sending goods by the direct route, but the railway companies say they cannot alter their rates. To that extent it interferes very materially with the through booking arrangements which the English companies wish to make with the foreign.

13,826. (*Chairman.*) If you are bound to publish the rates you cannot make any reduction so as to obtain specific traffic?—That is so.

13,827. (*Mr. Hamilton.*) No doubt it prevents a competing route, and prevents your forming arrangements for through traffic at such rates as will enable you to compete with other routes; but still you can form arrangements for through traffic at certain rates?—A manufacturer at Leeds, perhaps, cannot sell his goods in France unless he can get them carried at a certain rate. We are as anxious to get them into the French market as we are into our English markets if we can carry his goods at a low rate with profit; but in numberless cases a trade has been abandoned because we cannot make these through arrangements.

13,828. Do you mean to say that your inability to depart from this uniform scale stops a particular trade?—Yes, it does.

13,829. I understood you to say that it prevented your making through booking arrangements?—By stopping the trade. Of course at a high rate we can make through arrangements.

13,830. It does not, then, prevent your having the power of making through booking arrangements?—No; but it is of no use our making through booking arrangements at a high rate.

13,831. (*Capt. Galton.*) Does not the law allow them to carry at a lower rate than the published rates?—I think not.

13,832. (*Mr. Horsfall.*) How often do they renew the publication of their rates?—I am not sufficiently acquainted with that to be enabled to answer the question. I believe it is every three months.

13,833. (*Sir R. Hill.*) There is no necessary connexion between uniformity of rates and non-publication of rates?—No, there is no connexion necessarily.

13,834. (*Chairman.*) Are there any other points on which you wish to offer any information?—I wish to refer to one portion of Mr. Galt's evidence. At question 7382 he is asked, "What remarks have you to "make in regard to the coal traffic"? to which he replies, "Coal can be conveyed from the northern "counties up to London at the rate of from 1*s.* 6*d.* to "2*s.* 6*d.* per ton." I do not know how Mr. Galt gets his figures, but it is utterly impossible that coal can be carried at such a rate. Then he goes on, "The "charge here in London is exceedingly high, about "28*s.* or 30*s.* per ton being the ordinary price, at this "time of year, for the best coal, whilst the cost at the "pit's mouth, in South Yorkshire, is not more than "6*s.* per ton, so that in fact it can be brought up to "London for about 9*s.* per ton, and pay a good profit "for carriage to the companies. It would be exceedingly desirable that the cost should be reduced "in London to the public at large, and especially to "the poor, who suffer great privations during the "winter, owing to its extreme dearness,"—leading the Commission there to infer that the difference between 7*s.* or 8*s.* at the pit's mouth, and 28*s.* or 30*s.* in London, is the railway charge. It is clear Mr. Galt can know nothing at all about the coal traffic, because taking the great bulk of railway coal which is brought to London, I should think it certainly would not average more than 5*s.* 6*d.* per ton.

13,835. Including terminals?—Including terminals. Our rate from Clay Cross, which is about the centre of the district, is 6*s.* 4*d.* per ton, which includes the 1*s.* 1*d.* city dues, which taken off reduces it to 5*s.* 5*d.* per ton. From nearer collieries the charge is still less. The charge from York to London is about 8*s.* per ton. I know it is brought from the collieries to York at three-eighths of a penny per ton per mile, which would be about 1*s.* 6*d.* or 1*s.* 8*d.* per ton; so that taking the extreme north of England, for instance, Durham, which I contend cannot send coals to any large extent by railway, the charge is very much below what Mr. Galt would imply here. After many years' experience, we find that the average cost per train mile is 2*s.* 4*d.*; that is without the waggons. Of course the waggons have to be charged for by the coal owners.

13,836. (*Capt. Galton.*) 2*s.* 4*d.* there and back?—No; 2*s.* 4*d.* per train mile, for the mere run of the engine.

13,837. (*Sir R. Hill.*) You are speaking of coal trains?—Yes.

13,838. (*Capt. Galton.*) 2*s.* 4*d.* per train mile is for what the company themselves supply for making up the train?—Yes, that is the mere cost; and it is double that because nearly the whole of the coal waggons come back empty. If you double that it makes nearly 5*s.* per train mile as the absolute cost; that is without reckoning the interest upon the engine.

13,839. That is merely reckoning the bare cost of the engine, men's wages, the coke, and the repairs of the engine?—Yes, that is the mere bare cost; but how it can be brought up to the price named by Mr. Galt I cannot conceive. We find it to be very bare indeed at three-eighths of a penny per ton per mile. It does leave a profit certainly, but it is the lowest profit we have upon any traffic we have upon the Midland Railway. I do not think it is possible, with our present appliances, that coal can be brought to London cheaper than it is at the present time, and leave any profit to the Company.

13,840. (*Capt. Galton.*) You could not bring it in larger trains than you now do?—If you increase the size of the trains you very much increase the difficulty, because you must have everything so much stronger. We find that a train of about 35 or 40 waggons is the maximum load that ought to be carried, and if you get beyond that the coupling chains, engines, waggons, and all the materials must be made stronger, and there is an amount of wear and tear which more than counterbalances the benefit of the extra load.

13,841. (*Sir R. Hill.*) What would be the weight of coal conveyed by such a train?—They are six-ton waggons, and if you have 40 waggons of course they carry 240 tons, and if they are eight-ton waggons they will carry 320 tons.

13,842. Was not evidence given before a Parliamentary Committee a year or two ago to the effect that on the Great Eastern Railway they could carry coal at a farthing per ton per mile?—Yes, there was. I know the traffic on the Great Eastern pretty well, because they derive nearly the whole of their coal from us. We have as good a line for gradients as the Great Eastern. They assumed 400 tons of coal for each load; but as I said before, you cannot practically carry 400 tons in one load, because it becomes so unwieldy and difficult to deal with, and the coupling chains are so constantly breaking that it is far more convenient to take 500 tons in two trains of 250 tons each than to take one train with 400 tons.

13,843. If a train of 400 tons were brought at one time the cost of locomotion would increase and be far greater for 400 tons than for 100 tons?—It would.

13,844. Do not many of those calculations of Mr. Galt proceed on the assumption that the cost of working a train is a fixed amount, whether the train is a long or a short train?—That is a perfect fallacy.

13,845. Can you give us any idea how the cost increases with the length, that is to say, how much it would be with a single carriage, and how much it would be with an engine and the maximum number of carriages?—I have not the figures with me, and therefore I cannot arrive at a very close calculation as to the cost, but on the old Midland Railway, which is as good a line as was proposed to be made by the Great Eastern, and called the Northern Coal Line, we have as good a gradient as that, and we can carry 400 tons with perfect ease; so can the North-western. The North-western is a line with remarkably good gradients, like the Midland, but in practice we find it better and cheaper to have small manageable trains than these long and unwieldy ones.

13,846. You are not prepared to state the cost of a train of the minimum length, and a train of maximum length?—I am not; but, as I said before, the average cost of the Midland trains, taking the long trains and the short trains, and the light and heavy trains, will be about 2*s.* 4*d.* per train mile.

13,847. But you say that the cost of a longer train would be considerably greater?—No doubt.

13,848. Does it not follow that the cost of a shorter train would be considerably less?—Down to a certain point.

13,849. You cannot state what that minimum cost is?—I should think you could not run a train at all under something like 2*s.* per mile; but it is a very difficult thing to estimate; for instance, with regard to our permanent way, we know that our permanent way cost us about 4*d.* per train mile, but what amount of injury it sustains by a train with a single carriage or by a train of 40 carriages of course it is impossible to arrive at. The consumption of coke, oil, and so on, and engine-man's wages, fireman's wages, and guard, is precisely the same, whether a train consists of one carriage or 50.

13,850. Is the consumption of coal the same with a train of one carriage as with a train of 50?—Pretty nearly, there is very little difference, perhaps not more than 3 or 4 lbs. per mile.

13,851. Is the wear of the engine the same?—Very nearly.

13,852. Do you not work your steam expansively?—Yes, we do; but that is a question of, as I said before, a very few pounds per mile. With regard to taking of a train of one carriage, it is a very rare thing to see a train of one carriage. Take an ordinary light train of five or six carriages, there is very little difference between the cost of that train and one consisting of 10 or 12 carriages. I am speaking of passenger trains, but it is the same with goods trains; we do not, if we can help it, run goods trains of less than 20 trucks. There is very little difference in the consumption of fuel between a train of 20 trucks and a train of 30 trucks.

13,853. (*Chairman.*) Is Mr. Galt correct in saying that 6*s.* is about the cost of coal at the pit's mouth?—No; at the present time we are paying 7*s.* 3*d.* per ton for our locomotive coal; we send the waggons, they merely have to put the coal in, we bring it away from the pits. I know in Staffordshire coal at the present moment is as high as 11*s.* or 12*s.* per ton at the pit's mouth, and some coal in Derbyshire is the same. What is called the Kilburn coal is charged 12*s.* per ton at the pit's mouth.

13,854. (*Lord Stanley.*) Coal has rather risen in price, has it not?—It has risen very much within the last three or four years, and, I think, will continue to rise; there seems to be great uneasiness among the working classes in the mining districts, and wages will naturally go up in consequence.

13,855. (*Chairman.*) Is not the average charge by the Midland for coals from Derbyshire to London about 4*s.* 6*d.* per ton?—I should think it is about 5*s.*

13,856. Whatever is charged beyond that to the consumer in London is either the cost of delivery or the coal merchant's profit in London in addition to the original cost price?—I think at the present time the price of coal at the pit's mouth would be probably 8*s.* per ton, the coal owners invariably put 1*s.* on for waggons, that makes 9*s.*; then take our charge of 5*s.* for the carriage, that makes 14*s.*; then there is 1*s.* 1*d.* City dues, which is 15*s.* 1*d.* With regard to delivery in London, a scale is adopted; taking long distances, it seems they charge 3*s.* per ton for delivery, that makes 18*s.* 1*d.* per ton. Then there is the merchant's profit. I am speaking now of inland coal. Mr. Galt is entirely wrong in stating that the price of coal in London is from 28*s.* to 30*s.* He is taking the Durham coal, which is a more expensive and a better coal, and realizes a much higher price in London than other descriptions of coal. If you were to look in the "Times" for every day for some time past you will find that the price of Derbyshire coal is very much below that. With the exception perhaps of that very severe winter which we had some few years ago, I never remember Derbyshire coal at anything like 25*s.* per ton.

13,857. In November, when he gave his evidence, the price would be considerably above the average of the whole year?—It would.

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13,858. (*Sir R. Hill.*) Do you object to carry packed parcels?—We have not objected.

13,859. By what trains do you generally take them?—Generally speaking, goods trains; we take them by the trains that people bring them to.

13,860. What rates do you charge?—We have a special scale for packed parcels.

13,861. Do you charge the highest rate which you are entitled to charge?—No, but we have the power of unpacking the parcels. There are but few companies in the kingdom which have that power, and we have never exercised it.

13,862. Have you special authority to do that under your Act of Parliament?—Yes.

13,863. You do not avail yourselves of that power?—No, we never have.

13,864. You take the package as a single package?—Yes.

13,865. In what class of goods do you place it?—We put it in the fifth class.

13,866. What rate would that be per ton?—It depends on where it is going.

13,867. What rate per ton per mile would it be?—We have no rate per ton per mile. We charge a certain rate, for instance from London to Derby, or London to Leeds, or London to Bradford, without reference to the mileage.

13,868. Can you give any instance of a rate; can you say, for instance, what the rate would be from London to Derby?—I will fill that up in my evidence. The rate is 3*s.* 3*d.* per cwt.

13,869. If the aggregate package weighs less than a ton, do you charge the fraction?—We charge the exact weight of it.

13,870. That is to say, if it weighs 1 cwt., would you charge the twentieth part?—Yes.

13,871. Do you charge the same if these parcels go by passenger trains?—No, we do not, we charge higher rates if they go by passenger trains, we then charge the ordinary parcel rates. The rates are not charged upon any mileage principle. We charge 6*d.* for a small parcel up to a certain distance,—I do not remember the scale exactly, 9*d.*—and 1*s.*; not as we do goods.

13,872. Do you charge the same for packed parcels as for a parcel which consists of one kind of goods only?—By passenger trains we do, but our goods trains now run so quickly through the country that people avail themselves of the goods rates to send these packed parcels by.

13,873. When you revise your evidence will you be kind enough to state what is the charge per cwt. or per ton for packed parcels conveyed by passenger trains, say between London and Derby?—I will.*

13,874. (*Capt. Galton.*) Have you read Mr. Galt's evidence on parcel traffic?—I have.

13,875. Do you differ from that?—I did not go into Mr. Galt's evidence generally. I allude to that one particular part.

13,876. Are you of opinion that the traffic on railways could be developed to a greater extent than it now is by mutual arrangements between the companies?—There are mutual arrangements now. I do not know that you cannot send a parcel from almost every part of the country to every other part at through rates.

13,877. At sufficiently low rates?—At sufficiently low rates. I once made the experiment some few years ago, and reduced the charge for parcels to an uniform scale irrespective of distance, and carried it on for two years, if not longer, but it was not successful by any means; it did not increase the number of parcels at all.

13,878. You reduced the rates?—I reduced the rates.

13,879. (*Earl of Belmore.*) I suppose in fact the public do not send parcels unless they really want the things to go. Merely reducing the rates would not induce them to send parcels?—No.

13,880. A reduction of rates does not induce shopkeepers to send small parcels of goods from one place to another?—I think not.

The witness withdrew.

* The charge is 9*s.* 4*d.* per cwt.

Note subsequently added by the Witness to his Evidence.

Referring to the Wingerworth Company's complaint of delays in forwarding their waggons between Clay Cross and Derby, it did not occur to me when the paper was so suddenly placed in my hands by an honourable member of the Commission that, not having a night staff at Clay Cross, we do not take the numbers of waggons leaving the station in the night; and as some of the waggons referred to in the complaint left by night trains, we have, unfortunately, no record of them, and I am consequently unable to state what time they did leave; but in my investigation of the matter the following facts have been brought under my notice.

1. The complaint is that during certain days in December last 16 waggons were from two to six days in travelling from Clay Cross to Derby.

2. The Wingerworth Coal Company are allowed siding room at the Derby coal wharf for 10 waggons.

3. During the day and night there are six coal trains from Clay Cross to Derby, and on several of the days mentioned in the complaint the Wingerworth Company had a larger number of loaded waggons in the wharf than they had siding room allotted them; and further, that whilst the number of loaded waggons in the siding was, as just stated, occasionally in excess of what it should have been, the number of waggons emptied and sent out of the siding was never higher than eight, in two instances one, and several instances not more than two or three per day.

4. It frequently happens that in consequence of the overcrowding by the colliery people of the station sidings allotted to them waggons have to be placed in other sidings some distance from the station, and it will be evident that in dealing with traffic thus thrown out of ordinary course there must be occasional delays to certain waggons, and more particularly so in the months of November and December, about which time we are invariably subjected to great pressure of traffic, and when, to save time and unnecessary shunting, each day's waggons are worked as far as possible direct into the wharf, irrespective of the excess waggons of previous days, which often for several days in succession increase rather than diminish in the sidings above referred to. I would observe further that the great and irregular pressure of traffic referred to, whilst it involves nothing of any consequence to the colliery owners beyond occasional delays to individual waggons, is a matter of serious consequence to the railway company, necessitating as it does the provision of extra sidings and special arrangements for working the traffic.

5. The waggons are frequently brought down the incline at Clay Cross too late for the same day's ordinary train, and necessarily remain until the following day; and, assuming the dates given by the Wingerworth Company of the waggons having been delivered upon the company's premises to be correct, but which we by no means admit, the delays may have arisen from one or other of the causes above stated.

6. The empty waggons are cleared out of the wharf every evening, and sent to the sorting sidings near Derby, where each coalowner's waggons are properly sorted and forwarded to their respective collieries by the trains appointed to take them.

It is much to be regretted that the Wingerworth Company did not write to me at the time of each delay; had they done so each case could have been investigated as it occurred, and if any just ground of complaint existed a remedy would have been applied.

Mr. C. H. Low.

Mr. Charles Hoskins Low examined.

13,881. (*Chairman.*) You are chairman of the general committee of the Bristol Chamber of Commerce?—I am.

13,882. Have you a statement which has been prepared by the timber merchants of Bristol and other persons, showing the unequal and unfair charges by the Great Western Railway Company for carrying timber over their system of railway to various places?—I have.

The witness delivered in the same, which is as follows:

MATTERS proposed to be laid before Her Majesty's Commissioners on behalf of the BRISTOL CHAMBER OF COMMERCE, by Mr. CHARLES HOSKINS LOW, Chairmain of the General Committee of the Chamber, February 1866.

1. A statement by the timber merchants of Bristol, showing the unequal and unfair charges of the Great Western Railway Company for carrying timber over their system of railways from Bristol to various places, in comparison with the charges made by the same company for timber carried from Newport (Mon.) A list of 34 places is appended hereto (A.) Taking the first on the list, Abingdon, it will be seen that the charges for carrying timber from Bristol to Abingdon, a distance of 71 miles, is 12*s.* per ton, whilst from Newport to Abingdon, a distance of 111 miles, the charge is 9*s.* 1*d.* per ton.

2. A complaint by the carriage manufacturers of the cities of Bristol and Bath of the injurious effects upon their trade consequent upon the high and almost prohibitory charges of the Great Western and the Bristol and Exeter Railway Companies for conveying charges on their lines. As an example, the memorialists mention, that the charge for conveyance of a carriage from Bath to London, which had been reduced from 1*l.* 19*s.* 8*d.* to 1*l.* 11*s.* 9*d.*, has latterly been again raised to the former rate, and that the same charge is made, whether it be a pony carriage weighing 4 cwt. or a travelling carriage weighing 10 times as much.

3. Communications from Messrs. Polglase & Co., of Bristol, wholesale tea dealers, complaining that, whereas formerly the Great Western Company charged 9*s.* 11*d.* per ton for rice from London to Bristol, they now charge 17*s.* 8*d.* per ton; and that it is now several years since they have found the London markets available; due in part to the difference in the cost of transit.

4. From Messrs. Chubb and Fry. A plan drawing and explanation of their proposed method of securing direct communication between passengers, guard, and engine driver, whilst the train is in motion.

5. From Mr. Peter Freeland Aiken, banker of Bristol, suggesting that the continental system of obliging passengers having luggage to be at railway stations 10 minutes before the advertised time for the departure of trains should be adopted in this country; the railway companies providing numbered receipts for the luggage. The suggestion, if carried out, it is considered would prevent confusion, loss of luggage, delays, and consequent accidents on railways.

The Committee of the Bristol Chamber of Commerce also offer the following suggestions:—

6. That the system of charging extra fares by "express" trains should be discontinued on all the lines.

7. That the ordinary fares might be greatly reduced to the benefit of the companies as well as the public.

8. That third-class carriages should be attached to all except express trains.

9. That smoking carriages should be set apart in each train on the principal lines, and the practice of smoking in other carriages should be strictly prohibited.

10. That passenger trains should be started at the advertised time, under a penalty, at the instance of any person who may lay the information.

11. That tickets should be sold at the principal stations and at their offices at any time; and that at every station, however small, tickets should be issued at least a quarter of an hour before the time for the departure of the trains.

12. That passengers with luggage should be required to be at the station 10 minutes before the time for the departure of trains, at least.

13. That passengers' luggage be registered and labelled, and a ticket given to the passenger corresponding with the label. It is considered that carrying out these suggestions (10 to 13) would tend greatly to ensure punctuality in travelling and consequent diminution of accidents, and other evils attendant on the present defective system of management.

14. That the Board of Trade should be empowered to revise the rates for passengers and goods on all railways, say every three years, and that the public should have a power of appeal to the Board of Trade at all times against excessive, unequal, or unfair rates and charges, including "terminals," the Board of Trrde being empowered to enforce their decisions after inquiry. This it is considered would be an effectual remedy for the very general complaints with respect to the arbitrary rates now enforced for the carriage of goods and merchandise, and the charges for "terminals." The remedy is one which is within the spirit of the legislation with respect to railways, all railway companies in return for the privileges conferred upon them being (nominally) bound to carry at equal rates, not exceeding a maximum fixed by the Act, at per ton per mile. But the intention of the legislature is in various ways very generally evaded, and the public have at present practically no protection or remedy against monopolies or combinations of railway companies. Various merchants, manufacturers, and traders, and various localities, are, in many cases, unjustly favoured, and others unjustly injured, by the present arbitrary and irregular practices of the railway companies.

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(A.)

GREAT WESTERN RAILWAY COMPANY'S CHARGES for CARRIAGE of TIMBER per Ton for the Distance.

From	BRISTOL.		GLOUCESTER.*		NEWPORT.		To
	Distance.	Charge.	Distance.	Charge.	Distance.	Charge.	
	Miles.	*s.* *d.*	Miles.	*s.* *d.*	Miles.	*s.* *d.*	
	71	12 0	—	—	111	9 1	Abingdon.
	98	10 0	93	10 6	137	12 6	Banbury.
	101	10 0	94	7 0	108	8 4	Bescott.
	151	10 0	146	7 2	190	8 4	Bilston.
	44	10 0	85	11 8	129	15 5	Bruton.
	24	5 0	53	8 4	97	8 0	Chippenham.
	59	8 4	27	4 2	71	8 4	Cirencester.
	33	6 8	70	8 4	115	12 1	Devizes.
	65	10 10	60	10 0	104	8 10	Didcot.
	92	10 0	55	6 0	99	8 4	Dudley.
	33	8 4	75	9 2	119	10 1	Frome.
	102	10 0	65	7 0	109	8 4	Great Bridge.
	92	13 4	87	11 2	—	—	Henley-on-Thames.
	108	12 6	103	13 6	147	12 5	Hungerford
	94	13 4	90	—	134	11 5	Maidenhead.
	99	12 6	95	12 6	139	11 9	Newbury.
	75	10 0	71	12 6	125	9 6	Oxford.
	77	10 10	72	—	116	9 10	Pangbourne.
	82	10 10	78	10 10	122	10 4	Reading.
	68	10 5	109	—	—	—	Romsey; from London, distance, 82 miles: charge, 8*s.* 4*d.*
	62	8 4	57	8 4	101	8 7	Stevenston.
	55	8 4	22	5 0	66	8 4	Tetbury.
	58	8 4	53	8 4	97	8 5	Wantage.
	33	6 8	74	8 4	118	8 5	Warminster.
	120	12 6	115	9 0	159	13 4	Warwick.
	149	10 0	146	7 0	190	8 4	Wednesbury and district.
	28	6 8	49	8 4	113	—	Westbury.
	87	12 6	158	12 6	172	14 7	Weymouth.
	50	8 4	91	13 8	135	11 5	Wilton.
	99	13 4	95	13 4	139	12 11	Woburn.
	98	10 0	149	7 0	193	8 4	Wolverhampton.
	104	13 4	99	13 4	143	12 11	Wycombe.
	42	7 6	84	10 0	138	10 9	Wyley.
	59	8 0	100	13 4	144	12 3	Yeovil.

* In nearly every case traffic from Newport must pass through Gloucester.

13,883. You complain of the charges as compared with the charges from Newport?—Yes. I believe, to a great extent, the Cardiff rates are precisely the same as the Newport rates; that makes it rather a worse case, because Cardiff is 10 or 15 miles further west than Newport.

13,884. Take the first town in the list, Abingdon?—The rate from Bristol, a distance of 71 miles, is 12*s.* per ton, whereas the rate from Newport, which is 111 miles, is only 9*s.* 1*d.* per ton. I would remark also, that in thus favouring Newport as against Bristol we are doubly weighted and doubly disadvantaged, because Newport being a port of export and a shipping port for coal, vessels from New Brunswick and the Baltic will come to Newport at 1*s.* 6*d.* or 2*s.* per ton less than they will come to Bristol, so that not only do merchants get their goods at a considerably less freight into Newport, but they are able to send them with a free competition a greater distance at a less rate.

13,885. Does much timber go to Abingdon now?—It goes to all these places of which I have given a list. Didcot is another case; Didcot, which is 65 miles, is charged 10*s.* 10*d.* from Bristol. From Gloucester the fare is equal with Bristol; Gloucester is 60 miles and the fare is 10*s.* Newport is 104 miles, and positively the goods go from Newport through Gloucester and get to Didcot, so that the goods are literally taken from Newport to Gloucester for nothing, and even an advantage of 1*s.* 2*d.* given into the bargain.

13,886. (*Sir R. Hill.*) Does it cost less from Newport to Didcot than it does from Gloucester to Didcot?—The charge from Gloucester to Didcot is 10*s.*, and from Newport to Didcot it is 8*s.* 10*d.*, on the same line, running through Gloucester.

13,887. (*Chairman.*) Are there no additional services performed at Gloucester and Bristol, which are

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not performed at Newport?—No, these charges are from station to station in each case.

13,888. You deliver it at the station in both cases?—Yes.

13,889. And take it away in both cases?—And take it away in both cases.

13,890. Have you ever made any representation to the Great Western Company with respect to these charges?—We have not as to these charges; we were of opinion that if we intended to lay these charges before the Royal Commission it would not be right to bring it before the company. We have so often applied for new rates that we are really hopeless about the matter.

13,891. Is there any timber trade between Bristol and these places?—A large trade. I am myself a considerable timber importer into Bristol.

13,892. Is there any timber exported from Bristol into the country?—Yes; the local Bristol trade is comparatively a small trade as compared with that of the district we serve. We go as far north as Derby, as far east as Henley-on-Thames, and as far west as Exeter, so that we take a very large circuit.

13,893. Are you comparing exactly the same sorts of timber?—Yes, both Baltic and Canadian timber would be taken to those places. In nearly every instance some inequality exists.

13,894. What is the remedy that you would suggest as desirable to meet this case?—We consider that the Board of Trade should have some authority over the railway system generally, that they should have some power of revising the rates, and of seeing that such inequalities should not be allowed to continue. We recommend that the Board of Trade should be empowered to revise the rates for passengers and goods on all railways, say every three years, and that the public should have a power of appeal to the Board of Trade at all times against excessive, unequal, or unfair rates and charges, including "terminals," the Board of Trade being empowered to enforce their decisions after inquiry. This, it is considered, would be an effectual remedy for the very general complaints with respect to the arbitrary rates now enforced for the carriage of goods and merchandise, and the charges for "terminals." The remedy is one which is within the spirit of the legislation with respect to railways, all railway companies, in return for the privileges conferred upon them, being (nominally) bound to carry at equal rates, not exceeding a maximum fixed by the Act, at per ton per mile. But the intention of the legislature is, in various ways, very generally evaded, and the public have at present, practically, no protection or remedy against monopolies or combinations of railway companies; various merchants, manufacturers, and traders, and various localities are, in many cases, unjustly favoured, and others unjustly injured by the present arbitrary and irregular practices of the railway companies. I might observe, that the Bill which passed Parliament last session, namely, the South Wales and Great Western, which authorized the Severn Bridge, directed a maximum rate of 2*d.* per ton to be taken by the company; but by a private agreement with the coal owners a charge of three-eighths of a penny per ton from Wales to London was agreed upon. If they had enforced the rate of 2*d.* per ton to Bristol it would entirely have shut us out, because no coal would have ever come over the line to Bristol.

13,895. (*Capt. Galton.*) Are you speaking of 2*d.* per ton per mile?—Yes.

13,896. (*Mr. Hamilton.*) Is the rate of 2*d.* per ton per mile upon coal charged upon any railway?—They take power to charge it; I do not say that they do; that is their maximum rate.

13,897. (*Mr. Horsfall.*) What do you mean by saying that companies are nominally bound to carry at equal rates?—I believe, as a general principle, that they should not favour one class or one person as against another.

13,898. Where is that general principle to be found?—It was considered to be a general principle of legislation with reference to railways.

13,899. Is not the reverse of that statement nearer the truth, and that Parliament has only prescribed that railway companies shall not carry beyond a certain maximum, but below that maximum they are left to exercise their own discretion within certain rules and classifications which are laid down?—I believe that if they carry for one person to one place at a certain rate, that another person can compel them to carry for him at the same rate.

13,900. There is nothing to compel a railway company to charge the same price for 70 miles over every part of their line, is there?—Certainly not.

13,901. (*Chairman.*) They are not obliged to make the same charge to all persons under similar circumstances?—No.

13,902. There is nothing in their Acts to prevent them charging anything they like below their maximum if they think proper?—No.

13,903. They charge considerably below their maximum for timber from Newport?—Very much so.

13,904. (*Earl of Belmore.*) Are the words "maximum rates" used in their Acts of Parliament?—I am not quite certain; certain tolls are laid down which they cannot exceed.

13,905. If that is so, are they not at liberty to charge lower rates if they like to do so?—They are at liberty to do so, but we consider that it is prejudicial to the general interests of the country.

13,906. (*Mr. Hamilton.*) I presume you are aware that this power which you wish to be given to the Board of Trade would be a power in distinct contravention of an Act of Parliament, and in violation of terms imposed upon that railway, which that railway has accepted, and in reliance upon which it has expended its capital?—I was not aware of that. It becomes a very serious matter if for some reason of policy unconnected with commercial matters the railway is to carry from Newport at one half the price or a quarter of the price that is charged from other places.

13,907. You mean you wish it to be done if it can be legally done?—Quite so.

13,908. (*Capt. Galton.*) For how long have they been charging these differential rates between Newport and Bristol?—For a considerable time.

13,909. At the time of the Amalgamation Bill with the West Midland Company did you represent this to the Parliamentary Committee?—No, it seemed to have escaped our attention.

13,910. You did not then appeal to Parliament when you had an opportunity of doing so?—We did not; it did not come before us; it was only in consequence of finding Newport houses coming into what we had considered to be our own ground that led us to look into the matter.

13,911. You have not yet represented the matter to the Great Western Company?—We have not.

13,912. (*Chairman.*) Are you of opinion that the Great Western Company have any interest in Newport which would lead them to develop or encourage trade at Newport rather than at Bristol?—No, I have endeavoured to ascertain why such an inequality of charge should exist, but without success.

13,913. (*Mr. Hamilton.*) Is the competition by sea the same at Newport and at Bristol for the timber trade? Does the sea route from both the port of Bristol and the port of Newport offer the same amount of traffic to the Great Western Railway?—There is no sea route to the majority of places named in this list. There would be a sea route from Bristol on to Plymouth, or from Bristol to Exeter, and from Newport to Plymouth or Newport to Exeter, but of course there would be no sea route to Abingdon or the other inland places.

13,914. (*Chairman.*) Are there not any places in which Bristol has advantageous rates of some description, where it is carried a very long distance to Bristol at very low rates as compared with goods from other places?—I have heard Liverpool complain that Bristol is favoured as compared with them, and I believe that

the Bristol rates in many cases are lower than the Liverpool ones.

13,915. Then Bristol does not suffer disadvantages in all cases from the principle which the railway companies have adopted ?—Certainly not.

13,916. In certain cases they derive advantages from it ?—No doubt.

13,917. You think Liverpool has the same complaint against Bristol which Bristol has against Newport ?—To a certain extent it is counterbalanced by both Liverpool and Newport being export places. The per-centage of tonnage which takes outward cargo from Bristol is quite nominal, and consequently we have to pay a considerably higher freight in importing our goods than either Newport or Liverpool.

13,918. Have you very little export trade at Bristol ?—It is quite nominal.

13,919. You have also a complaint to put in from the carriage manufacturers of Bristol and Bath ?—I have.

13,920. What is the nature of their complaint ?—They complain of the very high rate of charge for carriages from Bristol and Bath to London, and more particularly the fact that the charge for the conveyance of a four-wheeled carriage from Bath to London, which had been reduced from 1*l.* 19*s.* 8*d.* to 1*l.* 11*s.* 9*d.*, has latterly been again raised to the former rate, and that the same charge is made whether it be a pony carriage weighing 4 cwt. or a travelling carriage weighing ten times as much.

13,921. Does it not take as large a truck to convey a small pony carriage as it would to take a travelling carriage ; in either case do they not have the same amount of dead weight to carry ?—Of course there would be the truck, but the dead weight would not be the same.

13,922. Would it be an inappreciable quantity ?—I cannot say. I dare say we might have been supplied with more evidence. We put an advertisement in the paper, and the coach makers sent us this communication.

13,923. It would take a truck to convey a pony carriage just the same as it would take a truck to convey a travelling carriage ?—Exactly.

13,924. It would be just the same as if you were sending a pony and a large horse ; you would equally have to find a horse box for the pony as for the large horse ?—Yes ; but you would pay more for two ponies than you would for one.

13,925. Would you pay more for the horse than you would for the pony ?—No.

13,926. That is exactly the same case, because you take up just as much of the trucks of the company ?—Quite so ; but the grievance seems to me that they have advanced the rate from 1*l.* 11*s.* 9*d.* to 1*l.* 19*s.* 8*d.*

13,927. (*Mr. Hamilton.*) Do you know when the advance was made ?—The memorialists say lately.

13,928. (*Mr. Horsfall.*) Are you aware what dividend the railway company is paying ?—Two per cent.

13,929. Do you not think it is probable that the directors raised the rates with a view of getting a better dividend ?—I think that is wrong policy altogether. I think that reduced rates of carriage both for goods and passengers would be far more likely to increase their dividend than reduce it.

13,930. (*Chairman.*) Can you give any reason why that would be the result of reducing the rates and fares ?—We find that when rates are reduced there is a very large increased traffic. I have not the figures before me, but I will instance the competition between Reading and London some years ago. When the return tickets were 2*s.* 6*d.*, they found that there was even a profit on that very reduced rate ; and although they have now gone back to the old rate, so far from increasing their dividend, there has been a large diminution. We generally find a large increase of traffic from the reduction of rates.

13,931. You are not able from any observation of your own to give any opinion as to what would be the effect of a reduction of rates ?—No.

13,932. Is the manufacture of carriages a large business at Bristol and Bath ?—It is.

13,933. Is it a question of importance to those towns ?—No doubt it is. I have a list of the principal carriage makers, and I find the number over 20 in the two towns. Some of them are men of considerable importance and have very large factories.

13,934. (*Mr. Hamilton.*) As they do not number more than 20 in those two large towns, it does not seem to be a very large trade ?—Some of them are in a very large way of business ; for instance, Rogers and Son and Fuller and Son.

13,935. Employing how many men do you suppose ?—I have no definite information upon that point.

13,936. (*Chairman.*) You have a complaint of a similar character from the tea dealers of Bristol, complaining that the charges on rice have been raised ?—We have. It has been raised from 9*s.* 11*d.* per ton to 17*s.* 8*d* per ton, which is nearly double.

13,937. Has the consequence been that they are no longer able to send any rice to London ?—They say they are quite shut out from the London market in consequence.

13,938. (*Sir R. Hill.*) The expression in your statement is "due in part to the difference in the cost "of transit." What is the other part that it is due to ?—I am not advised as to that part. I have not observed the expression "due in part." I have no question that on an article like rice an advance of 8*s.* per ton would preclude any profit on the article.

13,939. When was the advance made ?—I have not the particulars.

13,940. You do not know the circumstances under which it was made ?—No, I do not.

13,941. Has no inquiry been made of the company why it is that there was such a very large increase ?—I am informed that they have repeatedly applied for a reduction, but can get none.

13,942. Is Bristol a large import market for rice ?—We do not import it. We have little or no East India trade.

13,943. Why should you suppose you will be able to compete with ports of import in supplying London with rice ?—We do not ; it passes from London to Bristol.

13,944. You mean you cannot get rice ?—We cannot buy rice in London.

13,945. (*Chairman.*) Where is Bristol supplied with rice from ?—I think chiefly from Liverpool.

13,946. (*Mr. Hamilton.*) Do you know what is the rate from Liverpool to Bristol ?—The rate by water would be about 9*s.* per ton.

13,947. Have you any observations to offer with regard to the suggestion from Mr. Aiken ?—It seems to us that delay in railway travelling does arise to a great extent from receiving luggage up to the very last moment. At present 20 or 30 passengers may drive up to a station with a large amount of luggage one minute before the time of the starting of the train, and then the company are obliged to take them. The same thing may be repeated at half a dozen stations, which consequently must delay the train half an hour at least.

13,948. Do you not think it would give very great dissatisfaction if passengers were excluded who arrived a minute or so before the advertised time of starting the train ?—I have no doubt that at first there would be great complaints. I am merely referring to luggage which cannot go in the carriage ; heavy parcels of luggage.

13,949. Do you think the public in general, so far as the town of Bristol is concerned, would be disposed to adopt a rule of that kind ?—I think they would find the advantage so great that they would rather be 10 minutes before the time.

13,950. (*Chairman.*) Have you any observations to offer on the suggestions of the Bristol Chamber of Commerce ?—As to No. 6, we suffer considerably from the very high fares by express trains by the Great Western. We have no express fares on the Midland Railway at all. I find that the express first-class fares

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are 25 per cent. above the ordinary first-class fares, and the second-class express fares 16½ per cent. above the ordinary fares. I also find that we are almost compelled to travel to London by the express, because no ordinary train arrives in Paddington before 2.40, which by the time one gets into the city is too late to do any business, so that we are compelled to pay the express fare. I also find that by the third-class passengers cannot arrive in London before a quarter to six in the evening, so that in order to return in one day you must leave London at 3 o'clock in the morning, and get back by 2 the next morning; so that third class passengers are virtually shut out from going to and returning from London in the same day.

13,951. (*Mr. Hamilton.*) Are you quite sure that the third-class passenger cannot get from Bristol to London before a quarter to six in the evening?—I have examined the time-table.

13,952. (*Chairman.*) Do you think any large number of third-class passengers would wish to go to London and return the same day? Would not those passengers be more the class of persons who travel by the first and second class?—Many people might, for cheapness, if the time suited them, elect to go by third class.

13,953. You think it is in order to compel all persons who wish to go up for business in the day to travel by the second class rather than by the third?—I think so. I can give a singular instance of the inequalities of the passenger rate. I went to Oxford by the express train from Bristol, and then from Oxford to London, which is a *détour* of about 30 miles, and it cost me 2*s.* less than taking a direct ticket from Bristol to London.

13,954. Are express fares charged from Bristol to Oxford?—I think not. Still we get out at Didcot; we return to Didcot.

13,955. I suppose the railway company are authorized by their Act of Parliament to charge express fares?—26*s.* 1*d.* is the express fare from Bristol to Paddington; that is the extreme maximum rate by first class.

13,956. Do you think any great convenience would arise if your suggestion No. 11 were adopted, that tickets should be sold at the principal stations and offices at any time?—We consider that that would be one of the great points tending to greater punctuality in the starting of trains. We find with regard to the morning train that the ticket clerk does not make his appearance until five minutes before the arrival of the train, and consequently a great delay occurs in starting the train.

13,957. (*Mr. Glyn.*) Is there not a general regulation that the clerks should be at the ticket office a quarter of an hour before the starting of the train?—Yes.

13,958. Then is not that rather a matter on which you should complain to the company than to this Commission?—We are not complaining of their non-attendance. We consider that the fact of tickets being purchasable at other places besides the railway station would tend to facilitate business; excursion tickets are always purchasable at other places, such as the parcels offices for instance.

13,959. (*Chairman.*) Are there any other points on which you wish to offer any opinion?—There are not.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

Friday, 2nd March 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
J. R. M'CLEAN, PRES. INST. C.E.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. THOMAS MACNAY examined.

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13,960. (*Chairman.*) You are Secretary to the Stockton and Darlington Railway Company?—Yes.

13,961. That company is now amalgamated with the North-eastern Company?—Yes.

13,962. What is the precise position of affairs between the Stockton and Darlington Company and the North-eastern Company; in some respects I believe you are still partially independent?—Yes; as regards management we are quite independent; the carrying on of the traffic and the working of the railway is under the Stockton and Darlington directors as it was prior to the amalgamation. In all other respects the two companies are amalgamated.

13,963. The general manager of the North-eastern Railway has nothing to do with the working of the traffic on the Stockton and Darlington?—He does not go into the details of it; of course he feels an interest in the working of it, but he cannot speak to it.

13,964. Have you seen the evidence given by Mr. Wooler before this Commission?—I have.

13,965. He has made certain charges affecting the Stockton and Darlington Company?—I have observed that.

13,966. Have you prepared a statement in answer to some of his charges?—I have prepared an answer to the whole of them, as I thought they required an answer.

13,967. One complaint that Mr. Wooler makes is, that the directors who own collieries have preferences shown to them over other colliery owners?—Yes, and I have stated in my answer that that is not the case. I have been connected with the companies for upwards of 30 years, and I have been secretary for a large portion of that time. I am not aware of any regulation ever having been issued that was not intended to apply to the whole trading public connected with the line equally; that statement has been made under a mistaken impression.

13,968. Have you reason to believe that your instructions have not been duly carried out by the agents; do you think that the agents have taken upon themselves to give practical facilities to the colliery owners, who are directors, which they have not given to others?—In a large undertaking like ours, of 200 miles, such a thing might occur without its coming to my knowledge; they are not encouraged to do so, but on the contrary to deal out the rules and regulations impartially.

13,969. Has Mr. Wooler ever complained to you or to the directors of your company?—Yes, he has.

13,970. On that point?—Yes; there have been complaints, and upon a line like ours there will be complaints as long as ever there is a large trade to carry on. When prices are good every one wants to do the largest amount of business. In the case of Mr. Wooler he talks about getting a supply of waggons, and he states that he has a colliery, and he became connected with it about seven years ago, about 1859. In that year he sent about 5,600 tons of traffic along the line, and he has been allowed to go on increasing it till the last year, 1865, he sent 72,000 tons. There is not another coal owner on the line that has had so large an increase as that. With regard to those collieries which Mr. Wooler says belong to the directors, and in

which they are interested, I do not find that any of those collieries have increased one-tenth of that proportion.

13,971. When complaints have been made have they been investigated by the board?—When a complaint is made it is not always investigated by the board, it would be almost impracticable; but they are always investigated to see if the complaint can be remedied, or if it is justifiable; if it is a complaint of some magnitude and required their attention, then the board would give attention to it.

13,972. (*Mr. Glyn.*) The Stockton and Darlington Company act quite independently of the North-eastern board, now?—They only act independently as regards the management of their own 200 and odd miles of railway, and the management of the traffic is in their care. The North-eastern board interfere very little with them.

13,973. In fixing the rates or the allowances, by which board is that done?—If there is to be a reduction of the rates the Stockton and Darlington board cannot reduce them without the consent of the North-eastern board.

13,974. Or make any allowances without their consent?—No; except it is something of not sufficient importance to occupy the time of the board with, in which case they would do it, if it was considered to be for the general interests of the company.

13,975. In point of fact the powers of the Stockton and Darlington board now are confined really to the management and the working of the traffic on the line?—Yes.

13,976. Their powers do not extend much beyond that?—No.

13,977. They are obliged to have reference to the North-eastern board in all cases affecting the rates?—Yes; in all cases of important changes they have recourse to the North-eastern board.

13,978. Suppose a question arose as to altering the aggregate quantity of tons to be sent per annum by any particular colliery owner, could that be done by the Stockton and Darlington board alone?—As to the quantity to be sent by any particular colliery that would be settled by the Stockton and Darlington board.

13,979. I mean that quantity which would entitle them to a rebate?—That would be settled by the Stockton and Darlington board, because that has been in existence for many years, therefore they would be simply acting upon the rule which was in existence at the time of the amalgamation.

13,980. Supposing it was desired to change that proportion from 20,000 to 40,000 tons per annum, could that be done by the Stockton and Darlington board alone?—I almost think it could.

13,981. (*Mr. Horsfall.*) How many companies send 20,000 tons?—The bulk of them send upwards of that quantity now; but that has reference to the agreement to which Mr. Wooler refers. He laid great stress upon that resolution, which was passed for the carrying out of that rule that was laid down in 1856. The resolution was, that any one sending 20,000 tons or upwards should have a rebate, which has been already pointed out. That resolution was sent to every colliery to enable him to make a contract on that basis, but the trade having so largely extended by the opening of the ironstone and iron works, the directors last November passed another resolution to cancel the former one, and to let all the collieries have the rebate. Mr. Wooler had the benefit of that prior to that time; he has not said so in his evidence, I see, but he had the benefit of that from September last.

13,982. There is no limit now to the quantity of coal that may be sent to entitle the party to a reduction?—No.

13,983. (*Mr. Glyn.*) Even when that regulation existed, if I rightly understand you, several colliery owners might have united together in order to make up the necessary quantity to obtain a rebate?—Yes; there was a great desire on the part of the directors to encourage the extension of the coal trade. There were royalties undeveloped, and therefore, they said, you who cannot do it singly, if you unite you shall have the benefit. Then the trade went on extending, and the opening of ironworks became so large that they said, we will not keep this regulation in force any longer, but we will let any colliery that sends coal and coke for iron-making purposes have it at the low rate at once. Therefore, we do not charge the high rate and then make a rebate, but just charge the low rate to each one. That has been so since last November, and Mr. Wooler has not paid the higher rate, I believe, since last September.

13,984. (*Chairman.*) If Mr. Wooler sends such a large quantity of coal as 70,000 tons a year, how is it that he ever suffers from that rule; was he not always entitled to a rebate?—When he commenced the colliery he was only sending 5,600 per annum; that is seven years ago.

13,985. Latterly was he not entitled to a rebate, before you made that rule universally applicable?—Yes; and he got it.

13,986. Do you still allow any rebate for large quantities of coal sent, not for iron-making purposes?—No, there is no regulation affecting that.

13,987. For large quantities of coal and coke now there is no difference made between large and small collieries?—No; I do not think so.

13,988. In no case is there any difference made?—No. If a colliery owner came to us to make a proposal that he could bring a large trade, seeking to get connexions abroad, and he said, if you will encourage me in this I will go and try on the continent to open out a connexion, we should be disposed to listen to that, and encourage it.

13,989. (*Mr. Glyn.*) You would found that upon the delivery of a certain quantity to be brought to you for carriage?—Yes.

13,990. (*Chairman.*) Mr. Wooler made some complaint that when he attempted to send coke to Glasgow he found that he was undersold, that he could not carry on a trade to any advantage owing to your charges?—Yes. I was surprised at the way he put it; he is evidently misinformed. There has not been a ton sent along our line to go to Glasgow by any of the directors. I believe Mr. Pease has sent coke from the North-eastern Railway round by Newcastle, and so on to Carlisle, and to Glasgow, and he is now sending some, I believe.

13,991. Coal or coke?—Coke. That is going on now; but Mr. Wooler when he sent that coke which he spoke of, sent it from a seam called Five-quarter Seam, so inferior a quality of coke for iron-making purposes, and especially for foundry purposes, that when it got to Glasgow the people of Glasgow would not have it; they said they could not take it at any price, that it was not of a sufficiently good quality to suit their purpose. It might have damaged their business, I suppose.

13,992. Mr. Wooler says that a neighbour was selling in competition with him, and I suppose he wishes it to be understood that his neighbour made a good profit out of his business, and that he was not able to do so?—Yes; he states that. That entirely arises from the quality of the material, and I do not think that he would now have offered to send coke, as there is no inducement. The consumption of coke in our neighbourhood is so large that I think he scarcely would have offered to send it, but he had some waggons on hand, and wished to secure that sale, and they were to be delivered in Scotland, the cheapest thing for him to do was to fill them with coke and send them "ex waggons"; they would thereby be delivered free; if he had sent them empty over our line and over the Carlisle line there would have been a charge.

13,993. (*Earl of Belmore.*) He in fact only sent coke once?—Only that once; 40 tons of it.

13,994. (*Mr. Horsfall.*) What is your mileage rate on coke?—$\frac{3}{4}d.$ per ton per mile.

13,995. (*Mr. Glyn.*) The colliery owner finding the waggons?—We find the waggons in that charge; they are included in the $\frac{3}{4}d.$

13,996. (*Chairman.*) It is the general practice, I believe, on the whole of the North-eastern system, in-

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cluding the Stockton and Darlington line, for the company to find the waggons?—It is not universal; the Great Northern Company send waggons, and some of the colliery owners send waggons.

13,997. As to the coal that is delivered in districts on the North-eastern line itself, is that traffic all carried in waggons belonging to the company?—Chiefly so.

13,998. In some instances the colliery owners find the waggons?—Yes.

13,999. We have heard that in most other parts of England the almost universal rule is for the colliery owners to provide waggons?—That is not the case with us. There was a time when the colliery owners found the waggons on our line; but where there were about 60 collieries with different kinds of coal in each colliery it was a very serious matter to have to shunt the waggons for every one of those places, and involved the company in great expense. There was consequently great delay, and it was found better to put them all into one stock, and the company bought them.

14,000. As a general rule at the present time you find the waggons for the coal traffic?—Yes, that is so.

14,001. (*Mr. Horsfall.*) Do you think that any reduction in the rate upon coal would materially increase your traffic?—I do not think it would at present; we have considered that $\frac{3}{4}d.$, including the waggons, was a very moderate rate, and would give it a full chance of development, and in fact it has.

14,002. Have you ever tried the experiment of a reduction?—I think we have not gone below that for coal and coke for local consumption.

14,003. There is not much passenger traffic on your line, I believe?—We carry about a million passengers per annum.

14,004. What is the rate per mile on your line?—2*d.* first class, and $1\frac{1}{2}d.$ second class; of course the parliamentary train is 1*d.* I should explain that that was our rate when we were a separate company. After the amalgamation with the North-eastern Company we assimilated our rates to theirs, and brought them to $2\frac{1}{2}d.$ for the first class. There is a change now going on to bring it down to 2*d.* again over the whole of the North-eastern system, so that they are really coming from their previous charges to our previous charges.

14,005. That would rather raise the charge?—It did raise it at the time by making it from 2*d.* to $2\frac{1}{2}d.$ for first-class passengers, after the amalgamation. Now they have decided at the North-eastern board to reduce the rates to 2*d.* gradually—a part of that reduction has already taken place; but we have given the public a consideration for that advance—we give them return tickets from their stations to all others every day, which they have not had before.

14,006. (*Chairman.*) Your district is a very populous one, on the whole, is it not?—Yes, it is a large iron-making district, gradually increasing in population.

14,007. (*Earl of Belmore.*) What rate of reduction do you make on return tickets?—About a fare and sixth is the charge.

14,008. (*Mr. Horsfall.*) Do the labouring population travel much by your line?—Not so very much the labouring men; I should say not so largely as in some places, but still necessarily a large proportion travel because there is such a large population of that class.

14,009. Do they live far from the works, and travel up and down the line?—Not a long way. They live so near to the works that there are few instances of men having to go by trains to their work regularly. If they have work at a distance they have occasion to travel then by the line.

14,010. (*Chairman.*) Did you say that Mr. Pease was now carrying on a considerable coke trade with Glasgow?—I think not a considerable trade, but he is sending something; it does not go on to our line at all, consequently our directors have nothing to do with it, and that was the mistake, I think, in the statement.

14,011. (*Mr. Glyn.*) It does not go over the Stockton and Darlington line at all?—No, it goes by the North-eastern, I think, on to the Newcastle and Carlisle, and that way, so that I do not know how he made that mistake in saying that there were both the directors and himself sending in that direction.

14,012. (*Mr. Horsfall.*) What difference of rate do you charge between coke and coal?—Hitherto we have kept the same rate on our line, although it is a very serious matter. A waggon that would carry three tons of the one will only carry about a ton and three-quarters of the other, but still we have adhered to the same rate. A large portion of our traffic is coke traffic, so that that really amounted to a reduction to the public.

14,013. What dividend does your company pay?—The last dividend was $9\frac{1}{4}$ per cent. for the Stockton and Darlington section.

14,014. (*Mr. Glyn.*) You say that Mr. Pease sends his coke by the Newcastle and Carlisle line, and Mr. Wooler said he sent it by Tebay?—Yes. If he sent it over our line we would have taken it to Clifton and not to Tebay.

14,015. (*Earl of Belmore.*) Did you say that the quantity of coke and coal was as three tons to one and a quarter tons or one and three-quarters?—One and three-quarters.

14,016. (*Chairman.*) In answer to question 9,620, Mr. Wooler makes complaints as to the supply of waggons for his trade. Have you any observations to make on that statement?—I notice that he says when he is standing at his colliery he can look across the valley and see waggons standing at some other person's colliery unoccupied; now at a large colliery they have coke on the benches, and they may fill so many waggons, and then they are moved forward to other benches, and I think the waggons must have been waiting to be transferred either by locomotives or horse power; he does not give any of the circumstances. At a time when the prices are good, as they all have been for some time past, every coal owner is clamorous to get all the waggons he can to do the most business he can, irrespective of his neighbour's interest. As I have said, on looking at the list of traffic carried, Mr. Wooler's quantity has increased about 13 times what it was seven years ago, and there is not another instance where the quantity has increased the same. As regards the directors' collieries, they have not increased one tenth of that, so that I think he had not calculated his figures very closely when he said that.

14,017. Have you any standing rule as to supplying waggons to separate coal owners; when a demand for waggons is sent to you, and you can supply them, do you divide them proportionally to the demand, or by any other regulation?—That is a thing which it is very difficult to regulate. If collieries send away a certain quantity we endeavour to make the waggons bear some proportion to their capabilities, but it is very difficult to meet that; they make their own allegations as to their capabilities.

14,018. (*Mr. Glyn.*) You do not attend to the first application as a matter of course?—We look to see what their prospects are, because the consumers send to our people to tell them if they want any, and sometimes the coal owner will come before we have had any intimation from the consumer that he wants coke, and the coal owner would like us to send the waggons and get the coal or coke sent away notwithstanding.

14,019. (*Mr. Horsfall.*) How many passenger trains do you run daily?—On the main part of the line about eight each way.

14,020. And on Sunday how many?—None on Sunday except the mail trains; we have never run Sunday trains.

14,021. (*Capt. Galton.*) Mr. Wooler says that you give an undue preference to other colliery owners. In answer to question 9,636 he complains that he applied to you for waggons two or three consecutive days, and that he was unable to send some coke to be shipped, and that some of the directors' coke was then taken which was sent down to the dock or was lying there?—Yes.

14,022. He considers that that was a case of undue preference?—Yes, it was for shipment. I think, he

says, "I would mention another case which occurred "about the same month. There was a shipper who "ordered some coke; he came up and saw me on the "Friday evening, and he asked whether I would send "it down on the Saturday, and he would have a ship "ready for taking the coke on board by 12 o'clock on "the Saturday. We communicated with the railway "company at once, to put in a supply of waggons for "that purpose; but they put none in on the Saturday. "We applied to them on the Monday, but they put "none in on the Monday." It turned out that this ship could not get into the dock; it was too wide.

14,023. Then he says, "Then on the Tuesday they "put them in, but the ship which was lying alongside "ready to take them in, was coming on to demurrage, "and the shipper went and bought director's coke that "was then down at the dock waiting for a ship that "was not in the dock, and was not in the dock "for some days afterwards, and he gave 1*s.* a ton "more than he would have given to me for it"?—We caused inquiry to be made into that by our agent, and we cannot make out that there has been such a case.

14,024. He next complained that "the mineral "manager was a part owner of a small colliery which "loaded at the same siding as my other colliery," and that he got waggons when Mr. Wooler could not get them?—Yes, and there he is mistaken again; he never was the owner of a colliery until he gave notice to quit the company's service; there might have been two or three weeks before he went away, but what he has stated is a mistake.

14,025. Would there be any objection on the part of the company to their officers being owners of any collieries, or having shares in them as part owners?—No; I do not think there would, because the regulations that are made with regard to these things are made at the board, and apply to all parties equally.

14,026. An officer could not give an undue preference?—No; or if he did, there would very soon be a remonstrance about it, and the matter would be adjusted.

14,027. (*Mr. Glyn.*) I do not know whether you have observed that Mr. Wooler fixes the actual date to which he referred, the 22nd or 23rd of March. Was he part owner of a colliery at that time?—He left us in June. I think it is very likely that he would have been part owner of that colliery, because he had given us notice to leave, and it was shortly after that he took an interest in the colliery. But I am told it was only a small interest. He had not the adjustment of the waggons, as to the number, that matter was only partially in his care; there are men located at the collieries and the ironworks, and they make the arrangements as to the waggons according to the rules and circumstances, and it rarely went through his hands exclusively.

14,028. He stated in answer to a question that follows, that he had the entire ordering of the waggons. You contradict that?—He had the entire regulation of the waggons as regards the general rules; but as regards the details of sending waggons to the several collieries, I should say it was very rare that he was either present or gave any instructions as to them in detail.

14,029. He could not make a disposal of the waggons to one particular colliery to favour his own purpose?—I do not think he would do so.

14,030. (*Chairman.*) Has this person left the employment of the company for some time?—Yes, since last June.

14,031. Have any complaints been made that he was favouring particular collieries?—No, that is the only instance I have heard of; he was a very efficient agent, and I suppose he thought he could do better for himself, and therefore left us.

14,032. I see in answer to question 9629, that Mr. Wooler states, "In 1864, and up to the end of last "month, we had 7,766 waggons short of the orders "that came into the colliery." Do you think that that is likely?—I do not know; but he has got such a large amount of traffic that he seems to have got much more than his share at times.

14,033. (*Capt. Galton.*) More than his share of the traffic, or more than his share of the waggons?—More than his share of the traffic. He told you that he took the colliery seven years ago, in which year he sent 5,600 tons, and he has gone on by the waggons having been sent to him, until it has amounted to 72,000 tons a year.

14,034. If he has acquired that trade by his energy and perseverance, why do you think he has had more than his fair share?—That is the point we are upon, how to measure it; in that case every other coal owner would do the same thing; they say, when the prices are so high, we will all develop our own collieries more extensively.

14,035. But do you think that the railway company should hold the balance between different colliery owners?—They should have a view to equality and equity between the parties.

14,036. That is, stepping in between the coal owner and the energy displayed?—That is not the point; it is not stepping in between the coal owners and the energy displayed by him, but interfering between him and his taking the rights of other people, because if he finds that he can force his coke or coal into the ironworks, and keep some one else's out, he will struggle to do that.

14,037. (*Earl of Belmore.*) Would not the difficulty be met by the coal owners providing their own waggons?—That is impracticable upon a line where you have so many different collieries, and so many different kinds of coal.

14,038. (*Capt. Galton.*) I suppose with the enormous number of waggons that are required to work the traffic, it would be almost impossible to work it if the owners found the waggons, whereas if you owned the waggons you might be able to carry a very much larger quantity of coal with the same number of waggons than you could if the waggons belonged to different collieries?—That is so.

14,039. You could send any number of waggons you liked to any one colliery that wanted them; whereas if the owners had their own waggons you must always send out the owners' waggons, and take them back to their own collieries?—Yes.

14,040. (*Chairman.*) Is there much competition between the different collieries in the way of disposing of their coals, or can the whole quantity raised be disposed of without much difficulty?—When the prices are good, every one struggles to send all he can, and when the prices are not good, the railway companies may do as they can. Some years ago when the prices were not good all the traders tried to slacken their operations, and it had such an effect that every railway company had a surplus of rolling stock. I remember that I attended a meeting at Tebay, and some of the parties there asked if we had any sidings that we could spare to let them put some of their waggons on, and we said, no, that we had filled all ours, and in that case neither the coal owners nor the ironmasters sympathized with the railway companies in the least.

14,041. (*Mr. Glyn.*) Will you state what number of waggons you have on your line?—We have 15,000 chaldron waggons, and 2,000 or 3,000 other mineral waggons.

14,042. What is the largest quantity that you carry in any waggon?—Eight tons in the large ones.

14,043. (*Capt. Galton.*) Why do you prefer chaldron waggons?—We do not prefer chaldron waggons now; but when this line was commenced 40 years ago, they were all chaldron waggons taken from the old "waggonway," and we have kept on increasing the number. We found that those waggons were adapted to our shipping places, which was our great trade then, and, therefore, we have kept to the chaldron waggon as being more portable, and easy to move about.

14,044. The coal which has to go inland for any distance, I suppose you put into the large waggons?—Yes.

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14,045. You use chaldron waggons for shipping purposes solely?—Yes, as near as we can.

14,046. (*Chairman.*) At the ironworks in North Yorkshire, do you use large waggons or small waggons?—Large waggons; in fact, we have now decided that large waggons are so much more generally useful than small ones that we are gradually putting the chaldron waggons out of use.

14,047. (*Capt. Galton.*) Can you run chaldron waggons in the same trains with large waggons?—Yes; but we have double buffers on the large ones, so that they will buff with either the large or the small, without that, it smashes the little ones to pieces.

14,048. (*Mr. Glyn.*) Do you increase your complement of waggons every year?—Yes. At this time we have orders out for waggons and locomotives that will cost about 120,000*l.*

14,049. (*Capt. Galton.*) Is that about the annual increase of your waggons?—No; it is going on more rapidly just now because there is a large number of ironworks being opened.

14,050. In answer to question 9659, which is, "You consider that the great inconvenience which is "suffered in your particular district arises from the "directors or the officers of the company being men "in business themselves in which carrying is an im- "portant element?" the witness says "Yes." Is it the case that all the directors are mixed up with the business in which carrying is an important element?—There are several of them.

14,051. Do they get any undue preference?—They get no undue preference; but I rather think that in many instances it has been the contrary way. I do not know what restriction Mr. Wooler refers to, because I have already stated what proportion he has got in the way of increase, and what proportion the others have got, which is largely in his favour.

14,052. Still an undue preference may occasionally have been given?—Of course such a thing is possible; but I am not aware of it. I am not aware of any encouragement having been given from head quarters in any way to adopt such a course; it has been studiously avoided.

14,053. (*Chairman.*) Is a large proportion of the directors of the Stockton and Darlington Railway interested in the district as colliery owners?—A great many.

14,054. As colliery owners?—Yes, several of them as colliery owners.

14,055. Should you say the majority of the board?—I would scarcely say so large a proportion as that; but there are several; and they certainly have been the people who have developed the district, and we were glad to have it so developed.

14,056. (*Mr. Glyn.*) They made the railway?—Yes, and they opened out the whole place, and we were very glad to find them ready to develop the resources of the country.

14,057. (*Capt. Galton.*) The Stockton and Darlington Company take part in the management of their own line notwithstanding the amalgamation?—Yes.

14,058. What was the reason of their retaining the management?—They had been accustomed for over 40 years to manage the line, and they did not like to give it up; they thought they could manage it as well as anybody else.

14,059. What does the management consist of; is it the arrangement of the waggons, and so forth?—Yes, and conducting the traffic, buying the materials, the appropriation of those materials, and the arrangement of the rates, so far that if a person came and asked, what is your rate from one place to another, if we had one we should quote it; but if there was an application to make a reduction of the rates, we could not do that without the consent of the North-eastern board.

14,060. (*Chairman.*) I will now go to question 9679, and you will see there the complaint that Mr. Wooler makes in his answer to that question; that is, with regard to coke in the winter of 1860?—Yes, sending coal to York.

14,061. I think the charge is that they found they could get 3*s.* a ton more by sending it for household purposes, and they kept the furnaces short of supply?—Yes; he says, "The Stockton and Darlington Com- "pany had a number of small waggons, for they worked "the traffic chiefly at that time in chaldrons, three-ton "waggons, which were inefficiently wheeled, made of "cast iron, and they could not stand a rapid transit. "He sent down a very large quantity of coal on to the "North-eastern line." That coal was sent to York, and this is a letter which I received, and which I believe explains the thing better than anything I can say. Captain O'Brien wrote to me to see if we could send them some chaldron waggons to York with coal.

14,062. (*Mr. Glyn.*) What is the date of that letter?—28th December 1860. He says, "We are very short "of waggons for the land-sale coal trade, and I am "really afraid, as the water communications are frozen "in some cases, of the depôts being out altogether. "I understand from Mr. Bailey that you can put sixty "of your three-ton coal waggons into our depôt trade for "a time; this will be some relief, and oblige us greatly. "I should be greatly obliged in addition if you could "let us have as many of your chaldron waggons as you "can possibly spare, not only on the Mondays, but on "any other days. We would have them loaded for "our main line only, and the engine that brings them "should take them back again. If we have not "engine power, at hand, perhaps you will have no "objection to your engine running through, but on "this I will write you again, or our Mr. Bell, at Dar- "lington, shall be properly instructed and authorized "to communicate with your officers." He says it would be some relief. There was such a very severe frost set in that there seemed a danger of there being a panic at York for want of coals for the poor people. At that very time there was a coal owner not a director, the late Mr. Nicholas Wood, who made a complaint that he was not getting a fair share of that coal to York; and this is my letter in reply to Captain O'Brien: "Dear Sir,—I received your two messages "as to Mr. Wood's complaint. I have ascertained that "the waggons which were agreed to be furnished to "your company have been apportioned exactly in the "way that your Mr. Bailey pointed out, which gave to "the Black Boy Colliery (Mr. Wood's) about one- "fourth of the lot. I have arranged with our mineral "agents to give you all the waggon accommodation "possible."

14,063. (*Capt. Galton.*) Mr. Nicholas Wood complained that he did not get a fair share of the waggons?—He thought so, but he had got 25 per cent. of them, and that seemed more than a fair share.

14,064. Did any other person get another 25 per cent., or more?—I do not know who got the others, but this lasted only a short time; it was not the interest of the Stockton and Darlington Company to send the coal to York, for we were sending our traffic off our own line; we were not at that time amalgamated.

14,065. It was not your interest to send it off the line?—No; and we could have kept it on, but it had nothing to do with any directors.

14,066. (*Mr. Horsfall.*) Has there been much increase in the traffic during the last few years?—Yes; it has been gradually increasing. We send, I think, about six millions of tons of minerals along our line per annum.

14,067. As compared with the preceding years what is it?—I do not recollect. The district has enlarged, and the coal traffic, since 1859, has increased from about two millions of tons to upwards of three millions of tons of coal and coke.

14,068. I thought you said that last year it was six millions?—Yes; that is, including the ironstone, and all other minerals. This is the coal and coke only.

14,069. What was it in the preceding year of 1859, including the coal and the ironstone. You made a comparison just now between 1859 and 1865, and in the one year you gave us the aggregate traffic in minerals, and in the other year you only gave us that appertaining to coal?—Yes; speaking off-hand I think

it would be upwards of five millions of tons as compared with about six millions of tons, say 5,300,000. I am speaking without the figures before me.

14,070. (*Capt. Galton.*) Have you many different rates upon your line?—There are a great many different rates. There is a peculiarity about our traffic that does not exist perhaps on any other line.

14,071. What is that peculiarity?—We have so many collieries, and so many receiving places, and so many varied kinds of traffic.

14,072. Varied kinds of coal traffic?—Yes; there is the Five-quarter Seam, the Brockwell Seam, the screened coal, the unscreened coal, the round coal, and the small coal.

14,073. Do you charge a different rate for each of those coals?—Not in every instance. Sometimes the consumer says, that if he had a low rate he could take some refuse small coal to be consumed at the works, and if it would create a traffic we should try to give him a low rate.

14,074. Your rates, I suppose, vary from day to day almost?—Not so much as that.

14,075. (*Chairman.*) Is there much difference in the mileage rates for the same quality of coal between different places. To some places do you charge much less per mile than to others?—Do you mean depending upon the length?

14,076. Yes; or other circumstances?—There is not a great deal of difference.

14,077. You say, as a general rule, three farthings a ton is what you charge?—Yes.

14,078. Is that charge pretty nearly uniform over the whole of your system?—Yes.

14,079. (*Mr. Glyn.*) You make a different rate, I presume, for shipping purposes?—Yes; and a little different for land sales for household purposes.

14,080. Are there terminal charges besides the $\frac{3}{4}d.$ per ton per mile?—No.

14,081. That includes terminals?—Yes.

14,082. Have you any depôts or wharves for which you charge rent?—For household purposes we have; but the $\frac{3}{4}d.$ I have referred to applies to the iron making, which is the bulk of the traffic.

14,083. Is the charge rather higher for household pusposes?—Yes, varying from $1\frac{1}{4}d.$ to $1\frac{3}{4}d.$; if it has to travel short distance that is the rate, but for 25 or 30 miles we should charge a little less.

14,084. Do you carry much coal to a considerable distance from your own place?—The average distance from the collieries to the chief place of consumption, which is down in Cleveland, will be about 30 miles.

14,085. Do you send household coals to any considerable distance away from where they are raised?—Yes, we have sent some to York, which is on the North-eastern section of the line, and there is some household coal that goes to York.

14,086. You send coal for household purposes into Lancashire and Westmoreland?—They have got very little of that traffic. Kendal got some, I believe, at one time.

14,087. That goes by the line from Barnard Castle to Tebay?—Yes, and that traffic going for household purposes carried those long distances is taken below the rates I have mentioned, and the same with the York traffic—that is cheaper.

14,088. (*Mr. Horsfall.*) What is the charge upon that?—Only about $1d.$, if I recollect rightly; some of it goes up to York I think at about from $\frac{3}{4}d.$ to $1d.$

14,089. *Capt. Galton.*) Should you find it difficult, do you think, to publish the rates upon your railway?—I think it would be to publish every rate.

14,090. Would there be any objection to having those rates entered in a rate book so as to be accessible to the public?—I do not know that there would be anything objectionable about it; but they get to know each other's rates well enough.

14,091. Mr. Wooler suggests in one of his answers that the rates should be published, as he thinks?—Yes.

14,092. He says, it is the spirit of the law to have them published; would there be any real difficulty in having a rate book which should be accessible to the public, so that they might be satisfied that there was no undue favouritism shown to one person over another?—Yes, I do not see that there is much in that. They get to know each other's rates. At the same time it is not a usual thing in any kind of business that every man is to be informed about his neighbour's affairs.

14,093. Is the railway business the same as any other; has it not a monopoly of the district, as it were; Parliament gives you certain powers and says you shall not levy more than a certain sum, and therefore as Parliament has exercised that control, is there anything unreasonable in asking you to show to the public how you have exercised those powers?—I do not see anything directly objectionable in it, but the rates are published now to a certain extent; practically the quotation is a publication. If there was an alteration of a rate, and we applied it to every trader, we should send a circular out to every colliery. When we issued the notice about the 20,000 tons, there was a resolution passed to this effect, "Let notice be given to "every colliery owner of the change."

14,094. Still you say that a man may come and say, If you will give me a low rate I shall be able to send some coals to some particular works. That special rate I suppose you do not publish?—No; the fact is that a man sends away his 50 waggons or 200 tons of small coal, and there is an end of it, and perhaps there is not another person interested in the question.

14,095. (*Mr. Glyn.*) But another trader might be in the same position, and wished to do the same thing, but would not know that he might have the facility?—If he saw his neighbour sending away coals of such a quality, he would go and see whether he could not do the same thing, and would get similar terms.

14,096. (*Mr. Horsfall.*) You would put him on the same footing?—Directly, if we lay down a rule that is to be applicable to all.

14,097. (*Capt. Galton.*) If the rates were accessible, would not it give all the coal owners confidence that there was no preference given, and if that had been the case would it have been possible for Mr. Wooler to have had the impression that everybody was not treated alike?—Perhaps it might have disabused his mind to some extent, but I do not know how far it would work well altogether.

14,098. (*Chairman.*) Have you any important goods traffic on your line, exclusive of minerals?—Iron, a great deal of iron; pig iron, iron bars, and iron plates.

14,099. Is there much inequality in the rates on pig iron?—No, we apply the same uniformity there.

14,100. (*Mr. Horsfall.*) The same as to plates as to pig iron?—They are higher generally.

14,101. (*Chairman.*) Do you wish to add anything further to your evidence?—I think I have gone through all the points.

The witness withdrew.

Adjourned.

Thursday, 8th March 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ, M.P.
A. S. AYRTON, ESQ., M.P.
J. R. M'CLEAN, ESQ., PRES. INST. C.E.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. P. Morris.

8 Mar. 1866.

Mr. PERCY MORRIS examined.

14,102. (*Chairman.*) You are the general manager of the North Staffordshire Railway and Canal Company?—I am.

14,103. Have you a map of the system of the Company?—Yes. (*The witness produced the map, and explained the same.*)

14,104. What is the length of your line?—146½ miles are at present opened.

14,105. How much more is there in the course of construction?—There are about 40 miles more in the course of construction, under the Acts obtained during the last session.

14,106. How many miles of canal belong to you?—About 100.

14,107. Will you be kind enough to explain the peculiarities of the character of your line?—The North Staffordshire railway consists of numerous short branches, following the course of the valleys, and communicating with the trunk line. These short branches have invariably to be worked as separate systems, and it follows, as a matter of consequence, that in many cases traffic, which has to pass over a length of line of less than six miles, has to be worked by three separate systems, and, of course, at a very heavy cost. I do not know any railway in the country in which it is so difficult to work traffic as the North Staffordshire system, consequent upon the physical formation of the country.

14,108. (*Mr. Glyn.*) Do you mean on account of the bad gradients?—The gradients are not, on the whole, bad, but we have exceptional gradients in the mineral districts. Owing to the physical formation of the country, the North Staffordshire lines are necessarily in very short lengths. We never have a long lead for our traffic. We start with trains consisting perhaps of 30 or 40 waggons. Before we go a mile we drop 20 waggons, and then when we reach another mile we may pick 10 up, and in the course of two or three miles further on we drop the whole of them. We rarely get a long run for our traffic.

14,109. (*Chairman.*) Is it not the case that a large portion of your mineral traffic yields but a very small return?—The average gross rate received on the local mineral traffic is 1*s.* 6*d.* per ton only, including waggons, locomotive power, road toll, and terminal services. Upon the local through traffic—that is upon traffic which rises on the North Staffordshire system and goes beyond the North Staffordshire system—we earn 1*s.* 9*d.* That increase is attributable to our getting rather longer leads. I should state that nearly one moiety of the whole local mineral traffic conveyed over the North Staffordshire system yields only 1*s.* 6*d.*, and one-fifth of the whole local through traffic 1*s.* 9*d.* per ton only.

14,110. Your engines run a shorter distance than is the case on most lines?—I do not know any case that can compare with it. We have 11 engines in steam daily for an average of 13 hours, and these engines run about 24 miles per day only on the average. About six miles of our main line and 12 miles of our branch lines form a station yard the whole way.

14,111. Does that necessarily entail larger expense in your locomotive department?—It does; of course the greater number of miles per day you can get out of an engine the greater your profit.

14,112. Do you know what number of miles per day engines run on lines belonging to the larger companies on the average?—100 miles per day is considered a fair average.

14,113. And upon yours it is only 24 miles?—It is only 24 miles for a small portion of our engines, for 11 of our engines.

14,114. How many engines have you in work daily; do these 11 form a large proportion of the whole number that you have daily in work?—About 40 engines are daily in steam.

14,115. Then that is about one-fourth of the whole?—Yes; the remaining three-fourths of the engines do not make so good a mileage as the engines on the North-western, or the Midland, or any of the large systems of railway.

14,116. (*Mr. Glyn.*) What is the average cost of locomotive power per mile?—The average cost of locomotive power per mile run is something under 10*d.*, exclusive, of course, of any charge for the interest of money. The actual working expense for fuel, repairs, renewal, and wages is something under 10*d.* per mile run.

14,117. (*Chairman.*) You have had an opportunity of reading some complaints which have been made in their evidence before this Commission by Mr. Mathews and Mr. Hollins against your company?—I have.

14,118. I believe the nature of the complaints of Mr. Mathews is, that the rate charged over the North Staffordshire is much more than the rate charged for similar goods over other lines?—Mr. Mathews compares the charges made by the North Staffordshire company where they alone are interested and those where two or more companies are interested, and draws the conclusion that the rate per ton per mile charged by the North Staffordshire company is higher than that charged by other companies.

14,119. What observations do you wish to make with regard to Mr. Mathews' charges?—I wish to observe, that the rates which he has quoted are incorrect. In the first place, he states that the rate for iron of all descriptions between Wolverhampton and Stoke is 5*s.* 6*d.* per ton, the actual rate being 5*s.* I beg to hand in a list which contains the actual rates charged between Stoke and various important districts.

The witness delivered in the same, which is as follows:

FROM—	TO—	Distance.	PRESENT IRON RATES.			
			Damageable.	Undamageable.	Puddle.	Pig.
			£ *s.* *d.*	£ *s.* *d.*	*s.* *d.*	*s.* *d.*
Stockton, Middlesboro', Eston Cargo, Fleet and district	North Stafford	131	1 0 0	0 16 8	12 6	11 8
Sheffield	"	68	—	0 9 6	7 6	7 6
Leeds	"	68	—	0 9 6	9 6	7 8
Manchester	"	31	0 6 8	0 5 0	—	4 2

From—	To—	Distance.	Present Iron Rates.			
			Damageable.	Undamageable.	Puddle.	Pig.
London—Camden	„	150	0 15 10	0 13 4	—	10 10
„ Poplar	„	—	0 18 4	0 15 10	—	13 4
„ Haydon Square						
„ Chelsea, Basin Station	„	—	0 17 4	0 15 0	—	12 6
„ „ „ , including delivery by cart or barge from any of the London Stations or Wharves to any place within the Metropolitan boundary.	„	—	0 19 2	0 16 8	—	15 0
Birmingham	„	52	—	0 6 8	5 0	5 0
Wolverhampton	„	38	—	0 5 0	5 0	5 0
South Staffordshire Stations, London and North western Railway	„	—	—	0 5 6	5 0	5 0
South Staffordshire Stations, Great Western Railway	„	—	—	0 7 6	5 6	5 6
Hull	„	136	—	0 13 4	—	12 6
Liverpool	„	54	—	0 7 6	—	6 8
Glasgow	„	252	1 5 0	1 0 0	—	—
Bradford	„	67	0 11 8	0 10 0	10 0	7 8
Wigan	„	46	0 9 2	0 7 6	7 6	6 8
Chester	„	30	—	0 5 10	—	5 10
Newport, Mon.	„	132	0 16 8	0 12 6	—	10 0
Cardiff	„	143	0 16 8	0 12 6	—	10 0
Swansea	„	—	0 15 10	0 14 2	—	11 8
Newcastle-on-Tyne	„	189	2 Tons. 22/6 | 4 Tons. 18/4	2 Tons. 17/6 | 4 Tons. 15/	—	12 6
North Shields	„					12 6
South „	„					12 6
Sunderland	„					12 6
Fleetwood	„	81	0 10 10	0 10 0	10 0	—
Preston	„	61	0 10 0	0 8 4	8 4	7 6
Huddersfield	„	52	0 10 0	0 8 4	8 4	—

14,120. I believe Mr. Mathews makes some complaint with reference to your charge from Middlesborough to North Staffordshire?—Mr. Mathews further states that the North Staffordshire company do not charge at the same rate per ton per mile from North Staffordshire as we charge from Middlesborough to North Staffordshire. The circumstances are simply these, that the rate which Mr. Mathews alludes to is one for pig-iron from Middlesborough into the North Staffordshire district, and it was a rate made at the special instigation of a very large number of the ironmasters of North Staffordshire, who complained that the makers of pig-iron of North Staffordshire charged such high rates for their pig-iron that it was impossible for the ironmasters who had to purchase pig-iron in the district to compete with other markets in the production of bar-iron. We thereupon made this very moderate rate, which has been in operation, very beneficially, in the district for some years. It is only a few days ago that I had a deputation of some ironmasters who urged a further reduction, in consequence of the excessive prices which the makers of pig-iron in the district were demanding for pig-iron.

14,121. Do I understand you to say that at the re-request of Mr. Mathews and other ironmasters you made a very low rate from Middlesborough into North Staffordshire, and that now they complain because you do not give the same low rates from North Staffordshire?—Yes; and Mr. Mathews says that because we carry pig iron from Middlesborough to North Staffordshire at one half-penny per ton per mile, that we ought to carry his iron to Liverpool or Manchester, or any portion of the route towards Middlesborough, at the same rate per ton per mile.

14,122. Are the charges higher from North Staffordshire to other towns in the north than from Middlesborough into North Staffordshire?—The rate from Middlesborough to North Staffordshire was an exceptionally low rate.

14,123. It would not answer your purpose to charge for all your traffic at that low rate?—No, certainly not. If that low rate were made uniform for all distances we should decline to carry traffic at that low rate. It would not be remunerative to carry for short distances at that rate.

14,124. (*Lord Stanley.*) Your argument is that as long as you charge within your Parliamentary rates, no one has a right to complain of your charging a lower rate upon one part of the line than upon another?—That is my argument.

14,125. (*Mr. Horsfall.*) What is the distance over which you charge the halfpenny per mile?—From Middlesborough the North Staffordshire distance would be 20 miles; that is the extent to which the North Staffordshire is interested in the rate. I see Mr. Mathews also states that the rate for bar iron from South Staffordshire to Stoke is 2*d.* per ton per mile. In fact, it averages only 1½*d.* per ton per mile inclusive of terminals, and 1*d.* per ton per mile exclusive of terminals.

14,126. (*Chairman.*) Can you explain how there is so much difference between his statement of the charge and yours?—The only way in which I can explain it is that he has fallen into error in his statements. I find that he has in many cases made an error either in his calculations or in the gross rate.

14,127. (*Mr. Horsfall.*) Does not his mistake probably arise from not knowing what your terminal charges are?—I think not. I think Mr. Mathews, who has had very great experience as a railway director, is perfectly aware of what terminals we do charge, and what we have a right to charge under the clearing-house system. I think his mistake has arisen in a great measure from a misconstruction of the toll clauses under which we are really entitled to charge.

14,128. (*Chairman.*) Do you always charge the same rates in both directions between any two places?—Invariably; the rate is made between certain stations, and not from one station to another station. For instance, a particular rate is charged between Stoke and Macclesfield, or Stoke and Birmingham, or Stoke and Derby, and it is the same in both directions.

14,129. For all descriptions of goods?—For all descriptions of goods.

14,130. Mr. Mathews also complains that the North Staffordshire Company's charges for short distances are excessive; what is your answer to that?—He does so in his evidence before the Commission, evidently following up his argument that because we carry for a halfpenny per ton per mile over a long distance we should carry for the same rate over a short distance. My answer is that the charges for short distances are invariably within our Parliamentary maximum, and that under those maximum charges the company is not

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able to realize a reasonable profit, so expensive and costly is the service.

14,131. (*Mr. Horsfall.*) What dividend does your company pay ?—I find that we paid from the opening of the line an average dividend of 2*l.* 16*s.* per annum. We now pay about 4 per cent. For the last two years we have been able to pay a dividend of 4 per cent.

14,132. (*Earl of Belmore.*) Has your dividend been a progressive one ?—It has been very slowly progressing from 1847; at the present time it has only reached 4 per cent. Since 1847 we have spent a capital of something like five millions in the development of the district in railways alone.

14,133. (*Mr. Horsfall.*) Was not the last dividend rather over 4 per cent ?—For the last half year it was, but that was the best half year. The dividend for the previous half year was only at the rate of 3½ per cent. From July to December is generally the best half of the year. We generally get half per cent. more in the December half of the year than in the June half.

14,134. In case of difference between you and any parties who send goods by your railway, they have the power, have they not, of appealing to the Board of Trade to decide the question at issue between you ?—They have, under the 27 & 28 Vict. c. 308., 19th section, which provides that, "Besides the "rates per mile which the company are authorized to "charge for conveyance of goods or minerals on their "railways or canals they may charge for such terminal "services as are performed by them such reasonable "sum only as may be from time to time agreed upon "between the company and the person sending or "receiving goods, minerals, or other articles of traffic, "or failing agreement as may be settled by arbitration "under the Railway Companies' Arbitration Act, "1859."

14,135. Have you had many appeals under that power ?—We have not had a single appeal. That clause was put in our Bill of 1864. We had a Bill in Parliament for the construction of new lines, which was opposed by the ironmasters and potters of the district in order to get a reduction of our tolls. They complained to the Committee that there was no power by the existing law to compel the company to perform terminal services at a reasonable rate, and we at once agreed to this clause, which was duly framed by counsel from the instructions of Mr. Mathews and Mr. Hollins.

14,136. Then you see no objection to the insertion of a clause to the same effect in all railway bills ?—I see no objection to that at all. I was then the general manager of the company, and I at once agreed to the insertion of that clause because I thought it was a fair and reasonable clause.

14,137. (*Mr. Glyn.*) But at present it appears to be quite useless ?—It has never been used, for the reason, that our terminal charges have never been contested by any person as being unreasonable. They have never been questioned.

14,138. (*Mr. Horsfall.*) The charges are now arranged satisfactorily between you and all senders of goods ?—We have never made the slightest alteration in our rates since the passing of our Act, and we have never had any terminal charges disputed under this clause.

14,139. Then do you prefer the insertion of such a clause to fixing a maximum rate for those charges ?—I am not at all prepared to say that. I should not object to a maximum charge being fixed, provided it were one that would insure a reasonable profit to the company.

14,140. (*Chairman.*) Do you know whether that clause is peculiar to your Act, or has been adopted in their Acts by other railway companies ?—It is not within my knowledge that there is a similar clause in any other Act. I rather think that the words "rea-"sonable sum" are new in this clause. I know several cases in which railway Acts contain a power to companies to make a terminal charge when they perform certain duties, but I do not think the words "reasonable sum" will be found in such clauses.

14,141. (*Mr. Glyn.*) In recent Acts those words are inserted, are they not ?—Yes.

14,142. (*Mr. Horsfall.*) The difference between those Acts to which Mr. Glyn has just referred and yours is the insertion of a power to refer the dispute to arbitration under the Railway Clauses Act ?—That is the difference.

14,143. (*Chairman.*) Have you any remarks to make on the table which Mr. Mathews put in in answer to question 10,469 ?—The only remark I have to make on Mr. Mathews' table is that the rates shown include terminal services at both ends. He appears to work them out so as to include only the terminal charges at one end. The rates upon bar iron are higher than upon pig iron, because the carriage of bar iron is much more expensive than of pig iron. Pig iron is always conveyed in full truck loads, which generally average six tons; whereas bar iron is frequently conveyed in lots of two tons, requiring two waggons, the bar iron being so long as to require the use of protection waggons in its conveyance.

14,144. Mr. Mathews complains that you charge more than your Parliamentary tolls entitle you to charge for pig iron to Manchester ?—There again Mr. Mathews has fallen into error. The rate charged for pig iron to Manchester is 4*s.* 6*d.* per ton; 20 miles of the distance belong to the North Staffordshire, and 18 miles to the North-western. The actual rate charged if worked out upon the Parliamentary tolls of both companies would amount to 5*s.* 7½*d.* per ton, whereas we are only charging him 4*s.* 6*d.*

14,145. (*Mr. Ayrton.*) How many miles is that ?—It is 38 miles from Manchester to Hare Castle where Mr. Mathews' works are situate.

14,146. (*Earl of Belmore.*) In fact Mr. Mathews has mistaken what your Parliamentary tolls are ?—Entirely. He has taken the maximum toll, which does not apply to cases where the companies do not act as common carriers. The maximum tolls prescribed by the Act are tolls which the company are empowered to charge where they undertake the duty of common carriers; and where they do not perform those duties, the tolls for use of road, engine-power, and trucks are the tolls which the company are entitled to. Mr. Mathews must be perfectly aware of that fact from his very long experience, as I have already said, as a railway director, but he has evidently made a mistake.

14,147. (*Sir R. Hill.*) When you perform the duties of carriers the rates charged are not called "tolls," does not the mistake arise from using the term "tolls" in two different senses ?—That is Mr. Mathews' error. He should have said "rates" instead of "tolls."

14,148. Did you not use the word "tolls" yourself ?—I did use the word "tolls," no doubt, following Mr. Mathews' words. We charge tolls where we do not perform the duty of common carriers, and we charge the gross rate where we perform carriers duties.

14,149. "Rates" is the proper term to use where you undertake the duty of common carriers ?—It is.

14,150. (*Mr. Ayrton.*) Is it your construction of the Act that you can charge the sum of three rates in one case, and that you can only charge the maximum rate in another case ?—Clearly; the company is entitled to charge the sum of three tolls in cases where they do not perform the duty of common carriers, and there is a very obvious reason for that. Where they undertake the duties of common carriers they have special power to charge for terminal services, and then they can avail themselves of that power to make a greater profit, because in cases where they perform the duties of common carriers they find their own trucks, they can discharge them immediately upon their arrival, can load them in both directions and make a profit, which is impossible where they are simply toll takers.

14,151. Does not your Act provide that when you perform the duties of common carriers you can charge in addition to those duties over and above your maximum rates ?—It does.

14,152. Then what foundation have you for putting the construction on the Act, that when you perform the less duty you can charge a higher rate than if you performed the duties of common carriers?—Because where we perform the duties of common carriers, as I say, in addition to the charges which we are entitled to make for the service of loading and unloading, and carriers' services generally, we have a control over our stock; there is no detention of it; we can load it in both directions; but when we are toll takers only, we have no power whatever over our waggons; and instead of our waggons making three or four journeys a week, they will make only one. We cannot load them back again, and they return empty. It is therefore far more profitable for us to do our own work.

14,153. Can you inform the Commission under which section of your Act you claim to charge more than your maximum rates when you perform the duties of common carriers?—The 81st and 82nd sections of the 10 & 11 Victoria, c. 108.

14,154. (*Chairman.*) In answer to question 10,490, Mr. Mathews referred to a dispute which he had with the company as to the amount of a rate, and he stated that the matter was eventually compromised. Will you give your statement as to the facts of the case he there refers to?—The company charged Messrs. Kynnersly & Co. (Mr. Mathews being their manager) the ordinary rate for small consignments of traffic of 2*s.* 6*d.* per ton. Mr. Mathews drew the attention of the company to this charge, and asked for a reduction. Thereupon the charge was immediately reduced to 2*s.* That charge he still refused to pay, and indeed withheld payment of our accounts for this traffic for a period of nine months. The matter was eventually compromised by the company accepting 1*s.* 9*d.* per ton for past traffic; but they gave notice to him that for the future the charge would be 2*s.* per ton, and this charge has since been paid. The company's Parliamentary tolls, exclusive of any charge of terminal services, for this particular traffic amount to 1*s.* 11$\frac{3}{4}$*d.* per ton for the 10$\frac{3}{4}$ miles.

14,155. What was the nature of the traffic in this instance?—It was pig iron. It very frequently happens in the North Staffordshire district that we carry traffic by railway 7 or 8 miles which by road can be taken a distance of 2 or 3 miles; and the reason is, that the lines follow the course of the valleys, but the gradients are so bad on the roads over the hills that, in nearly every case, the traffic goes by rail. We frequently charge less than our maximum tolls because the distance is so short by road.

14,156. (*Lord Stanley.*) That would of course prevent your adopting any uniform mileage rate?—Quite so. I consider that the idea of carrying out a uniform rate is impracticable.

14,157. (*Chairman.*) Mr. Mathews stated that the railway company supplemented their railway rates by unreasonable terminal charges for short distances?—My reply is, that the charges made by the company for short distances are always within their Parliamentary maximum. Instead of charging lower terminals for short distances, the company ought really to charge a higher one, because the expense is the same in both cases to the company, and their profit on carriage for short distances is necessarily less than for long distances.

14,158. But the expenses of the termini are not greater?—They are the same in both cases.

14,159. (*Sir R. Hill.*) Are not the terminal charges invariable?—I think it would be quite impossible to make the terminal charges invariable, because the terminal services vary so much. In one case they consist simply of taking up a truck and depositing it, and in another case 20 or 30 trucks may have to be shunted before we can marshal a train. In one case we may have a single truck only for a certain station, and in another case, for instance, a train of coal for London will consist of 30 or 40 waggons for one consignee, which can be dealt with at once without trouble. In another case we may have 20 or 30 trucks for different places along the line, all of which must be marshalled into their proper order before the train can start.

14,160. My question had reference to varieties dependent upon the distance which the same goods are carried. I understood you to say that the terminal charge should be higher where the distance is short than where the distance is long. Why should there be that variety of charge on the same kind of goods?—Mr. Mathews' complaint is, that our terminal charges are the same for short as for long distances; but I say that if any alteration is made, our terminal charges should be higher for short distances than for long, because for short distances we realize a less profit.

14,161. But they do not vary?—They vary only according to the services performed.

14,162. (*Mr. Horsfall.*) In the statement of your evidence I find this, "Mr. Mathews appeared by counsel against the North Staffordshire Company's bills of 1864, and at his and Mr. Michael Hollins' instigation a clause was inserted, giving the freighters power to go to arbitration upon the amounts charged by the Company for terminal services." But they had power to do that under a previous Act, had they not?—They had not power to take us to the Board of Trade to arbitrate as to the reasonableness of terminal charges.

14,163. Have they not under the clause which you quoted before?—That is the very clause. That clause was inserted in our Act of 1864 at the instigation of Mr. Mathews and Mr. Hollins.

14,164. Was not that clause inserted in a previous Act?—I think not the same clause. It was the ordinary clause. Mr. Mathews and the gentlemen who supported him objected to that clause, and they wanted this clause inserted in our Act as a condition of the bill passing.

14,165. (*Mr. Glyn.*) They got the condition inserted of a reference to the Board of Trade?—Yes.

14,166. (*Mr. Horsfall.*) I think that was a previous Act of your company?—I am not aware of it; I think you are mistaken. I know this as a fact, that the opponents of the Bill made a great point of getting this clause inserted in the Act of 1864, and it was framed under the special instructions of Mr. Mathews and Mr. Hollins.

14,167. (*Chairman.*) Is the large proportion of Mr. Mathews' traffic carried very short distances?—I think the average distance which Mr. Mathews' traffic goes over our railway will not exceed 15 miles.

14,168. You have a short distance clause, have you not?—A six miles clause.

14,169. But that does not come into operation as far as he is concerned?—It does come into operation for a small portion of Mr. Mathews' traffic. A great portion of his traffic goes off our line. He is a producer, and his traffic goes to Manchester, Liverpool, London, and South Staffordshire. His traffic would pass over our line, upon the average, a distance of 16 miles. Mr. Matthews uses the canal which is in the heart of his works, that is, the Trent and Mersey canal, which belongs to the North Staffordshire Company. On the canal there are no terminal charges, as each freighter does his own work.

14,170. But I suppose your charges are such that he prefers carrying his traffic by rail rather than on the canal?—A large portion of Mr. Mathews' traffic does go by canal, but of course there are certain places which the canal will not serve at all. I am inclined to think that the result of the last two or three years has been to transfer the traffic from the canal to the railway, for of course the despatch and the convenience are greater upon the railway than they are upon the canal.

14,171. With regard to places which are served by both the canal and the railway, is the cost to Mr. Mathews the same by whichever route he chooses to send his traffic?—I should think certainly not; the canal would be cheaper.

14,172. But to many places he prefers the railway to the canal?—Yes; in fact his customers order the goods to be sent by railway, because they have been so accustomed to despatch that they will not order them to be sent by canal.

14,173. (*Mr. Ayrton.*) They give the preference to

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the railway because the railway has communications which the canal has not?—That is so; the railway goes everywhere, and the canal only goes to certain places. He can reach Manchester, Liverpool, South Staffordshire, and London by canal, but there are certain places which the canal will not serve.

14,174. (*Earl of Belmore.*) Is it your opinion that railway companies have a right to obtain a profit out of their terminal charges, or only to charge so much as will recoup them the expense they are at?—My opinion is that a railway company has a right to make a reasonable profit out of their terminal services.

14,175. (*Chairman.*) In answer to question 10,497, Mr. Mathews refers to two descriptions of charges, the larger and the smaller; what are those different scales of charges to which he refers?—Mr. Mathews has evidently fallen into the error of quoting the maximum rates we are entitled to charge when acting as common carriers, instead of the tolls which we are entitled to charge when we do not act as common carriers.

14,176. You find waggons in all cases for all descriptions of traffic?—For every description of traffic. When I first joined the North Staffordshire Company I found that every ironmaster, or colliery owner, was finding his own waggons. We had probably as many as 60 different freighters on our line, each having their own waggons, and the delay to the traffic was so serious that I advised my directors to purchase the whole of the waggons, and undertake to send waggons for all mineral traffic at certain fixed charges. The freighters, with the exception of two or three insignificant ones, as regards the amount of their traffic, have all sold their waggons to us at a valuation.

14,177. Can you explain why your company has found it advisable to follow a different practice to that usually adopted by other railway companies?—In a great measure because the line was a peculiar one. We collect from so many different branches and sidings, which have to be worked by a separate system. We found that when waggons went out loaded to different places, they were marshalled in their order, and were so delivered to the North-western, and Midland, or the Great Western systems, but when they came back to our junction they were all mixed up, and before our train could start on its return journey, to re-deliver these empty waggons to the owners, the engine was engaged three or four hours marshalling the waggons. Now, when the waggons come back, and they are all North Staffordshire waggons, the engine takes them on at once, and drops as many as are required for each colliery, without the expense of marshalling for each siding according to the ownership of the waggon. They are left in sufficient numbers to suit the requirements of the colliery. We find that to be a very much cheaper system than the one which we adopted before.

14,178. How long is it since the change was adopted on your line?—A year.

14,179. Has it given satisfaction to the colliery owners?—Very general satisfaction, for this reason, that when the colliery owners found their own waggons they had to suffer all loss of delay in transit. Now the company is responsible for this delay. Formerly, if a waggon was delivered from one line to another within a reasonable time, say 24 hours, the owner could not complain, and the consequence was that his waggon did not return home for a week, 10 days, and sometimes a fortnight after its despatch. Now the company undertake all responsibility of detention in transit. We hold the coal worker or the mine worker responsible for any delay which occurs at his own siding, or at the siding of his customer, if it is beyond 24 hours; we allow 24 hours for the loading and discharging of the waggons; if they delay beyond that time we charge them demurrage. The North Staffordshire Company free them from all liability on account of delay in transit.

14,180. You have stated that there are peculiar circumstances in connexion with your line; you would not be prepared to lay down, as a general rule, that it is desirable for all companies to provide waggons for their mineral traffic?—I have no hesitation in saying that it would be desirable for all companies to find waggons for mineral traffic.

14,181. (*Mr. Ayrton.*) If you find waggons you have the advantage of being able to load them both ways?—Yes.

14,182. Has it never yet been arranged by any railway company that return trucks belonging to the freighters can be loaded?—The freighters never would agree to it.

14,183. So that in point of fact it necessarily involves a system of sending the waggons back empty?—Yes.

14,184. That would be a great waste of power, would it not?—An immense waste of power. I estimate that we are working our traffic now, since we find the waggons for the whole of it, at about 25 per cent. less waggon power than we formerly did.

14,185. Yours is in some respects a peculiar railway, being one having a larger proportion of weight of traffic as compared with your peculiar earnings than most other railways?—That is so. I am quite sure there is no other railway that earns so little as an average of 1*s.* 6*d.* per ton upon one moiety of its local mineral traffic.

14,186. Do you actually use a larger number of waggons as compared with the net profits that you make than most other companies?—Yes.

14,187. Therefore you have had your attention directed to this as one of economy?—Yes. I was some years traffic manager of the West Midland, and general manager of the Newport, Abergavenny, and Hereford. I found our engines employed in working mineral traffic were detained one-fifth of their time in marshalling waggons for the various collieries, and in drawing back empty the waggons.

14,188. There has never been any provision inserted in any Act so as to regulate the rights of the railway company or the rights of freighters with regard to sending back empty trucks?—No, I know of no provision of that kind in any railway Act.

14,189. It is generally supposed that the charge for forwarding full trucks embraces the charge for shunting back the empty trucks for nothing?—That is the general understanding. I think it is quite impossible that a freighter could agree that the company are to have the use of his waggons for return goods for any purpose whatever. He provides a certain number of waggons, which he considers to be sufficient for working his traffic upon an estimate that the waggons will make so many journeys each way in a given time. If the company on the return journey, say from South Staffordshire to North Staffordshire, were to have the power of detaining his waggons for their own use, he would not know when to expect them back again.

14,190. Is there any provision in any Act imposing an obligation to carry back railway trucks for nothing?—I know of no provision whatever.

14,191. (*Mr. Gower.*) You have mineral traffic both ways?—Yes, but the great bulk of our traffic is outwards. We are a producing district. With the exception of pig iron, which we receive from Middlesborough and other districts, coal from the Midland district, and coke from South Wales, I think nearly all our traffic in minerals and iron is outwards.

14,192. (*Mr. Glyn.*) All these waggons being the property of the company, I presume you are able to keep them in a better condition, and can depend upon their working regularly?—Yes; we are enabled to have a better class of waggon, which carries a heavier load.

14,193. (*Sir R. Hill.*) It is an arrangement which must also lead to economy in the use of sidings?—No doubt it effects economy in the use of our sidings as well.

14,194. I suppose a bargain of the description which you have mentioned is as advantageous to the previous owners of the waggons as it is advantageous to the company?—Clearly.

14,195. In point of fact, you and your customers divide the advantage?—Yes, no doubt we each get an advantage by it.

14,196. Nevertheless, the greater part of the mineral traffic of the country is still carried on in the owners'

waggons?—I think the only exception is that of the North-eastern Company, who have adopted our system of finding waggons for the whole of the mineral traffic.

14,197. (*Chairman.*) We will now go to questions from 10,498 to 10,504. Mr. Mathews appears to be of opinion that an uniform rate per mile would be the right principle to adopt; what is your opinion as to the question of uniform rates?—That it could not be carried out in practice, and that it would certainly deprive the public if it could be carried out of the competition which they now enjoy. As regards the North Staffordshire they would be entirely shut out from the supply of London coal which is carried at a rate including the waggons of something like $\frac{1}{2}d.$ per ton per mile. Mr. Mathews' objection to a low rate from Middlesborough is, I think, that we are carrying pig iron for the supply of other ironmasters in competition with pig iron made in North Staffordshire.

14,198. (*Mr. Ayrton.*) Does your railway from its construction or the mode in which it is laid out involve the necessity of travelling over a great deal more distance by rail than the direct distance from place to place?—That is so, necessarily; the short branches run through valleys which are nearly parallel with each other. We have to work down one valley for perhaps three miles, and then go back another three miles, whereas the direct road across the hill would be only two or three miles.

14,199. That arises entirely from the physical formation of the country?—Yes.

14,200. Therefore if you charged a mileage rate you would charge for all these distances up and down the line?—We do so now in cases where the maximum can be obtained. As I have said it very frequently happens that the distance across a valley is so short that we are obliged to charge an exceptionally low rate or give up the traffic altogether. Many circumstances arise which make it our interest to do so; for instance, it will happen that one particular district is an entirely producing district. We are obliged to send waggons to those works for their produce, and rather than send them empty we carry at a very low rate such raw materials as they require, and thus save haulage of empty waggons.

14,201. An uniform rate would be prohibitory of that?—Entirely.

14,202. (*Lord Stanley.*) Have you heard the suggestion made that the rate should be uniform, not for the distance it travels by rail, but for the distance from point to point as the crow flies?—I have never heard such a suggestion as that.

14,203. That is to say if two towns like Manchester and Liverpool, which are 30 miles apart and which have two or three ways of getting from one to the other, and one route is five or six miles longer than the other, you would not be allowed to make any extra charge for those five or six miles, but you would have to charge specially for the distance from point to point?—That would work in this way. Supposing the uniform rate from point to point was 1*d.* per ton per mile for 100 miles distance as the crow flies, and by another route it was 120 miles, a town which happened to be 110 miles would be charged a higher gross rate than the towns at the two terminal stations. That is the difficulty of having a fixed uniform mileage rate.

14,204. (*Sir R. Hill.*) If the distance between the towns was less as the crow flies, then the principle of charging by direct distance would not lead to a higher, but a lower charge?—Yes, if that were the case.

14,205. I understood you to say that in point of fact although you do not regulate your charges generally by direct distance you do approach that principle when your line is very tortuous?—Occasionally we do so.

14,206. The reason is to prevent the goods being carried by road?—Yes; but in all cases where we can, we charge for short distances our maximum toll.

14,207. (*Mr. Ayrton.*) As a rule I presume wherever there is competition the short distance regulates the rate?—No doubt the rate is based upon the shorter route.

14,208. (*Chairman.*) If you were obliged to charge an uniform rate universally would the consequence necessarily be that the traffic from Middlesborough into North Staffordshire would be put an end to?—We should give it up directly; we should decline to carry a ton.

14,209. Would that be an advantage to Mr. Mathews?—Certainly, I think it would.

14,210. Would it be an advantage to the district generally?—It would be very prejudicial generally, because the great bulk of the ironmasters are dependent for the supply of their pig iron either upon the North Staffordshire makers or upon independent sources like Middlesborough or South Wales.

14,211. (*Mr. Ayrton.*) Are you aware whether numerous railways have been made in this country which give a comparatively circuitous access to certain towns, and which have been supported by those towns because they could not afford to have what they might consider a shorter or more direct route, or because the configuration of the country did not admit of it?—I have known many cases in which a circuitous route has been adopted in consequence of the expensive character of the direct route.

14,212. Therefore, if the proposal were now to be made to make a route as the crow flies, would that be regarded as an act of great injustice to all persons who have paid their money upon the faith of the system which has been adopted?—No doubt, the rate which the company can afford to carry at must depend in some degree upon the capital which they have expended to make their railway. It has been frequently found that the longer and more circuitous route is the cheapest, in consequence of the direct route being so very expensive.

14,213. Are you aware whether there are not a great many cases in which people have been content to have branch lines, by means of which they connect themselves with main systems, which make the route to London, for example, very circuitous, but which they are content to adopt, because they cannot make a direct line to London themselves?—No doubt they would be very glad to get any communication with London rather than have none at all.

14,214. That is, with a small expenditure of capital in the first instance, in order to gain the benefit of a circuitous communication?—In order to gain the benefit of a communication with the main line at some other point.

14,215. If, therefore, a rate were charged according to the direct route from London or elsewhere, that would be, practically, subverting everything that has been done?—Unless you gave the company the power to charge a proportionate toll.

14,216. That is, a maximum toll which shall override the toll in all these cases?—Yes.

14,217. Then, if we did that, we should give power to companies who have made direct lines of charging higher rates than the circuitous lines?—Yes.

14,218. (*Sir R. Hill.*) If that power were given would there be any difficulty in making the rate of the company using the direct route equal to that of the other company?—No, I do not think it would be impossible to arrive at such an arrangement of the tolls.

14,219. But in the case supposed of a branch line being made which renders the distance by railway much greater than the distance as the crow flies, do companies, in point of fact, charge according to the full distance; do they not, in fact, make some reduction voluntarily in the charge in consequence of the circuitous route which is adopted?—I have no doubt they do in many cases; but, as a rule, I should say the rate is based upon the mileage.

14,220. Suppose the company that made the branch line had, instead of making the branch line, made a direct line, and consequently a shorter and more costly line; would it not be fair that they should charge upon that direct line a higher rate per mile than upon the circuitous line?—I think they would be entitled to charge a higher rate per mile upon the most expensive and shortest line.

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14,221. Wherever a tortuous line is made it would be possible by very expensive engineering to make a direct line?—I believe engineers say that they can always make a direct line, and that it is a mere question of cost.

14,222. The tortuous line is adopted with a view to economy?—No doubt.

14,223. Then do you think that the company which incurs the expense of making the direct line, and consequently carries the passengers a less distance, is entitled to a less charge, simply because they carry the passengers a less distance?—No. I think, on the contrary, they are entitled to an increased charge.

14,224. If they incur a heavy expense for the purpose of making a direct line, does not that give them a moral claim at least to even a higher fare for the total distance?—Clearly. I think that a company making a very direct line at a very high cost is entitled to have higher tolls awarded to it than a company which makes a line at a very cheap cost. I think there are many cases, as for instance the case of the Lancashire and Yorkshire Company, whose lines are of a very expensive character, and who have come to Parliament in order to show that the tolls which they were empowered under their original Act to levy were unreasonably low, and Parliament has increased them.

14,225. (*Mr. Ayrton.*) There are, you think, numerous instances in which special tolls are authorized with regard to the peculiar circumstances under which the line has been constructed?—No doubt.

14,226. (*Sir R. Hill.*) In point of fact these are not practical questions, inasmuch as nearly all railway companies charge a rate lower than their maximum rate?—They nearly all charge lower than their maximum rate, and the rule is, I am quite sure, with railway companies to charge such a rate as they think to be fairly remunerative, and also such a rate as will develop the traffic. They are commercial undertakings, and if they put on an excessive rate it would not answer their purpose.

14,227. Might it not be put shortly thus, that the company charges that rate which it believes will afford the largest profit?—No doubt it is a pure question of net results; if they put on a prohibitory rate they get no traffic, whereas if they put on a reasonable rate they develop the traffic.

14,228. (*Chairman.*) With regard to your railway do you think you have arrived at a knowledge of what are remunerative rates. Are you pretty well satisfied that neither a higher rate nor a lower rate than you have adopted would pay you as well as the rates which you at present charge?—The rates which we are charging at present are the result of some years' experience. As regards our rates for short distances, although complained of by some freighters, such as Mr. Mathews, I am quite sure they are unremunerative or not so remunerative as we are fairly entitled to expect, but on the other hand if we were to increase them to any considerable extent we should damage the productive power of the district.

14,229. (*Sir R. Hill.*) On account of the competition of the ordinary roads?—Not so much on account of the competition of the ordinary roads as from the fact that it is a great producing district, and we must carry the raw material at a moderate rate.

14,230. (*Mr. Dalglish.*) In effect it would cease to be a producing district?—It would cease to be a producing district unless we carried the raw material at low rates.

14,231. (*Mr. Ayrton.*) Is there a growing scarcity in some of the mineral products of Staffordshire which renders it necessary to have regard to these considerations?—There is, particularly in coal and coke. Iron ore is still plentiful, but coal and coke are getting scarce and dear. There is no question that North Staffordshire is a very prosperous district. The ironmasters and potters, as a rule, are very prosperous; many who were workmen only a few years ago are now men of large fortunes.

14,232. (*Chairman.*) Do you invariably charge all parties equally between the same points and under like circumstances?—Invariably.

14,233. You give no advantages to large consumers over small?—We do make special rates for large quantities.

14,234. You do not consider those to be under like circumstances?—No; for instance, we carry coal in full train loads at a less rate than we should charge for a single truck.

14,235. Would you make the same allowance to all parties?—Under like circumstances.

14,236. Now, with respect to the alteration in rates, I think Mr. Mathews complains that sufficient notice is not given. What is your practice as to that?—Our practice is to give one month's notice of any alteration of rate. That is our regular rule. But I may add that, as a rule, alterations in rates have invariably been in favour of the public by way of a reduction of the rate. The manufacturers now are complaining of the great advance in the price of labour, and the consequence is that they are holding meetings to raise the price of their commodities, but the railway companies, whose powers of charge are restricted by Act of Parliament, cannot do so. We must carry at the same rate although everything we use in the conduct of our business is enhanced in price to a very considerable extent.

14,237. With respect to the publication of rates, do you see any objection to their being published?—None whatever, if it could be carried out.

14,238. But you think it cannot be carried out?—I am quite sure it would be impracticable.

14,239. What makes it impracticable?—Our rates are so numerous. We have upwards of half a million different rates, and last year the number of alterations of rates, either from new ones being adopted or old ones being altered, amounted to twenty thousand.

14,240. (*Mr. Ayrton.*) Do you find as a matter of practice persons engaged in business inform themselves of that which concerns their own business, and do not trouble themselves about that which concerns that which is not their own business?—That is the practice. If a man wants a rate he writes to the goods manager, and gets it by return of post, or he applies at the office, and gets it in five minutes. Practically each man is supplied with a list of rates affecting his own trade.

14,241. You do not find them making inquiries about the rates of other trades than their own?—No; but they very soon find out if a man in their own line of business has got a lower rate than themselves.

14,242. They devote their attention to the particular way in which the rate affects themselves?—Yes, and very properly.

14,243. On these points they always get information whenever they desire it?—That is so.

14,244. If the company were desirous of giving rates in favour of private individuals, I presume the publication of rates would not prevent their doing so?—No; it might be done by way of rebate, and the public would know nothing about it.

14,245. If you were determined to do it, there are commercial ways of doing it which would defy all publicity of rates?—No doubt, no publication of rates would protect the public against rebates, if the company wished to make them.

14,246. Is it your conviction that if any law were passed it could be evaded if the company were determined to do so?—As far as the North Staffordshire are concerned my belief is that we have not a single rate which gives any favour to one freighter over another.

14,247. (*Chairman.*) Mr. Mathews defines terminal services as "taking trucks into the sidings of the "freighter, and bringing them out again." Is that a sufficient definition in your opinion of terminal services?—Certainly not.

14,248. Will you explain what you understand by terminal services?—I consider terminal services to include all the duties which we perform for the freighter, such as the actual carriage, and the conveyance of the truck from A to B, and the expense which we have to

incur in the general management of our concern, such as rates and taxes, and outlay of capital for sidings and signal services, and all these items should be included in the cost of terminal service.

14,249. (*Mr. Ayrton.*) What rates and taxes?—Poor's rates, rates and assessed taxes.

14,250. Upon the whole line?—Upon the whole line.

14,251. (*Mr. Gower.*) Then the effect of that is that a person who only passes over a short portion of your line pays the same proportion as a person who goes over a longer portion of your line?—He should pay a fair proportion of it.

14,252. At present he pays as much as persons who go a long distance?—The terminal service at our stations amounts to so much per ton on the average, that average being made up of the various items I have mentioned. Whether a man's traffic is conveyed five miles or twenty miles over our railway, it makes no difference to us, the actual cost of terminal service being the same, irrespective of the distance the traffic is conveyed.

14,253. (*Mr. Ayrton.*) Is your Act framed in the way that Acts usually are, or in this language. With respect to the conveyance of horses, cattle, carriages, and goods a maximum rate of charge is made by the company, including the toll for the use of the railway waggons, and trucks, and locomotive power, and every expense incidental to such conveyance, except the loading and unloading of goods where such service is performed by the company, shall not exceed the rates prescribed?—I think that is the usual clause, and I have no doubt ours is the same.

14,254. How do you reconcile with that the mode in which you have estimated the terminal charges?—I think the items which I have named are included in the words. I think the clause is defective in that respect. The loading and unloading of goods forms a very small portion of our expenses.

14,255. But then the Act says you are to bear these when you charge your maximum rates?—Yes.

14,256. Therefore how can you put them on in addition in the shape of terminal charges?—It does no doubt appear to be an omission in the Act that we have no power to charge beyond our maximum charge, for loading and unloading.

14,257. You understand that loading and unloading would include all the expenses of the carriers in loading and unloading goods at your stations?—Yes.

14,258. That would include all those incidental expenses?—Yes.

14,259. If the carrier were to load and unload goods at your stations, you would be left to pay the rates and taxes, and find the tarpaulings, cords, and every incidental expense connected with the transit when you received the goods from him at one end and delivered them at the other, would you not?—I think if he used our line he would be bound to find his own accommodation in the way of sidings and the necessary conveniences. We should say we will carry your truck from A to B, and perform all the duties of common carriers as far as our railway goes, but when you get it to B you must find all the conveniences.

14,260. It does not say that you are to provide sidings and conveniences for loading and unloading?—I think that clause must be interpreted reasonably. A common carrier by road would find his own premises and do all this carrier's work, but because he carries by railway I do not think it is reasonable or fair that the railway company should be called upon to find all this accommodation without payment.

14,261. Has not Parliament by this clause imposed upon you the duty of receiving the goods, loading them into waggons, and unloading them, and therefore must you not bear all those intermediate expenses by your rates?—I think if that clause were interpreted literally it might bear that construction, but it would not be reasonable.

14,262. All you could charge would be any charge you might be put to if he undertook the service of loading and unloading the goods and took them away?—It would be so if that were really the correct interpretation, and that it could be carried out. Railway companies would decline to be common carriers, and compel the carriers to perform their own services. We should simply find road and engine power.

14,263. That, no doubt, would be a very inconvenient arrangement for the public?—I do not think the traffic of the country could be carried on in that way. Railway companies would decline to be common carriers if they were not allowed to charge for terminal expenses.

14,264. Do you know of any case where a railway company has endeavoured to superadd a terminal charge to its maximum rates for any other service, or do they protect themselves for what they are doing by making some other charge still equal to their maximum rates?—I think it will be found that all railway companies' rates for the conveyance of goods are according to class. There are five classes of goods in the clearing-house classification. For the first three classes railway companies generally carry within their Parliamentary maximum, but when you come to the fourth and fifth classes, which include furniture, glass, paintings, and all kinds of expensive articles, their maximum tolls added together would not amount to the gross rate which they charge; but the fact is that they are conveyed in such small quantities, as compared with the great bulk of the traffic, that the charge, though above their maximum, is still a very reasonable one. In the whole of my experience of 20 years as a railway manager I have never had a complaint of the charge made upon that class of goods.

14,265. They can protect themselves on that class of goods, of course, by demanding an *ad valorem* rate if they choose?—For the articles enumerated in the Act of course they could, but there are a number of articles not enumerated in the Act, which come within the 4th and 5th classes of the railway clearing-house classification; and unless a higher terminal charge is made on those articles they could not be carried by railway companies at the maximum rates or tolls prescribed by their Acts.

14,266. Making a limited estimate for terminal charge?—And a limited estimate for loading and unloading.

14,267. (*Earl of Belmore.*) I wish to ask you one question with regard to including rates and taxes in the terminal charges. In practice is it not the fact that terminals are only charged for goods traffic?—No; terminals are also charged upon mineral traffic.

14,268. I mean distinguishing mineral and goods traffic from passenger traffic?—Terminals are not charged upon passenger traffic.

14,269. If you charge rates and taxes over the whole of the line, and include them in your terminal charges, are you not charging the rates and taxes on the goods traffic alone, and not at all on the passenger traffic?—In estimating the cost of terminal services we debit the coaching department, which includes passengers, horses, and parcels conveyed by passenger trains, with its proportion *pro rata* of the rates and taxes. I had some time ago to get out an account of the actual cost of the terminal service over our system, and I dealt with it in this way. I debited the coaching department with its proportion of the rates and taxes, and the goods and mineral departments with their proportions, and I arrived at the average cost of the services performed.

14,270. In that case you do not charge the rates and taxes upon the entire of what is called terminal services?—Only their proportions.

14,271. (*Mr. Horsfall.*) Can you furnish the Commission with a copy of the table to which you refer?—I have it not with me, but I can state the result from memory. The actual cost of terminal charges upon goods averaged 2*s.* 3*d.* per ton over the whole of our system. I am referring to merchandise.

14,272. Perhaps you could furnish the Commission with a copy of the table to which you refer?—It was not got out in the form of a table. I extracted all these items from our account, and the substance of it was that it amounted to a certain sum,

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which if divided over the total number of tons conveyed, averaged very nearly 2*s.* 3*d.* per ton.

14,273. What is your terminal charge upon coal?—It varies very much. Sometimes 6*d.*, sometimes 3*d.*, according to the quantities conveyed and the terminal services to be performed.

14,274. You have never charged more than 6*d.*?—No.

14,275. Is not your idea of terminal charges derived from the arrangements which are made at the clearing house as between one railway company and the others, which would be a totally different question as to the terminal charge which is made under the Act of Parliament to the public?—Clearly. Railway companies, as you are aware, agree that all the receipts earned by themselves shall be divided in certain proportions, that is to say, by the mileage after the deduction of the terminals. In the case of mineral traffic we divide with 9*d.* per ton at each end; station to station at 1*s.* 6*d.* per ton at each end; and carted traffic 4*s.* per ton at each end, with the exception of London.

14,276. That is based on a consideration of how the receipts ought to be divided with reference to the duties undertaken by the different railway companies who combine together for a through transit?—That is based, no doubt, upon what is believed to be the average cost to the companies of terminal services. Of course the intermediate companies are very careful not to allow the terminal companies to get what they consider an advantage over them.

14,277. The terminal companies, as against other companies co-operating with them for through rates, are entitled to take into consideration every expense incidental to such conveyance?—No doubt.

14,278. They are not entitled to take into consideration anything as against the public?—That is according to the strict interpretation of that clause.

14,279. Therefore the two things are really quite distinct?—No doubt.

14,280. Can you explain how the railway companies who have termini in London and Liverpool have arrived at a much larger terminal rate against your company, which they claim in the clearing house, than the railway rate?—They have shown that the cost of terminal services in London is so very much greater. First of all, station accommodation is more expensive; the cost of cartage greater, and the cost of labour is higher; and in consideration of this increased cost the companies out of London have agreed to allow in the division of traffic a higher terminal to the London companies. I think the terminal charge in London is 8*s.* 6*d.* per ton.

14,281. Is that an arrangement which has been acquiesced in by the provincial companies, or was it a rate which was forced upon them by the combination of the London companies at the earlier stage of railways?—I think it is a rate which has been acquiesced in by the provincial companies upon evidence which was sufficient to satisfy them of the actual cost of the service. I believe if the matter was gone into very closely that it would be found that it hardly covers the cost of the terminal charges of the metropolitan companies.

14,282. Having regard to the enormous tonnage and receipts of the termini in London as compared with the tonnage and receipts of the termini in other places?—Yes; my own opinion is that it is barely within the cost.

14,283. But considering the enormous amount of business done in Liverpool and London, and the general idea that where a great quantity of business is done it is done with more economy than where a small quantity of business is done, ought not the per-centage to be lower in London and Liverpool than anywhere else?—It would appear to be so at first sight, but I do not think, when it comes to be practically gone into, that it is so. The expenses in London are enormous. I have had some experience of it, because I was manager of the Great Northern and Great Western in their joint London business for some years, and I found the larger the business got the higher in proportion were our expenses. As the men got experienced they demanded higher wages, and we really found it to be policy to give them, because if we discharged them and took on younger hands the business was done so badly that it cost us more money. And the competition is so great. The public have been accustomed to be waited upon with such promptitude, that whereas in the old days the carrier would call at his convenience once a day upon the customer for his goods, now he has to be waited upon four or five times a day, and if his goods are not delivered with the same regularity as his letters, and with the utmost despatch, it is a matter of complaint against the company, and he will try another company, so that it is a competition of facilities as well as of rates.

14,284. Do you think the public have gained in facilities, although they have gained nothing in competition as regards the rates?—They have gained enormously in facilities. In our own district of the Potteries it has been so. We used to call upon the producers as it suited our convenience; but we now have to call upon them four, or five, or six times a day; and as fast as the manufacturer has packed a crate he has a team and cart waiting for it; so that it relieves him from the expense of finding warehouse-room. He used formerly to have to find warehouse-room for his goods, and to keep them on hand until he could complete his order. Now as fast as he packs his crate we take it from him and store it, thus saving him the expense of warehouse-room. It is really quite as much competition of facilities as of rates.

14,285. Do you think the question of the high terminal rates of London and Liverpool is not open to revision?—As the manager of a provincial company I should not be an advocate for the question being gone into. I should think it would result rather in an advance of the allowance than a diminution of it.

14,286. (*Mr. Dalglish.*) What is the largest town on your system?—You can hardly call it a town, it is called the Potteries, consisting of the towns of Longton, Stoke-upon-Trent, Hanley, Burslem, and Tunstall, all joined together.

14,287. (*Lord Stanley.*) It is a district which, in fact, is one continuous town?—It is one continuous town for six miles. They have their respective corporations or boards of health, but they are really one continuous town.

14,288. (*Mr. Dalglish.*) Supposing a colliery 10 miles from your terminus, and a certain number of tons of coal are sent to the terminus for delivery in the district by your railway, and another certain quantity of coal is sent to be delivered at some large works to be consumed there, which coal is taken out of the trucks by the proprietor's own men; what difference do you make in the terminal charge in those cases?—We have no case of the first kind which you allude to; we are not common carriers of coal. With respect to coal we merely convey the trucks from A. to B., and the owner or consignor in all cases loads or unloads. It is one peculiar feature in our railway that we have no local coal traffic in the most important part of our district, that is to say, coal for the supply of house purposes. The houses are so near the collieries that the coal is carted at a rate varying from 8*d.* to 1*s.* per ton, and it would not be worth our while to attempt to carry it. We should carry it at a loss if we did.

14,289. (*Mr. Horsfall.*) You stated just now that you had two terminal charges, one at 6*d.* and one at 3*d.*; under what circumstances do you charge 6*d.*?—It depends entirely upon the nature of the terminal services. In some places the freighter finds his own siding, and not only his own siding but a sufficient siding for marshalling his traffic for other places, and we have to find large accommodation for the marshalling of his trains beyond his own siding. If a man delivers his trade to us in full train loads to go long distances over our line, we charge him a low terminal. If he sends traffic very short distances, and in single trucks, we charge him a high one. In some cases a dozen shuntings are required before we can put the train into shape. In those cases we always charge a higher terminal than upon traffic in full train loads. Coal for manufacturing

purposes we charge at a very low rate. We bring coal from the Midland district to Lord Granville's works at five-eighths of a penny per ton per mile. We carry at the same rate for the potteries from the Leicestershire district. It would not pay us to carry at that rate for a short distance; but if we did not carry at that rate for a long distance the ironmasters and the potters would have very great difficulty in obtaining their fuel. It also enables the masters to keep their men in order. If they find they can get supplies out of their district they have less difficulty with their men than they would have if they were dependent on their own district.

14,290. Do you take much coal by canal?—We do not take very much by canal, except to the salt works. The collieries are laid out upon the high ground, and our canal runs through valleys. The collieries being upon the high ground are much better served by the railway than they are by the canal.

14,291. (*Chairman.*) We will now go to the complaints made by Mr. Hollins, but of course it would be unnecessary to go into those complaints of his which are merely a repetition of the complaints made by Mr. Mathews?—Mr. Hollins' evidence is very much a repetition of Mr. Mathews'.

14,292. We need only refer to those points which raise new matter. Mr. Hollins states that your company purchased the Trent and Mersey canal at nine times its original cost; is that the fact?—Mr. Hollins is in error there; the price paid for the canal was 1,170,000*l.*; that was the actual market price of the shares at that time. It was three times the original cost of the Trent and Mersey canal.

14,293. (*Lord Stanley.*) When you say the original cost of the Trent and Mersey canal, do you mean the original nominal capital, or the capital paid up?—The capital paid up. I wish to hand in a schedule of the Trent and Mersey Canal company's Acts of Parliament, under which the Trent and Mersey canal raised their capital, and which amounts to 420,000*l.*

The witness delivered in the same, which is as follows:

SCHEDULE of the late TRENT and MERSEY CANAL COMPANY'S ACTS of PARLIAMENT.

Dates.	Powers granted.	Money authorized.
		£
1766, 6 Geo. III., c. 96. - -	To make canal from Runcorn to Shardlow, and create 650 shares of 200*l.* each.	130,000
1770, 10 idem, c. 102. - -	Preamble, original capital insufficient, &c. Power to raise by new shares or mortgage.	70,000
1775, 15 idem, c. 20. - -	In order to complete works, and pay arrears of interest, further powers to raise.	70,000
1776, 16 idem, c. 32. - -	To make canal to Froghall, 17 miles, and railway from Froghall to Cauldron Limestone Quarries.	30,000
1783, 23 idem, c. 33. - -	Power to grant mortgages for payment of arrears of interest, 29,250*l.*, and to make the Stanley reservoir.	—
1796, 37 idem, c. 36. - -	To make Endon and Leek branch canals, and the Rudyard reservoir, &c.	10,000
1797, 37 idem, c. 81. - -	To make canals, Froghall to Uttoxeter, and branch to Burslem, &c.	—
1802, 42 idem, c. 25. - -	To make Lane End and Hanley tramways, &c., and first division of shares, viz. :—1,300 shares of 100*l.*	—
1809, 49 idem, c. 73. - -	To raise by mortgage to complete Uttoxeter canal, and to make the Dane feeder.	30,000
1823, 4 Geo. IV., c. 87. - -	To make new tunnel at Harecastle, and reservoir at Knypersley, &c.	60,000
1827, 7 and 8 idem, c. 81. -	To make one mile of Macclesfield canal, and 100 yards of Ellesmere and Chester canal at Middlewich; also for making a second division of shares, viz. :—2,600 shares of 50*l.*, and which were amalgamated with the railway by Acts of 26th June 1846, at 450*l.* per share, or capital of 1,170,000*l.*	20,000
1831, 1 William IV., c. 65. -	To consolidate and extend the powers of former Acts, &c.	—
12 Acts.		£420,000

1,170,000*l.* given for 420,000*l.* is as 139*l.* 5*s.* 6*d.* given for the 50*l.* share.

14,294. (*Chairman.*) Was that all paid up?—Yes; in addition to this 420,000*l.* the canal company have constructed works out of their revenue. They were very prosperous in those days, as may be imagined from the fact of the market price of the shares being 1,170,000*l.* Their revenue was a very large one, and they constructed large works out of their revenue, which cost them upwards of 200,000*l.*, so that the actual capital spent by the canal company in its construction amounted to 620,000*l.*

14,295. (*Mr. Horsfall.*) What was the date of the Act empowering the railway company to purchase the canal?—1847.

14,296. (*Mr. Ayrton.*) Have you earned 5 per cent. on the purchase price of the canal since you bought it?—Up to the last two years I think we have earned rather more than the 5 per cent guaranteed dividend upon the share capital, but the company have had to pay obligations to a very serious amount, which they never contemplated. Under the Trent and Mersey Act the owners of coal under the canal tunnels, and under the canal wherever it went, could compel the company to purchase all the mines underneath certain portions of their property whenever they became workable, and the consequence is that as the coal became workable, the company have had to buy all the mines under their canal tunnels, and other portions of their property, and this capital yields no return, because the company have no power to work the mines. As soon as a coal owner works up to us he can compel us to buy it at a valuation. We have paid 180,000*l.* for mines in addition to the original purchase money. We could work the coal to-morrow if we had power to do so, but we have no power to work coal, nor will any committee give us the power.

14,297. You could grant the coal owners the right of working at a royalty?—The coal owners decline that; they are quite satisfied with making us pay for the coal at present.

14,298. Having purchased it you could sell it to them again?—We have no power under our Act to do so. We endeavoured last year to get a clause inserted in our Branches Act enabling the company to sell to the proprietors these coal mines at a royalty, but there was so much opposition to it on the part of the mineral owners of the district, who feared they would have other mines brought into competition with theirs, that we withdrew the clause.

14,299. Have you not power to sell the surplus land

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which is not required for the purposes of your undertaking?—There is a special clause in the Act prohibiting these mines being worked. They cannot be worked unless that portion of the Trent and Mersey Canal Act is repealed. We tried to repeal it last year, but the opposition was so great that we were obliged to withdraw the clause, and the consequence is that the capital sunk in this way yields no return. Although we have hitherto realized 5 per cent. upon the capital, the heavy liabilities under this mineral clause must reduce our dividend.

14,300. (*Chairman.*) Do you keep the canal accounts distinct from the railway accounts?—Entirely distinct; there is no connexion whatever between the railway and the canal accounts.

14,301. Mr. Hollins states that the policy of the North Staffordshire Company has been to force traffic as far as possible on the canal rather than on the railway. Have you any observations to make upon that statement?—That is his statement. He has on several occasions given that statement in evidence before committees of both Houses of Parliament when he has been opposing the North Staffordshire Company. I have to state in reply that it is an error on the part of Mr. Hollins. We have never attempted, nor do we attempt, to force traffic from one to the other; in fact, I always prefer the traffic going on the railway, because we get a better net profit out of traffic which is conveyed by railway than we do out of traffic conveyed by the canal.

14,302. Is there a part of your district in which it is more to the interest of your company to have the traffic conveyed on the canal rather than on the railway?—No; I think that impression is confined to Mr. Hollins's own mind, because our opponents have never been able to bring forward any other witness who would make that statement when they have been in opposition to our company in any committee.

14,303. Does not Mr. Hollins complain that the public are injured by this supposed disposition on the part of your company to force the traffic as far as possible on the canal?—Yes; I believe he states that in his evidence before the Commission; but he does not as far as I can find, bring forward any facts to corroborate his statement. He makes the same statement that Mr. Mathews did with regard to the company's power to charge for terminal services, altogether ignoring the fact that he has the power to go to arbitration under the clause which he himself procured the insertion of.

14,304. (*Lord Stanley.*) What was the original object of purchasing the canal?—I really cannot tell; that was a great many years ago, and before my time. I believe it was in order that the railway might take advantage, in certain portions of the country, of the bed of the canal. In some portions the canal has been shut up altogether, and the railway substituted. All I know is this fact, that the amalgamation of the railway and the canal was supported before Parliament by every trader in the district.

14,305. Then it was not to shut out competition?—I do not think so at all. It was with a view to serve the district by rail and canal.

14,306. (*Chairman.*) Was there ever at any time any competition between the canal and railway?—Never, because the canal became the property of the railway company before the railway was opened.

14,307. Was not the railway opened before 1847?—1847 or 1848 was the date of the opening of the railway. I am quite sure that the canal became the property of the railway before the railway was completed; in fact, it must have been so, for it was under the Act authorizing them to make their railway, which was in 1847. I may further state, as regards the canal, that the interest of the company is to keep down the charges on the canal, and not to put them up; and with that view they have themselves become carriers on the canal. We found that when we were simply toll-takers on the canal the carriers, instead of charging a reasonable rate for the carriage in addition to our toll, charged an excessive rate; and the consequence was that they really did force the traffic off the canal. Therefore the North Staffordshire became carriers. We have our own horses and boats on the canal as carriers, and we put the freights at such a reasonable rate as induced traffic on the canal. We felt that if we did not do so we should have the carriers resuming their heavy charges, and so force the traffic off the canal.

14,308. May that not be what Mr. Hollins refers to when he speaks of your forcing the traffic on the canal rather than on the railway?—I think he infers that the policy of the railway company is to charge such high rates on their railway as to force the traffic on the canal.

14,309. Since you became carriers on the canal have private carriers still kept on their business at their former high rates of charge?—No; they are obliged to carry at as low a rate as we do, or they would not get the business.

14,310. Mr. Hollins made some statement about the rate from Worcester to London, what observation have you to make with reference to that?—Mr. Hollins compares the rates of freight charged from North Staffordshire with the rates of freight charged from other manufacturing districts, and infers that our rates are excessive; he omits altogether the Worcester rate. I beg to hand in a table showing the rates charged for pottery-ware from Newcastle-on-Tyne, Knottingley, and Stoke, and also from Bristol, Worcester, and other places.

The witness delivered in the same, which is as follows:

TABLE showing RATES charged from various POTTERIES to LONDON, and the PER-CENTAGES borne by such RATES to the VALUE of COMMON EARTHENWARE, showing also the CONDITIONS of CARRIAGES.

Place.	Distance from London.	Rates charged.		
		Station to Station at Owner's Risk.	Collected and delivered in large Consignments.	Collected and Delivered in small Consignments at Carrier's risk.
	Mls.	£ s. d.	£ s. d.	£ s. d.
Newcastle-on-Tyne.	275	Full loads - 0 18 4	*At owner's risk.* 1 3 4 Collection - 0 2 6 1 5 10	1 11 0
Knottingley	170	In 4 ton lots 0 15 10 Under 4 tons 0 16 8	*Owner's risk* 1 0 0 Collection - 0 2 6 1 2 6	1 7 6
Stoke -	145	In 3 ton lots 1 0 0	10 tons for shipment, 25*s.* carrier's risk.	1 10 0

VALUE of 2½ Tons of COMMON EARTHENWARE as per Mr. HOLLINS' Statement, 18*l.* 12*s.* 8*d.*

Collected and delivered in crates—				£ s. d.
The carriage from Stoke at	30/0	per ton, would be		3 15 0
" " Newcastle at	31/0			3 17 6
" " Knottingley at	27/6			3 8 9
				£ s. d.
From value of goods (including crates) -				18 12 8
Deduct actual cost of crates, say 8 at 3*s.* each				1 4 0
				17 8 8
Station to station loose in trucks—				£ s. d.
The carriage from Stoke at	20/0	per ton, would be		2 10 0
" " Newcastle-on-Tyne at.	18/4			2 5 10
" " Knottingley at	15/10			1 19 7

PER-CENTAGES of RATES on VALUE of GOODS.

Places.	Per-centages.	
	In Crates.	Loose in trucks.
Stoke-upon-Trent - -	19 per cent.	15 per cent.
Newcastle-on-Tyne -	19 "	14 "
Knottingley - - -	18¾ "	12¼ "

Showing differences in favour of Yorkshire, Newcastle-on-Tyne, &c., &c., of only from $\frac{1}{4}$ to $2\frac{3}{4}$ per cent. on goods loose in trucks, as against the Staffordshire Potteries, although those districts have the advantages of competition by sea.

Other rates for pottery ware compared where the services rendered by all the carriers are the same, and there are two or more companies carrying between the same places :—

	Miles.	£	s.	d.
Bristol to London -	- 118 -	- 1	7	6
Coleport „ -	- 156 -	- 1	16	8
Worcester „ -	- 119 -	- 1	8	4
Stoke „ -	- 145 -	- 1	10	0

14,311. (*Mr. Horsfall.*) How does that agree with the table of rates which was put in by Mr. Hollins ?—They are precisely the same. Mr. Hollins has selected a few which suit his argument, leaving out others which tell against him. I have supplied in my table the rates for all districts of which he complains. I may add with regard to the rates for the earthenware that in nearly every case three or four collections and deliveries have to be made for each ton weight. The rate is per ton, but the crates vary from four, five, six, to seven hundredweight each. The great bulk of them have to be collected from different places, and delivered separately. The shipping trade, which is the largest, goes in 10 ton lots, and the great bulk of that is transmitted by canal to Liverpool.

14,312. (*Chairman.*) Do you wish to make any statement with regard to Messrs. Minton's traffic ?—In question 11,275, Mr. Hollins gives a list of rates, of which he complains. I find that the only instances which he is able to produce against the company are six in number, the total weight of which is 3 tons, 7 cwt., 3 qrs., 4 lbs., the total charge for which was 1*l.* 18*s.* 10*d.* That is spread over one year. I can hand in the particulars.

The witness handed in the same, which is as follows :

The Patent Tile Company's Goods from Stoke to all North Staffordshire Stations for One Year, ending 30th April, 1864 :—

	Tons.	cwts.	qrs.	lbs.	£	s.	d.
To Burton - . -	0	15	0	24	0	11	8
„ Crewe - -	0	1	0	0	0	0	9
„ Congleton - -	0	6	2	24	0	4	4
„ Macclesfield - -	0	13	3	6	0	8	1
„ Uttoxeter - -	1	3	2	26	0	11	2
„ Harecastle - -	0	7	0	8	0	2	10
	3	7	2	4	1	18	10

14,313. What do you suppose the whole of Messrs. Minton's traffic would be for a year ?—A great many thousand tons. They are quite the leading firm in the Potteries, and do an enormous business. Mr. Hollins has really had to search the whole of their books for 12 months to find six cases of what he considers to be complaint against us, in neither of which, I think, is there any fair ground for complaint.

14,314. Are not these selected merely as instances in which they have had to complain of you rather than as the sole cases in which they have any ground of complaint ?—I am quite sure that Mr. Hollins, if he could have found any more, would have brought them forward. He brings forward every point that he can against the North Staffordshire Company in order to make out a case for a reduction of our tolls, but when he has been pressed before committees he has never been able to add to this list, which he has already produced before several committees.

14,315. (*Mr. Horsfall.*) Why should he complain if these are the only instances which he can produce ?—I have always been at a loss to understand why he should complain. No doubt it is the interest of the traders of the district to get the goods conveyed at as low a rate as possible ; but I think they should be reasonable. The North Staffordshire Company have done their utmost to develop the trade of that district by expending a large capital. Their charges are, I consider, most moderate. Last year, when they were in Parliament, they agreed to effect a certain reduction in their tolls. One moiety of this reduction came in force on the 1st January 1865. The second moiety comes into operation on the 1st of January 1868. We showed the committee that, although our dividends had averaged only 2*l.* 16*s.* per cent. per annum, we were still willing, with a view of developing the trade of the district, to submit to a further reduction of tolls, and upon that undertaking on the part of the company the Bill was passed, and clauses enacting these reductions inserted.

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14,316. (*Chairman.*) Has Mr. Hollins frequently been in the habit of making applications to your company for a reduction of your charges ?—No, his complaints have been confined to giving evidence before committees of both Houses of Parliament. We have carried on his trade, I believe, to the satisfaction of the firm with which he is connected for a great many years.

14,317. (*Mr. Horsfall.*) Do you mean to say that he has never applied to the company for any reduction of rates ?—I have never seen a letter from him applying for a reduction of rates. His complaints have been confined, as far as I know, to giving evidence before committees of both Houses of Parliament, and to statements made to the Chamber of Commerce of which he is the chairman. He thinks it right to complain of the North Staffordshire Company's rates, but does not say how, practically, he proposes to deal with them. He only says that he wishes them reduced. I have only been connected with the North Staffordshire for a period of two and a half years, and I can positively assert that I have never had a single complaint from Mr. Hollins as to our rates, or as to the mode in which his business was conducted. He admits in fact in his evidence before the Committee, that the company have conducted his traffic so well that he never has had a claim for damages against them. We have a very expensive article to deal with. The crates, when filled with this expensive ware, are frequently worth 100*l.* each, and we have to handle them very carefully, and it is a rare thing to get a complaint of breakage from manufacturers.

14,318. (*Chairman.*) In his answer to question 11,287, Mr. Hollins states that your charges would be the same from station to station, where you are at no expense of collection and delivery ?—He is in error there. The charges from station to station are exclusive of cartage, and wherever a rate is required in which no cartage service is involved we make a deduction, and and in cases where the rate includes cartage, and no cartage is performed, the consignee or consignor, as the case may be, demands an allowance for the cartage, and we make it.

14,319. Can you explain how Mr. Hollins should be ignorant of such a charge ?—I really cannot. He has fallen into so many errors that they astonish me. He hasfrequently been put right before committees of both Houses, but he still maintains his statements. At the close of his evidence he gave in the state of things which existed with regard to the tolls in 1862. In giving evidence in 1866 he hands in a table of tolls which existed in 1862, and at the bottom he says,—"N.B.—"The above table is based on the rates charged previous "to the reduction made in November 1862." He might just as well have quoted a table of tolls charged in 1797, which would have been just as applicable.

14,320. Of course there has been a considerable alteration made since 1862 ?—Yes. As an appendix to my evidence, I beg to hand in an entire list of the original tolls and the reductions which have since been made.

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The witness delivered in the same, which is as follows:

NORTH STAFFORDSHIRE RAILWAY.

Navigation from the Trent to the Mersey.

TOLLS.

Under the first Canal Act, 19th May 1761, and until the passing of the Pottery Railway Act, 1846–47, the maximum toll for every description of goods was $1\frac{1}{2}d$; per ton per mile, except upon lime and limestone, and road materials, and traffic passing along the Pottery and the Cauldon tramways, which varied from $\frac{1}{2}d$. to 3*d*. per ton per mile.

The latter Act established the following Maximum Tolls, with which are compared the Reduced Tolls charged 1st March 1866.

—	Maximum Rates, 1847, per Ton per Mile.	Reductions since 1847.	Reduced Rates to March 1st 1866, per Ton per Mile.
	d.		*d.*
		Between Horninglow or Shobnall, and Preston Brook or Anderton	$\frac{2}{8}$
Earthenware	$1\frac{1}{2}$	„ Potteries and Fradley	1
		„ All other places	$1\frac{1}{4}$
Clay, flint, china stone, chertstone felspar, calcined bone, and bone ash and manganese	1	„ All places	$\frac{3}{4}$
Ale	1	„ Horninglow or Shobnall, Fradley or Derwent Mouth	3
Porter	1	„ Preston Brook and Horninglow or Shobnall	3
		„ Pottery district and Preston Brook or Wardle Lock	3
Bricks, tiles, and draining pipes	1	„ „ „ Fradley, Derby, or Shardlow	4
		„ „ „ Haywood	4
		„ Haywood and Middlewich or Broken Cross	2
Cement	1	„ Horninglow or Shobnall, and Preston Brook	2
		„ Alrewas Moor and Preston Brook, Derby, Shardlow, or Derwent Mouth	1
		„ Aston or Cuttle Bridge and Shobnall	2
Plaster	—	„ Horninglow or Shobnall and Preston Brook	1
		„ Alrewas Moor and Preston Brook	1
		„ Aston or Cuttle Bridge and Haywood	1
Plaster stone	1	„ Aston, Cuttle Bridge, Derby or Derwent Mouth, and Wichnor or Barton Turn	$\frac{1}{2}$
		„ Wichnor and Preston Brook	1
		„ Aston and Derby	1
Grain	1	„ Derwent Mouth or Shardlow and Horninglow, Potteries, and all places beyond	$\frac{1}{2}$
		„ Preston Brook and Horninglow, Shobnall or Macclesfield Junction	3
		„ „ „ Rugeley	3
		„ Fradley and Potteries	2
		„ Hall Green and Fradley or Haywood	2
Stone	—	„ Preston Brook and Wardle Lock, Wheelock and all places south thereof	1
		„ Derwent Mouth or Shardlow and Pottery district	1
		„ Wardle Lock and Preston Brook	1
		„ Pottery district and Derwent Mouth or Preston Brook	3
Iron	1	„ Wheelock, Harecastle or Pottery district, and all places south of Potteries	3
		„ Potteries or Harecastle and Preston Brook	3
(Pig)		„ Derby and Willington	4
Spelter	1	„ Derwent Mouth or Shardlow and Acton Quay	1
Gypsum for manure	1	„ „ „ „	2
Zinc	1	„ Acton Quay and Haywood or Fradley	2
Fire clay	1	„ Horninglow or Shobnall and Preston Brook	2
Gravel for highways	1	„ Western Cliffe and Pottery district and intermediate places	4
		„ Preston Brook and Pottery district	$1\frac{7}{8}$
Acid for manure	1	„ „ „ Wheelock	1
Ale casks (empty)	1	„ „ „ Horninglow or Shobnall	2
		„ All places	3
Creosote, pitch, and coal tar	1	„ Hall Green or Foxley and Haywood or Fradley	2
		„ Foxley and Preston Brook or Derwent Mouth	2
Cheese	1	„ Cheshire Wharfs and Derby, Shardlow, or Haywood	2
Chemical residuum	1	„ Preston Brook and Wardle Lock	2
Glass sand	1	„ „ „ Pottery district	3
Mineral oil and grease	1	„ Potteries and Fradley	4
Oil cake	1	„ Derwent Mouth and Potteries, or all places north thereof, except Preston Brook	$\frac{1}{2}$
Staves	1	„ Preston Brook and Shobnall or Horninglow	3
Timber	1	„ Ash Tree Bridge and Derwent Mouth	3
Ditto	1	„ Horninglow or Shobnall and Preston Brook, and vice versâ	2
Copper ore dross	1	„ Hall Green and Haywood	2
Gas refuse	1	„ Horninglow or Shobnall and Fradley	2
		„ Fradley or Haywood and Hall Green	2
Potatoes	1	„ Acton Quay and Derwent Mouth	5
Refuse saltpetre	1	„ „ Haywood	5
Red ore	1	„ Macclesfield Junction and Bromley	3
		„ Bromley and Shobnall and all places to Derwent Mouth	3
Sulphur ore dross	1	„ Preston Brook and Froghall	3
		„ Local places and local or through places	4
Other general merchandise, with the exceptions mentioned in the Act	1	„ Preston Brook and Cuttle Bridge or Weston Cliffe	2
		„ „ „ Rugely, and vice versâ	2
		„ „ „ Shobnall or Hornington, and vice versâ	2
Calcined iron ore	$\frac{3}{4}$	„ Willington Basin and Derby Junction	$\frac{1}{2}$
		„ all other places	$\frac{3}{8}$
Flour, malt, bran, and meal	1	„ Derwent Mouth, or Shardlow and Horninglow, or Potteries and places north thereof	$\frac{1}{2}$
		„ Preston Brook and Rugeley	$\frac{3}{8}$

—	Maximum Rates, 1847, per Ton per Mile.	Reductions since 1847.	Reduced Rates to March 1st, 1866, per Ton per Mile.
	d.		*d.*
		Between Preston Brook and Middlewich, or any place south thereof	
		„ any place south of Kidsgrove, and any place north of Middlewich	
		„ Harecastle or Potteries, and Haywood or Fradley	
		„ Rugeley or Brereton, and Barton, or all wharfs east	
		„ „ „ Stoke and all the Pottery district, and north thereof	
		„ „ „ Froghall (for burning lime)	
		„ Lawton and Weston, or Shirleywich	
		„ Swarkestone and Horninglow	
		„ „ or Derwent Mouth, and intermediate places between Fradley and Stone	
Coal and coke	$\frac{3}{4}$		
		„ Swarkestone or Derwent Mouth and Potteries	
		„ Willington and Fradley	
		„ Trubshaw and Shardlow	
		„ Red Bull or Harecastle and Leek	
		„ Preston Brook and Wardle Junction	
		„ Red Bull or all wharfs south thereof, and Wardle Junction, Middlewich or all wharfs north thereof	
		„ Preston Brook and all places north of Middlewich	
		„ Except Anderton, Marbury, Hawdisher Lane, and Marston	
Coals and slack	$\frac{3}{4}$	„ north end Harecastle Tunnel and all places north of Wincham, for the manufacture of salt only	
Coke	$\frac{3}{4}$	„ Swarkestone and Horninglow	
		„ Willington and Derwent Mouth	
		„ Horninglow and Derwent Mouth	
		„ Middlewich or any place north thereof, and Preston Brook	
Salt	—	„ „ or any place south thereof, and Preston Brook	
		„ Cheshire Works and Haywood	
		„ Willington and Derby	
		„ Cheshire Works and Haywood, for agricultural purposes	
		„ „ „ Potteries „ „	
Rock salt	$\frac{3}{4}$	„ Marston, Hawdisher Lane, Marbury, or Anderton, and Preston Brook	
		„ „ and Rookery Bridge, or Malkin's Bank and Lawton Salt Works	
Cinders	$\frac{3}{4}$	„ Hall Green and Haywood	
		„ Marston and Haywood	
Limestone, lime, slop flint, manure, scrap iron, rags, uncalcined iron ore	$\frac{1}{2}$		
		Between Preston Brook and Haywood or Fradley	
Stone for highways	1	„ Preston Brook and Stoke or Tunstall, and any intermediate place	
		„ Shardlow and Stoke or Tunstall, and any intermediate place	

Exceptions in Act, 1846–7.

—	Maximum Rates, 1847, per Ton per Mile.	Reduced Rates 1st March 1866, per Ton per Mile.
	d.	*d.*
All goods and merchandise conveyed the entire distance between Haywood and Preston Brook	$\frac{3}{4}$	—
Iron ore	—	$\frac{1}{8}$
Iron, chemical black, sulphur, and bog ore	—	$\frac{1}{54}$
Coal, coke, and slack	—	$\frac{1}{4}$
Slates and timber	—	$\frac{1}{4}$
Grain, flour, and meal	—	$\frac{1}{4}$
Manganese	—	$\frac{3}{8}$
Cinders	—	$\frac{3}{8}$
Artificial manures	—	$\frac{3}{8}$
Fire bricks and fire clay	—	$\frac{1}{54}$
Pig iron	—	$\frac{3}{8}$
All other merchandise	—	$\frac{1}{2}$
All goods and merchandise between Shardlow and Haywood	$\frac{3}{4}$	—
Coal	—	$\frac{3}{8}$
Fire bricks and fire clay	—	$\frac{1}{4}$
Iron	—	$\frac{1}{8}$
Stone	—	$\frac{1}{2}$
All goods and merchandise between Swarkestone and Haywood	$\frac{3}{4}$	—
Fire bricks and fire clay	—	$\frac{1}{4}$
Iron	—	$\frac{3}{8}$
Pig iron	—	$\frac{1}{4}$

—	Maximum Rates, 1847, per Ton per Mile.	Reduced Rates 1st March 1866, per Ton per Mile.
	d.	*d.*
Fradley and Shardlow	$\frac{3}{4}$	$\frac{1}{4}$
Shardlow and Preston Brook	$\frac{3}{4}$	$\frac{1}{2}$
Iron. Fradley and Swarkestone	$\frac{3}{4}$	$\frac{1}{4}$
Iron. Pig iron	—	$\frac{1}{4}$
Iron. All other iron	—	$\frac{1}{2}$
Iron. Fradley and Preston Brook	$\frac{3}{4}$	$\frac{1}{54}$
Ale, between Horninglow and Preston Brook	$\frac{3}{4}$	$\frac{1}{2}$
All goods and merchandise (except iron) between Shardlow and Preston Brook	$\frac{1}{2}$	—
Grain, flour, bran, malt, meal, and oil cake	—	$\frac{1}{16}$ & $\frac{3}{8}$
Timber, slates, plaster stone, iron ore	—	$\frac{3}{8}$
Iron	—	$\frac{1}{54}$
Shardlow and Fradley	$\frac{1}{2}$	—
Coal and coke	—	$\frac{3}{4}$
Iron	—	$\frac{1}{4}$
Pig iron	—	$\frac{1}{4}$
Swarkestone and Preston Brook	$\frac{1}{2}$	—
Plaster stone, iron ore, plaster	—	$\frac{3}{8}$
Iron	—	$\frac{1}{54}$
Timber	—	$\frac{3}{8}$ & $\frac{1}{3}$
Grain	—	$\frac{1}{3}$
All goods (except iron) between Swarkestone and Fradley	$\frac{1}{2}$	—
Coal	—	$\frac{3}{8}$
Iron	—	$\frac{1}{2}$

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—	Maximum Rates, 1847, per Ton per Mile.	Reduced Rates 1st March 1866, per Ton per Mile.
	d.	*d.*
All goods (except iron) between Fradley and Preston Brook	$\frac{1}{2}$	—
Coal, coke, and slack	—	$\frac{1}{4}$
Grain, meal, and flour	—	$\frac{1}{4}$
Iron ore	—	$\frac{1}{8}$
Iron	—	$\frac{1}{24}$
Slates and timber	—	$\frac{3}{8}$
Bog iron	—	$\frac{1}{24}$
Cheese, between Middlewich or Wheelock and Fradley	$\frac{1}{2}$	—
Salt, between Anderton, Wincham, Middlewich, Wheelock, or Lawton, and Fradley, or Swarkestone, and Shardlow	$\frac{1}{2}$	$\frac{3}{8}$
Salt, between Weston and Fradley, Swarkestone, or Shardlow	$\frac{1}{2}$	—
Coal, between Kidsgrove, and Anderton, Middlewich, or Marston	$\frac{1}{2}$	—
Coal, between Kidsgrove and Anderton, or all places north of Wincham, for manufacture of salt only	—	$\frac{1}{4}$
And in respect of the Macclesfield Branch:		
Sand, gravel, paving stones, bricks, clay, marl, coal (for burning lime), limestone, rubble stone for roads and manure	1	—
Rubble stone for roads	—	$\frac{3}{4}$
Ashler and block stone, slate, flag, spar, ironstone, coal (except for burning lime), cinders, and other minerals	$1\frac{1}{2}$	—
Timber, lime, goods, wares, and all other merchandise, articles, matters, and things not mentioned above	2	—

	Per Ton. *d.*	Per Ton. *d.*
And for passing through the Wardle Lock:		
Coal, coke, culm, limestone, and rock salt, the sum of	9	—
Coke, coal, and rock salt	—	1
Timber, freestone, slate, ironstone, lead ore, iron, and lead	$9\frac{1}{2}$	—
Stone	—	1
Timber in full loads for Preston Brook	—	1
„ „ local places	—	6
Slates to Derby, Shardlow, and Derwent Mouth	—	$8\frac{1}{2}$
All other goods and merchandise	$10\frac{1}{2}$	—
Bricks, tiles, and soughing pipes	—	1
Salt, manure, and bone dust	—	1
Grain of all kinds from Derwent Mouth or Shardlow	—	1
Chemical residuum from Preston Brook	—	1
Lime from Macclesfield Junction	—	$2\frac{3}{4}$
Cement and plaster from Alrewas Moor	—	$8\frac{1}{2}$

N.B.—The gross toll upon all goods passing off or on at Hall Green or Wardle Lock is not to exceed the gross toll on the like goods passing over the same ground to or from Preston Brook.

14,321. (*Mr. Ayrton.*) Making an allowance to the freighters who receive or deliver the goods themselves by a cart as within the limits of your own undertaking, do you make an exact calculation of the cost to them of the alteration?—No; it is an uniform allowance; we allow 1*s.* 6*d.* per ton at country stations, and 1*s.* 8*d.* in the Potteries to potters who perform their own cartage. I do not know a single case in the Potteries where any manufacturer carts his own goods; he finds that our charge is lower than he can do it for himself.

14,322. Is the allowance made to him not equal to the cost he would be put to if he did it himself?—It would not be worth his while to keep a cartage staff to do his own work, because he would not have enough to do to keep them employed.

14,323. The economy which you are able to effect only results from superior organization?—No doubt we do it at a cost per ton which he could not approach.

14,324. In cases where you deliver goods into trucks on the sidings what allowance do you make?—We make no allowance for that at all, because the rate is always given for the particular service. The rate from siding to siding is a much lower rate than the rate from the siding to the station where we have to provide wharfage. Where it is from siding to station the goods are generally for manufacturing purposes.

14,325. Have you any rule for your own guidance by which you make a rebate as compared with the greater charge to the station?—Our rule is with regard to stations where there is no competition, for instance, coal for household purposes; we charge, in addition to our mileage rate, which is about 1*d.* per ton per mile, a 6*d.* terminal for wharfage and station accommodation.

14,326. When you are delivering into a siding, you then not only rebate the 6*d.* but you charge a less mileage rate?—We do charge a lower terminal, except in cases of short distances. For short distances we invariably charge our maximum toll where it can be obtained.

14,327. Do you add a terminal charge?—Where we put it into a siding we charge a terminal as well.

14,328. In addition to your maximum toll?—Yes.

14,329. Have you any rule by which that additional charge is regulated?—It is generally regulated by what the traffic will really bear. The circumstances of one case are different from another. In some cases we find that the traffic can be conveyed at the maximum toll without terminal. In some cases we do so, but in others, where the terminal services are expensive, we charge 3*d.*, 4*d.*, or 6*d.* per ton, as the case may be.

14,330. For putting it into the siding?—At both ends.

14,331. Is that the case where you go on a siding for some distance?—The freighters look upon the act of putting the trucks into a siding as if it were a simple operation. They are really branches to the collieries.

14,332. I want you to separate that case. I am asking you simply with reference to putting trucks into sidings?—We have in addition to putting the trucks into the sidings to provide siding accommodation on our own property for the marshalling of their trains. They merely provide accommodation inside their own fences, and unless we were to afford very large siding accommodation in addition to that we could not work their traffic at all. We have to find accommodation for the marshalling and shunting the trains in addition to what they find on their own land.

14,333. You claim the right to charge something in addition to what you charge for the siding?—Yes. I could mention some cases where we have spent between 5,000*l.* and 6,000*l.* for nothing but marshalling the traffic on private sidings. It was only the other day I had to get an order from the Board to increase the siding accommodation for this very purpose on some points of our line, and I do not think we shall do it under 10,000*l.*

14,334. Where your siding extends an additional length in order to join a branch colliery you make an additional charge for that?—That is a matter of agreement with the owner. He comes to us and says:—"Now, instead of my working this branch suppose I "allow you to work it, what would be your charge "per ton." We then quote him a rate, and it is cheaper for him to allow us to work it than for him to work it himself.

14,335. You consider you are not under any legal obligation to carry off your own line?—No.

14,336. And that, therefore, you are at liberty to get as much as you can for it?—Yes; it must be a reasonable charge or the owners will provide the power themselves. I can give you a case in point. On the Talk of the Hill branch, a very important district, the owners used to find their own engines. They asked us what rate we would charge them for the working of this

branch. I quoted them a rate which I was quite satisfied would be less than their actual cost; they accepted it.

14,337. Do you think that that always depends so much upon special circumstances that it would be impossible to lay down any uniform rule?—I am quite sure that, if a uniform terminal were laid down, in justice to the companies you would have to fix it at such a maximum as would operate prejudically in some cases. We might have power to charge 6*d.* in some cases where we could well afford to do it for 2*d.* if we were able to make a variation in the terminal charges.

14,338. Or there would have to be a classification of charges, and not one uniform rate?—Yes, but a classification of charges would be very difficult, because the circumstances vary in almost every case.

14,339. (*Chairman.*) Do you wish to put in a statement showing the reduction of freight made upon the Trent and Mersey canal?—Mr. Hollins in his evidence refers to the Liverpool rates. He says, in answer to question 11,320, "I may state with regard "to Staffordshire, which before the Grand Junction "railway, which is now the London and North-western, "was finished and opened the charge for earthenware "to London per ton was three guineas, now it is "30*s.* In consequence of the competition between "the canals and the railway it was reduced to 35*s.*, "and it has lately been reduced to 30*s.* But on the "other hand to Liverpool the rate remains very nearly "the same. I do not know that there has any re"duction taken place at all, although we have both "railway and canal communication too there." In reply to that I state that the tolls on the Trent and Mersey canal were reduced in January 1865 as follows:—Earthenware from 1½*d.* to 1¼*d.* per ton per mile. Potters' materials from 1*d.* to ¾*d.* per ton per mile. Pig iron from 1*d.* to ¾*d* per ton per mile. Calcined ore from ¾*d.* to ⅝*d.* per ton per mile. And the freight between the Potteries and Liverpool, on earthenware, from 13*s.* 6*d.* to 12*s.* per ton. On potters' materials, from 7*s.* 4*d.* to 6*s.* 9*d.* per ton. I will now hand in a table which shows the reduction of freight over a period of 33 years.

The witness delivered in the same, which is as follows:

RATES of FREIGHT for EARTHENWARE and POTTERS' RAW MATERIALS at VARIOUS PERIODS.

Earthenware from the Potteries.	Rates previous to April 30, 1832.		Rates from April 1832 to December 25, 1837.		Rates from December 1837 to April 1854.		Rates from April 1854 to December 31, 1864.		Rates from January 1, 1865, now charged.	
	To Runcorn.	To Liverpool.	To Runcorn.	To Liverpool.	To Runcorn.	To Liverpool.	To Runcorn.	To Liverpool.	To Runcorn.	To Liverpool.
Packages.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
Size. 10 ft.	1 2	1 7	0 10	1 3	0 9	1 2	0 10	1 3	Charged by weight, 7*s.* 3*d.* per ton.	Charged by weight, 12*s.* per ton.
15 „	1 5	2 3	1 0	1 10	0 11	1 9	1 0	1 9		
20 „	2 3	3 1	1 7	2 5	1 6	2 4	1 8	2 7		
30 „	2 11	4 1	2 3	3 5	2 2	3 4	2 4	3 8		
*40 „	3 2	4 7	2 6	3 11	2 5	3 10	2 8	4 3		
*50 „	3 9	5 4	2 11	4 6	2 10	4 5	3 2	4 11		
*60 „	4 6	6 7	3 8	5 9	3 7	5 8	4 0	6 3		
Estimated cost per ton to Liverpool -	16 6		14 2		13 11		13 4		Actual Cost, 12*s.*	
*Crates to the ton - -	0 3		0 3		0 3		0 2½			

From LIVERPOOL (about 60 Miles).

Potters' Raw Materials.	1812 to 1817.	1817 to 1824.	1824 to 1832.	April 1832 to April 1838.	April 1838 to April 1854.	April 1854 to Dec. 1862.	Jan. 1863 to Dec. 1864.	Jan. 1865, now charged.
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
To Longport and Burslem Wharf	12 6	10 6	9 8	8 6	7 8	7 2	6 4	6 1 / 6 3
Etruria ditto -	13 0	11 0	10 2	9 0	8 2	7 8	6 10	6 6
Stoke ditto - -	13 6	11 6	10 8	9 6	8 8	8 2	7 4	6 9
	On 2,400 lbs. to the ton.					2,240 lbs. to the ton.		

Mr. Hollins says that he is not aware of any reduction of fares, but by the table which I have handed in, it will be seen that the reduction is very great.

14,340. With reference to the statement that traffic is forced on the canal in preference to the railway, he states that you can carry traffic for 30 miles over the canal and only 15 miles over the railway, and for that reason he thinks you find it for your interest to force traffic rather on the canal than on the railway?—Mr. Hollins states, and there is no doubt of the fact, that if the traffic goes by canal it passes over 30 miles to Preston Brook, and we get more out of the shorter distance by railway to Liverpool over our line than we do out of the toll on our canal to Preston Brook. We get a greater net revenue out of the railway for all the earthenware we carry between Liverpool and the Potteries than we do out of the canal between the same places. It has been my object as far as possible to develop the railway traffic rather than the canal.

14,341. I believe you have prepared a statement of the traffic for some years previous to the opening of the railways, and for some years after the opening of the railway?—Yes. I think that statement is a perfect answer to Mr. Hollins' complaints. It shows before the railway was opened the weight carried on the canal, and the receipts from the tolls from the year 1840 to the year 1849, and it also shows from the year 1850 to the year 1863 the weight carried on the canal and the receipts from the tolls, and the weight carried on the railway. It shows in fact that in spite of the amalgamation of the canal and the railway, of which Mr. Hollins complains, that the weights carried by the canal have increased to a very small extent, whereas the weights on the railway have increased enormously. They have increased from 272,893 in the year 1850, to 1,423,204 tons in the year 1863. I hope the Commission will allow that table to be inserted in my evidence, because I think it is a most conclusive answer to Mr. Hollins' remarks.

The witness delivered in the same, which is as follows:

Questions 11,321 *to* 11,327.

The following table proves that instead of forcing the traffic on the canal as alleged by Mr. Hollins, the weights carried by railway are constantly increasing.

STATEMENT OF TRAFFIC.

BEFORE the Opening of the North Staffordshire Railway.

Year.		Weight carried on Canal.	Receipt from Tolls.
		Tons.	£
	1840	1,286,281	123,768
	1841	1,243,322	116,087
	1842	1,140,220	98,512
	1843	1,044,147	90,617
	1844	1,199,181	103,808
	1845	1,358,084	116,862
	1846	1,339,965	109,948
	1847	1,449,110	114,343
Railway partly opened	1848	1,361,622	98,665
	1849	1,356,334	95,852

AFTER the entire Opening of the North Staffordshire Railway.

Year.	Weight carried on Canal.	Receipt from Tolls.	Weight carried on Railway.
	Tons.	£	Tons.
1850	1,258,984	87,402	272,893
1851	1,368,147	91,699	347,120
1852	1,308,157	85,430	417,363
1853	1,402,329	92,072	609,958
1854	1,385,833	93,117	685,198
1855	1,284,222	82,598	742,084
1856	1,537,882	102,366	897,185
1857	1,557,551	102,809	1,011,883
1858	1,363,384	85,508	941,323
1859	1,525,743	93,450	1,118,728
1860	1,595,217	98,776	1,244,786
1861	1,383,170	78,970	1,186,279
1862	1,555,333	88,910	1,267,270
1863	1,652,530	93,132	1,423,004

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Total tons carried in 1849, *before* entire opening of railway - - - - - -		1,356,334
Total tons carried in 1863, fourteen years *after*,		
By canal	1,652,530	
„ rail	1,423,004	
		3,075,534
Average receipt per ton carried on canal in 1847, *before* opening any part of railway - -		1*s.* 7*d.*
Average receipt per ton carried on canal in 1863		1*s.* 1½*d.*

14,342. Mr. Hollins' evidence refers to various attempts that have been made to introduce competing lines into the North Staffordshire district, do you agree as to his explanation of the causes of the defeat of those schemes?—I entirely disagree with his explanation. He attributes the defeat to the opposition of the landowners; whereas the fact really is that the committee were satisfied with the evidence we produced as to what we had done in the district by way of developing the traffic of the district, and the very moderate charges which the company had made. Mr. Hollins also complained that we created a monopoly, whereas we proved to the satisfaction of the committee that we had introduced a very active competition by means of the running powers granted to the North-western over the whole of our system, and which they are now exercising. They have the right to carry over our whole system at any through rates they like.

14,343. Have they, in return for the running powers which you have granted them over your system, conceded to you running powers over their system?—We have running powers over a certain portion of their system in return for the running powers which they have over ours. We have running powers between Crewe and Liverpool, between Macclesfield and Manchester, between Norton Bridge and Birmingham, including South Staffordshire.

14,344. Do you mutually make much use of these running powers?—The North Staffordshire are exercising their running powers over the whole of the North-western system over which they have the right to exercise them. The North-western are exercising their running powers to the pottery district and between Macclesfield and Colwich. From Manchester to London, the shortest route is by the North Staffordshire line, and they exercise their running powers over our line for a large portion of their goods traffic. The passenger traffic they are obliged to send *viâ* Crewe, as a matter of economy. They do not exercise the whole of their running powers through the purely agricultural district through which our line runs, but through the Potteries and the mineral district, where there is traffic to be got, they do exercise their powers, and the public have the opportunity of availing themselves of the service of the North-western or the North Staffordshire as they like.

14,345. (*Lord Stanley.*) Does it not come to this, that you and the North-western practically work one system?—Only at certain places. In order to develop the traffic of North and South Staffordshire it is necessary that one company should work the traffic throughout, and we do it. It was found that the people in South Staffordshire could not depend upon despatch when their traffic was worked separately by the two companies. The service is done in one-fourth the time by North Staffordshire working throughout.

14,346. (*Mr. Gower.*) When were these running powers first established?—In 1851.

14,347. (*Mr. Horsfall.*) Does not the North-western work the South Staffordshire?—I believe it is leased permanently to the North-western. I am not quite certain of that fact, but I know they work it. The North-western and the North Staffordshire applied to Parliament in three successive years for power to amalgamate, both companies having arranged terms, but the opposition in the district was so great to the amalgamation of the Trent and Mersey canal and the North-western, that the Bill was thrown out on each occasion. It was, of course, thought that the North-western, already possessing the Shropshire Union canal, would have a monopoly of the carrying trade of the district.

14,348. (*Chairman.*) Will you now refer to question 11,387 of Mr. Hollins's evidence?—In answer to question 11,387, Mr. Hollins states that he could not state whether the Committee who rejected the Bill in the House of Lords was aware of the agreement which existed between Mr. Sneyd and the North Staffordshire Railway Company. My reply is, that the counsel acting for Mr. Hollins called upon the company to produce the agreement itself; our counsel did produce and read it to the committee, who were perfectly aware of the facts of the agreement.

14,349. The drift of Mr. Hollins' evidence went to show that the policy pursued by the North Staffordshire Railway Company had been to retard the development of the pottery district. You have already said that in your opinion your district has advanced more rapidly than any district which any other line accommodates?—I know of no district that has become so rapidly prosperous as North Staffordshire. The table which I have already handed in shows the increase of the weights carried on our system of railways and canals. That alone is a sufficient reply to Mr. Hollins' statement; it shows an immense increase in the trade of the district.

14,350. Is there a considerable portion of that traffic for Crewe carried through for places beyond?—No, it is entirely North Staffordshire traffic. Unfortunately, our system is not a through traffic system.

14,351. Did you not refer to a great deal of Manchester traffic being carried by the North-western railway over your line?—That is so. This return only shows the traffic carried by our railway to and from the pottery district. I also wish to draw attention to the fact that the census proves a greater increase in the population employed in the North Staffordshire potteries as compared with the increase in other potteries which Mr. Hollins states are competing with him. In the year 1851 the total number of persons engaged in the northern potteries (including the West Riding, East Riding, with York, North Riding, Durham, Northumberland, and Westmoreland) was 3,861, and in the year 1861, 4006, being an increase of less than five per cent.; whereas in Staffordshire the number of persons employed in the year 1851 was 25,022, and in 1861 27,432, showing an increase in the population employed exclusively in the pottery trade of nearly 10 per cent. That does not look like a decrease in the prosperity of the district.

14,352. A considerable part of your district is very populous?—But very small in extent.

14,353. Do you charge the same passenger fares over that populous district as you do over the rest of your line?—No; what is called the potteries district is served by an omnibus service, the trains running every 15 or 20 minutes. We charge low fares by that omnibus service to induce the working population to travel.

14,354. Do you charge low fares for all classes of passengers over that portion of the line?—For all classes of passengers the fares are low.

14,355. What are the fares per mile?—The fares are not calculated per mile. Take the town of Stoke and the town of Longton, the distance is about two miles; we charge 2*d.* for third-class passengers, 3*d.* for second-class passengers, and 4*d.* for first-class passengers. In fact, we charge an omnibus fare which we think will induce people to travel.

14,356. Have those been in operation for many years?—No, the fares have only been in operation since the opening of the Hanley line. Until the Hanley branch opened we had no omnibus service, and as soon as that opened we ran an omnibus service between the pottery towns.

14,357. Do you know whether low fares have ever been tried as an experiment in the merely agricultural portions of your district?—We have uniform fares over the agricultural portions of our district of 1*d.* per ton per mile third class, 1½*d.* second class, and 2*d.* first class. We carry passengers in the summer by excursion trains at very low fares from the agricultural district to Manchester, charging something like 2*s.* 6*d.* there and back. In that way we carry a large number of people every year.

14,358. (*Mr. Ayrton.*) Do you find that the passengers by the cheap trains use them for pleasure traffic or business traffic?—Principally pleasure traffic. No doubt a great many business people take advantage of these cheap excursion trains instead of going by the ordinary trains. The omnibus traffic is confined to the short services.

14,359. I was referring to the omnibus traffic, is that for carrying people to their daily work?—Yes; numbers of workpeople avail themselves of it. They travel from Hanley to Longton, a distance of four miles, in train loads to and from their work. House accommodation is very difficult to find in the potteries. They will go to and from their work if they can go at low fares. If higher fares were charged they unquestionably would not travel by the line.

14,360. Do they follow that practice because they think it desirable to get out of the bad air and the smoke of the potteries?—No; I do not think the air of the potteries is unwholesome, on the contrary, it is considered to be healthy, but house accommodation is so difficult to get that they find it cheaper to go out a mile or two.

14,361. Is the increase of the pottery trade in china or in fine pottery or in coarse ware?—No doubt the bulk would be earthenware, but both have advanced very rapidly; the business of china manufacturers, such as Minton and Co., Alderman Copeland, and the Hill Pottery Company in fine china has advanced very rapidly.

14,362. But the weight of that is not very great?—The bulk is earthenware, no doubt, and although it is expensive earthenware, it does not come under the category of china.

14,363. (*Chairman.*) Do you find that the working classes go home to their meals by these omnibus trains?—No; they take their food with them.

14,364. Then you suppose that the traffic would only be morning and evening?—That is so with extreme towns; but where the distance between the towns is very short, they may go home to their meals.

14,365. They use the railway for that purpose?—Yes; they go home to their meals, travelling for one fare and a half there and back.

14,366. Do you seat them in these trucks?—Yes; they are precisely the same class of carriages that we use for our general traffic. In fact, they are rather better carriages, because we have had new carriages built for it. The second-class contains seats covered with leather cushions, and the third-class are all fitted with seats and covered in.

14,367. (*Earl of Belmore.*) Do you mean that you charge a penny for each journey or the day?—The fare is for each journey.

14,368. You do not give return tickets?—Not to the third-class.

14,369. (*Chairman.*) Have you formed any opinion as to what would be the effect of a general reduction of fares on your system?—My opinion has always been that the fares for the third-class passengers, that is, for the working population, should be reduced. I am quite sure that it would answer the company's purpose to do so, and more for long distances than for short.

14,370. To what extent do you think it advisable to reduce the fares for third-class passengers?—I have not gone sufficiently into detail to say to what extent I should recommend its being done, but the principle I should adopt would be a sliding scale according to distance, especially for third-class traffic. I am quite sure that the working people would travel a great deal more than they do if they could travel the long distances at cheaper fares.

14,371. Do you think the working classes of the agricultural district have any great object in travelling about to any great extent?—Not frequently; but they are obliged to travel when in quest of work, and it would be of great advantage to the working classes if they could travel long distances at a cheap rate. A great deal of that travelling is now done by road in consequence of the high fares charged by railway companies.

14,372. Then for long distances you would reduce the fares to a considerable extent?—Yes, the longer the distance the greater the reduction in the fare should be.

14,373. Would you reduce the fares for long distances as much as 50 per cent.?—Certainly, in order to bring the fares within the means of the working classes.

14,374. And you think it would answer the purpose of the railway company to do so?—Yes.

14,375. (*Mr. Gower.*) Are the directors of your company aware of your views with regard to the reduction of rates?—Yes, I have frequently advocated it.

14,376. (*Mr. Ayrton.*) How would you deal with the difficulty of other classes than those for whom the low fares were intended taking advantage of those low rates?—I would confine the low fares to one train a day in each direction.

14,377. Would you make it a class train?—Yes.

14,378. And not a train for all the world?—I would make it a third-class train at very low fares once a day in each direction.

14,379. (*Mr. Gower.*) Do you see any prospect of your views being adopted by your company?—I have no doubt that my company, after the scheme had been fully matured, would carry it out. It is my intention to recommend it to the board.

14,380. (*Mr. Ayrton.*) Is not that what has been done by putting on the parliamentary train, as regards the principle of one train a day?—That is the principle of the parliamentary train, but the fare is too high for long distances.

14,381. Is it not the fact that great numbers of people take advantage of that train for whom it was not intended?—That is not so in North Staffordshire, because nearly every train has third-class carriages attached to it. If we did not carry third-class by every train, we should not carry so much traffic as we do.

14,382. Have you not in your district a line of demarcation between employer and employed?—We have only the line of demarcation that all companies have, distinct carriages and distinct fares for the first class, the second class, and the third class. I am quite sure from the figures which I have had taken out of our books that our greatest increase has been in third-class traffic, thereby proving to me that that is a traffic which we ought to develop.

14,383. In your district does not the population consist more of people who would go by the third class, than it does in other districts where the traffic is of a more general character?—No doubt in manufacturing districts the great bulk of the traffic is third-class traffic.

14,384. And those who consider themselves not to be working people will not travel in that class?—They will not.

14,385. Does that apply to places where the traffic is of a miscellaneous and promiscuous character?—I think it does for long distances; in fact anything over a shilling fare to a working man almost compels him to walk. If labouring men in the agricultural districts have to pay a fare of more than a shilling, they cannot afford to travel by railway, and therefore must walk.

14,386. Does the same feeling exist in other districts which prevents people who would otherwise travel in the third class by the cheap train, for whom it was not intended, from travelling in those cheap trains?—Not to the same extent. I have no doubt that in manufacturing districts persons engaged in business do not as a rule care to mix with people from the potteries or the manufactories who often get into the carriages; but I have been astonished to see very respectable and well to do people travel with people who have just come out of the coal pits and manufactories.

14,387. Might not the effect be that people who now travel first class would go into the second and third classes if inducements were offered them to do so?—I would get over that difficulty by limiting it to one train per day, which should run at such an hour as would be

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an inconvenience to the general public, but a convenience to the class for whom it was intended.

14,388. If the train started at 5 o'clock in the morning that would be an inconvenient hour for the general public ?—No doubt.

14,389. Is not the view which you have stated one that is rather applicable to local traffic than to general traffic ?—No doubt it is more applicable to short lines, but it is equally applicable to this particular class with regard to long distances. For instance, if a poor man wanted to go from London to Exeter I cannot conceive how he can afford to pay for 190 miles at a penny a mile.

14,390. Do any means occur to you by which tickets can be issued to the people as a class rather than leaving it to the classes established by the railway companies ?—No. I think companies would have to take their chance, and I am sure the general result would be in favour of the revenue of the company.

14,391. (*Earl of Belmore.*) What do you think would be the effect of a general reduction of the first, second, and third class fares ; for instance, such a reduction as 30 per cent. ?—I do not think that a reduction below 2*d.* per mile for first-class passengers would be beneficial to the companies. I would recommend a reduction of first-class fares to the extent of 2*d.* per mile. Many companies charge as much as $2\frac{1}{2}$*d.* and 3*d.*

14,392. In fact you do not think that any reduction on your own system would recoup you what you would lose ?—No, I think in a district like ours the number of passengers who travel first class is necessarily limited. They would travel whether they had to pay 2*d.* or 3*d.* per mile.

14,393. (*Mr. Ayrton.*) Your view is, that you would add to the present traffic the traffic of the poorer classes of the country ?—Yes, I want to get something out of the masses. I am sure they are the source to which we have to look for a development of traffic.

14,394. You think there is a great deal of traffic of that kind which might be made remunerative to your company ?—I have no doubt of it. It is a difficult question of how to do it, but I am quite sure the agricultural population has never been touched yet for long distances.

14,395. (*Mr. Horsfall.*) Has your company considered the question of any perfect means of communication between the passengers and the guard ?—Our company has not. As a member of the clearing house conference I have attended the meetings of the larger companies, and have reported to my board what has been done. I recommend them to wait to see the effect of what has been done by companies who have better means of carrying the thing out than we possess. As regards the North Staffordshire, we have never had a single case where communication between the guard and the driver, beyond that which already exists, would have been of the slightest use.

14,396. (*Mr. Ayrton.*) Did you ever see any necessity for communication between the passengers and the guard ?—One has never come within my knowledge except from newspaper reports.

14,397. Have you practically ?—Practically I have never seen a case.

The witness withdrew.

Adjourned till Tuesday next at 12 o'clock.

Tuesday, 13th March 1866.

PRESENT :

The Right Hon. the Earl of Belmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.
T. B. Horsfall, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., F.R.S.
E. T. Hamilton, Esq., M.P.
William Pole, F.R.S., *Secretary.*

His Grace the Duke of Devonshire, K.G., F.R.S., in the Chair.

J. Hawkshaw, Esq.
13 Mar. 1866.

John Hawkshaw, Esq., examined.

14,398. (*Chairman.*) You are a civil engineer in extensive practice ?—I am.

14,399. You have seen the summary which has been prepared of Her Majesty's commands to this Commission ?—I have.

14,400. The first point to which the Commission are desired to make inquiry is with respect to the "charges "now and heretofore made by the railway companies "of Great Britain and Ireland for the conveyance of "passengers, parcels, goods, minerals, animals, agricul-"tural products, and other merchandise, and into the "equality or difference of such charges under similar "circumstances, whether as between different com-"panies, or by the same company in different cases." We have had a great deal of evidence complaining of the inequality of charges under similar circumstances ; will you give us your views upon that point ?—If the question applies to the same company, I am not aware that companies do charge unequal rates under similar circumstances.

14,401. The complaint from certain towns is, that other towns are favoured by a comparison of the charges made to them upon the same railway ?—I think that very likely may be the case.

14,402. That might be where the circumstances were dissimilar ?—Yes, so far as I know ; I am not aware of any case where a company makes a different charge under precisely the same circumstances. I do not think the thing exists. But there are cases where companies make a lower charge per mile to one town as compared with another town.

14,403. We have had a great deal of evidence upon that point, and we shall be glad to hear your views in respect of that question ?—I am not able to go into any specific cases, but it appears to me that there may be cases where it is proper and for the benefit of the public for a company to charge in one direction a lower rate than it does in another direction.

14,404. What other circumstances, in your opinion, justify such a difference of charges ?—For instance, cases where the distance the goods are carried is greater, which will justify a less charge per mile, inasmuch as a company can carry a ton of goods a long distance rather cheaper than it can a short distance. That would be one case, and there might be other circumstances, such as gradients and matters of that kind, which might affect the question.

14,405. Do you think gradients have any material influence on the charges ?—I do not think they have, except with regard to the coal traffic, I do not think they affect other traffic very materially.

14,406. The evidence goes to show that there are other reasons which induce the companies to make unequal charges, such as the desire to get a traffic that cannot otherwise be obtained ?—Of course, that is another reason where it may be worth the while of a company whose railway extends between two points, probably circuitous, to induce traffic to go that way by offering a lower rate of charge than they do upon some other line of theirs where no such necessity arises, and I must confess I do not see how the public interests, which I presume are the interests which you care about, can be affected by companies being allowed to do that.

14,407. Take, as an instance, the numerous complaints which have been made from Liverpool, that the

charges from Liverpool to towns in the interior are much heavier in proportion to the mileage than from the southern ports of Hull, Hartlepool, and the Tyne Docks, for example; do you think that is a case in which inequality of charges is justifiable?—It may be; in short, I do not very clearly see why rates should be different from any other charges, or why companies should not be left to deal with rates as they choose. In fact I cannot see any very good reason why rates should be restricted or attempted to be measured by rules of this sort any more than that the prices of merchandise, calicoes, or broadcloths should be restricted by legislation.

14,408. The complaint from Liverpool is, that it is deprived of its natural advantages by the low charges that the railways make in other directions, and that other ports have advantages given to them over Liverpool; do you think the Liverpool merchants have a right to complain of that system?—I do not understand what is implied by the term "natural advantages."

14,409. The advantages of vicinity, for instance?—I suppose the same thing might apply to any other commodity in the same way. One individual may find that he is paying a higher price than somebody else for some reason or other; it will be said that the remark applies differently to railways, because they must go to the railways for their transport, but I think that the question of monopoly had been sufficiently set aside by Parliament, who have already granted four lines of railway between Liverpool and Manchester. I do not think you can usefully legislate for railway rates any more than for the prices of cotton or anything else.

14,410. (*Lord Stanley.*) You look upon it in this way, that as Parliament has fixed the maximum rates, that that is a moral as well as a legal justification for the companies charging any rates they think fit within that maximum?—Yes.

14,411. And whether they think it better to be content with a more limited traffic with a comparatively high profit, or to incur the risk of very low profits, or even a loss, for the sake of extending their traffic, that is a question for them to consider, and not for Parliament?—Yes; but I believe that the object of every railway company necessarily is so to arrange their rates as to secure the largest possible income. In fact, you cannot imagine a railway company acting on any other principle, and therefore its directors, its officers, and staff can have but one object, namely, to secure the largest possible amount of income. Whatever rates will do that I apprehend they will sooner or later arrive at, and they will aim at it. If low rates will secure the largest income, then they will adopt low rates, and the advocates of low rates have generally urged that low rates will secure the largest income. If they will, the railway companies are sure to arrive at low rates. Speaking of rates generally, rates have been greatly reduced since railways first commenced.

14,412. (*Mr. Horsfall.*) Do you think that a railway company, having a line from Fleetwood to Manchester and another line from Liverpool to Manchester, would be justified in taking goods to the detriment of Liverpool at half the rate from Fleetwood to Manchester that they take them for from Liverpool to Manchester?—I think they are justified if it appears to them desirable to charge a less rate per mile from Fleetwood than from Liverpool. It is an old question. I have known attempts made to compel companies to raise their rates; that is to say, to introduce clauses enacting that they shall not charge less per mile between A. and B. than they charge between B. and C. That is a kind of legislation which I think would be mischievous. You cannot imagine that a company would carry at a low rate from Manchester to Fleetwood out of mere whim or caprice. They must do it on some mercantile principle; and if it pays them to carry to Fleetwood at a lower rate than it does to Liverpool, I do not see why they should not be permitted to do it. If you were to put it the other way, and say that they ought to reduce the rate from Manchester to Liverpool to the same as the rate they charge from Fleetwood to Manchester, that might prevent their carrying to Fleetwood altogether.

14,413. (*Capt. Galton.*) Assuming they are carrying at a low rate from Manchester to Fleetwood, do you see any reason why they should not be compelled not to carry at a higher gross sum from Manchester to Preston, for instance, which is between Fleetwood and Manchester?—I do not understand the question.

14,414. Supposing there are three stations, Manchester, Preston, and Fleetwood, on the same line, of which Fleetwood is the furthest, and they carry at a low rate from Manchester to Fleetwood, which makes the amount come to 5*s.*, do you see any reason why they should not be prohibited from carrying at a higher rate than 5*s.* from Manchester to Preston?—Do you mean rate per mile or a toll rate?

14,415. A toll rate?—I do not think you can do that. For instance, if you propose to charge a person 5*s.* to Fleetwood and 7*s.* to Preston, I do not see how you can accomplish that, because a person would take his ticket to Fleetwood and get out at Preston.

14,416. Is it not the fact that that has been done by many lines?—I am not aware of it; I heard some talk of it years ago, but I never met with a case of the sort.

14,417. The London and North-western used to carry from Birmingham to Chester for a lower sum than they charged from Birmingham to Crewe?—I do not know that. I do not see how you are to carry it out if you stop at these places, because if I book myself to Fleetwood you cannot prevent me getting out at Preston.

14,418. (*Mr. Horsfall.*) Is that the fact?—I should think so.

14,419. (*Capt. Galton.*) If a passenger got out at an intermediate station they would ask him for his fare to that station?—I think I remember hearing a case of the sort in which they made some person pay for getting out.

14,420. Should you consider it an injustice if they did that?—I should think it was an injustice if I were prevented getting out at Preston. Suppose, for instance, that the company chose to run a train from Manchester to Fleetwood without stopping, say for 4*s.*, of course, if it did not stop at Preston the passenger could not get out; and then they run another train from Manchester to Preston for 5*s.*, of course that is an anomaly, but still it appears to me that there may be cases in which it may be worth while to do that and the interests of the public not be damaged.

14,421. (*Chairman.*) May it be done, not only with respect to passengers, but with respect to goods? In some instances do they not carry a ton cheaper than they do in other instances?—The law recognizes that principle in all Acts of Parliament, because in all Acts of Parliament of the great companies, such as the London and North-western and the Lancashire and Yorkshire, the companies are required to carry at a lower rate for a long distance than they are for a short distance.

14,422. (*Sir R. Hill.*) After deducting the terminal charges?—Yes, there is what is called the short-distance clause. I think it used to be divided in this way, the first 50 miles, then beyond the 50 miles, and so on. In some of the old Acts that was done, and it was done on grounds which are quite right, that if you can have a loaded train, and can carry it 100 miles, you can carry the goods in that train at a less rate per mile than you could for a shorter distance; it pays better than the short-distance traffic.

14,423. (*Chairman.*) Do you think, on the whole, that the interests of the public and the railway companies coincide with respect to the charges that are made on the railways?—Yes; I think the interests of the public and the railway companies do coincide, of course if the railway companies had, as is very frequently asserted, a monopoly of traffic, it is possible you might have railways managed so as not to coincide with the public interests. I do not see, even then, that it would necessarily have followed; but looking at the fact that there has been no such monopoly practically, and that companies have been allowed to make railways pretty nearly whenever they have sought power to make them, I

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cannot see in what way railways can have interfered with the public interests.

14,424. (*Mr. Horsfall.*) You do not mean to say that the interests of railway companies in particular localities are identical with the public interests?—No; I am speaking of the public interests as a whole.

14,425. But not as regards particular localities?—No, not as regards particular localities probably. I am speaking of the public interests as a whole.

14,426. (*Chairman.*) We are desired to inquire into the actual cost of conveyance. Is not the cost of conveyance of goods and passengers pretty accurately ascertained?—I should think so.

14,427. Is there any dispute amongst those connected with railways as to what the actual costs of conveyance are at the present time?—I think not.

14,428. Is not the average cost of conveyance of a train per train mile in round numbers about 2*s.* 6*d.* per mile?—You are speaking of the prime cost.

14,429. Yes, the actual cost of such conveyance?—Yes, about that. If you compare the cost of a coal train with a passenger train it varies very much, but the cost of a passenger train is pretty well ascertained. Of course a coal train of very large weight would be more costly than a train of a smaller weight.

14,430. Is there much difference between the cost of a passenger train and a goods train?—That depends partly upon the speed. If you require to run a mineral train with anything like the rapidity of a passenger train, then the cost becomes very much greater. If you are to carry minerals with anything like economy, I think that a mineral train ought not to travel at more than one-third of the speed of passenger trains.

14,431. (*Sir R. Hill.*) But even with long passenger trains, running at the same speed, does not the cost vary in some degree with the length of the train?—Of course it does.

14,432. A train consisting of a larger number of carriages would cost more than a train consisting of a smaller number of carriages?—Certainly.

14,433. Can you inform the Commission as to what would be about the cost of adding one carriage to a train of the average length—say eight or ten carriages?—In order to answer that question I should require to know the number of carriages already attached to the train, it must be in proportion to the whole.

14,434. Suppose a train to consist of eight or ten carriages, and another carriage is added, that would to some slight extent add to the cost of running the train, can you say to what extent?—It is almost an arithmetical rule. Assume a locomotive which would be drawing a train of ten carriages weighed 30 tons, the ten carriages would possibly weigh 40 tons. Of course the cost of conveying that train would be the cost of running the locomotive with ten carriages. If you add another carriage to the train you do not add more than about one-seventeenth to the cost.

14,435. Would the cost of locomotion increase in proportion to the additional weight?—I am taking it in proportion to the entire weight, I am including the weight of the locomotive. Of course if the locomotive is moving itself and the carriages, the cost of the train must consist of the cost requisite to move itself and the carriages, and if you add another carriage to it you must add to the cost its proportionate quantity.

14,436. Are you speaking of the cost of locomotion?—Yes.

14,437. In addition to that there is the wear and tear of the carriages and the injury to the road?—Yes.

14,438. Has not the clearing house a rule as to the allowance to be made by one company which shall use the carriages of another company?—Yes, there is a rule as to an allowance being made for carriages and waggons.

14,439. Do you know what the allowance is?—No, I do not know the charge, but they have a rule by which they charge each other. Supposing the carriages of one company pass on to the line of another company, the other company has to pay for the use of those carriages. It is a small sum and cannot be considered as representing the true cost, inasmuch as they look upon it as an interchange of stock, and it is, generally speaking, considered to be rather under the cost.

14,440. If the addition of a carriage to a train adds to the actual cost of the train, and no doubt it does, then I presume the subtraction of a carriage from the train would diminish the total cost?—Exactly.

14,441. Can you say what would be the minimum cost of the running of an engine with a single carriage?—Of course the minimum cost of the running an engine would be the cost of the engine itself. If you add a carriage to it you would affect it only in a very small proportion; I apprehend just in proportion to the force required to move the carriage as compared with the force required to move the locomotive.

14,442. What would be the cost of running an engine by itself?—I do not know that I can give you an answer to that question which you could take as any accurate measure of the cost. The cost of locomotive power has relation to the cost of conveying the trains. Of course it can be ascertained, but I do not think I can venture to give it, because I should only be making a guess, which would be dangerous.

14,443. (*Chairman.*) The common method of ascertaining the cost of running a train is to apportion the expense of maintaining the permanent way, and the general charges and rates and taxes, all that is included?—No doubt.

14,444. Railway accounts are not kept in such detail that it is possible to ascertain exactly what proportion ought to be attributed as the cost of running a goods train, and what proportion ought to be attributed as the cost of running a passenger train?—Yes, I think they are generally.

14,445. For instance, with regard to the permanent way, can you say how much that is?—With regard to the permanent way you will perhaps have some difficulty, but the large companies keep the cost of their locomotive power used for the conveyance of goods separate from that used for the conveyance of passengers. They also keep the cost of their waggons separate from their carriages, and therefore all those charges can be separated. The permanent way is not kept separate.

14,446. (*Mr. Horsfall.*) Can you give any reason to justify such a discrepancy in the rates of charge as the following. For instance, goods from Grimsby to Liverpool at the rate of $1\frac{3}{7}d.$ per ton per mile; from Hull to Liverpool at the rate of $1\frac{2}{3}d.$ per ton per mile; from Ashton-under-Lyne to Grimsby at the rate of $1\frac{2}{3}d.$ per ton per mile; from Ashton-under-Lyne to Hull at the rate of $1\frac{2}{3}d.$ per ton per mile; from Ashton to Hartlepool at the rate of $1\frac{4}{7}d.$ per ton per mile; and from Ashton to Liverpool at the rate of 3*d.* per ton per mile?—The clause, which is called the variable-distance clause in the Acts of most of the large companies, would justify it to a certain extent. The distance from Ashton to Hartlepool is greater than the distance from Ashton to Liverpool. That would, to a certain extent, account for it; but I do not pretend that I could give the reason for it, because I do not know all the circumstances under which it arose. I am not sufficiently acquainted with the circumstances to explain it.

14,447. You know those lines?—I know the lines quite well.

14,448. You are not aware of any peculiar circumstances which would justify it?—The distance you have given for the low rates is greater than the distance you have given for the high rates. You have taken Ashton to Hartlepool and Ashton to Liverpool, which is double the distance. The rate may properly be lower for a longer distance. You carry coal, perhaps, 150 miles at $\frac{3}{8}$ths of a penny per ton per mile, whereas for a short distance you charge $1\frac{1}{2}d.$ or 2*d.* per ton per mile. Therefore that principle would account for the diminution of the rate on the longer distance.

14,449. Do you think it would account for it to such an extent as I have stated?—In other things the difference is greater than that. For coal carried a long distance to London they get now $\frac{3}{8}$ths of a penny per ton per mile, whereas you will find where the distance is

short, they charge perhaps 2*d.* per ton per mile. Those differences would be greater than the differences you have given; that is a thing which has been recognized by Parliament always; in fact we were compelled, on obtaining our Bills in 1851 or 1852, to diminish charges when the distances became greater.

14,450. (*Mr. Hamilton.*) Do you suppose that the actual cost of conveyance is uniform upon the different main lines of railway?—The actual cost of conveyance is modified to a certain extent, although not to so large an extent as is generally assumed, but still to a considerable extent.

14,451. Do you agree with Mr. Bidder's opinion that the normal expenses are 2*s.* 6*d.* per train mile as applied to all the main railways in the kingdom?—If he means normal expenses, subject to a variation of gradients, I do.

14,452. We may take the actual cost of conveyance upon the different main lines of railway at 2*s.* 6*d.* per train mile?—I think so, subject to modifications.

14,453. Subject to small modifications?—Yes.

14,454. (*Sir R. Hill.*) And understanding that, I presume, to represent the average?—Yes, of course.

14,455. (*Mr. Hamilton.*) But, I suppose, in certain special cases there might be a great departure from that average cost?—Yes; there would be a great departure where you get a locomotive carrying a very long train.

14,456. (*Mr. Horsfall.*) Do you include minerals in that average?—I should think so; but that is a matter which I cannot speak to.

14,457. (*Mr. Hamilton.*) Do you suppose that the differences are so great in certain cases as to make it a source of error to argue upon averages?—Yes; I do not think you can argue upon averages. It depends upon what the object is. It will depend upon the result you are aiming at. For instance, it will be a source of error if you are applying your average price to some special train which may not be an average train In fact, you cannot apply averages to individual cases without error.

14,458. It has been broadly laid down by Mr. Bidder that we may assume the actual cost of what he calls the normal expenses to be 2*s.* 6*d.* per train mile. What I want particularly to ascertain from you is, whether you think it would be a source of error if we were to assume that this was generally applicable throughout the kingdom?—Certainly, if you are going to apply that to individual cases, it would no doubt lead to error. You might have locomotives running, there are cases of that sort in connexion with the Post Office, with one carriage or two, or you may have locomotives, as is the case on the Taff Vale Railway, drawing 60 or 70 waggons loaded with coal, and of course if you were to apply an average price to that you would be wrong.

14,459. The average is only fit for generalization, and could not be made the basis of any legislation on the subject?—Certainly not.

14,460. (*Earl of Belmore.*) If you wanted to apply either to mineral traffic or passenger traffic 2*s.* 6*d.* per mile, which is the average, it would not apply to either?—Certainly not.

14,461. (*Sir R. Hill.*) It would be too much for passenger traffic and too little for mineral traffic?—It might be.

14,462. But not too much for long excursion trains with, say, a thousand passengers?—No; in fact you could not apply an average to that.

14,463. (*Mr. Hamilton.*) Therefore, in order to arrive at the truth, we ought to take the special circumstances of any particular case into consideration?—Certainly.

14,464. (*Chairman.*) In cases where one company works the line of another, is there often an arrangement made for so much per train mile?—Yes, that is sometimes done.

14,465. Do you know what is the sum within certain limits that is usually agreed upon in those instances?—I do not recollect; in fact there are not many cases of that sort. There have been very few; but in that case the price per mile will have been formed upon the ascertained average trains of that particular line, which might be light or otherwise. There are very few cases of the kind where one company works the line of another upon an average rate. The Great Eastern used to work the Tilbury line; but I think they have given it up for an average rate per mile. I do not remember at this moment the rate per train mile.

14,466. (*Mr. Horsfall.*) Can you suggest any remedy in the event of differences arising between the railway companies forwarding goods, with reference to the terminal charge, without the necessity of going to a court of law?—No, I cannot; and I do not see that any better remedy is wanted than you have got at present. I cannot suggest any. I remember an instance which happened some time ago, when I had more to do with railway management than I have now, where a case of the sort arose; it was settled very speedily, without much trouble. A manufacturer at Halifax was aggrieved at a terminal charge, and he objected to pay it, or rather he paid it under protest, and sued the company for the difference. The matter was taken before a county court judge, who heard the company's evidence as to what the terminal charges consisted of, and what they thought they were worth. The manufacturer brought forward his witnesses, and he stated what he thought they amounted to, and the county court judge decided the case at once.

14,467. Do you see any difficulty in the insertion of a clause fixing a maximum terminal charge in all cases?—Yes; I see the same objection to that as I see to all clauses affecting rates. I do not see how you are to fix it.

14,468. Might you not have a maximum rate of carriage?—You could not have one maximum, because it would lead to nothing. The terminal charge in London is very large, and if you made that the maximum it would not have the slightest operation in the country.

14,469. Could you not have a scale?—Then you would be obliged to have a very lengthy scale, and I think you would get very frequently into litigation.

14,470. (*Chairman.*) What do you understand by the term "terminal charges?"—A terminal charge is a charge made by the company at its station for special services, which are beyond the service of carrying the goods from station to station, that is to say, for what they call "handling," which is manipulating, for "sheeting," for weighing, for wharfage, and a variety of other things; that is what is called a terminal charge.

14,471. Do you include in that the interest on the capital expended on the sidings?—I think in a case which was tried, at which I was present, the sidings were not reckoned; it was simply for the men employed at the terminus in handling the goods.

14,472. (*Mr. Hamilton.*) Not the cost of the terminus?—No; as far as I recollect, I am only speaking of that particular case. In other cases they may have raised the question of charging for stations.

14,473. (*Chairman.*) Do you include the shunting of the engine?—Yes, that is part of it.

14,474. In London it is a very large charge, and is composed partly of the charge for the cost of stations, because the railway company in London has to provide a very large station?—

14,475. (*Mr. Hamilton.*) If the cost of the station is not included, there is no reason why the London terminal charge should be so much in excess of the terminal charge at other places?—Not for mere handling; but the cartage in London is more expensive. There are two terminals; there is a terminal on goods, which is for mere handling when they are fetched by the owner in his own cart; and there is another terminal, which is called a cartage terminal, where the company carts the goods away and delivers them.

14,476. Interest on the cost of premises is surely a legitimate terminal?—I think it is.

14,477. (*Sir R. Hill.*) Would that stand in the way of laying down a maximum for that kind of terminal charge; I presume that where the cost of the station is large the traffic is large?—It is so usually, but not always; not in proportion to the cost. For in-

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stance, you may have a station made in a situation which is extremely cheap, which will have as large a traffic as a station made in a situation which is extremely costly. I do not see how you can lay down terminal charges for every article. It is a question which has been tried three or four times. I have known cases in which this question has been discussed, and nobody could decide what the maximum charge should be. If you try to fit the scale to all the various circumstances which may arise, then it becomes so intricate that you never could apply it. If you make it too high, it will fail in its object; and if you tried to make it low you would never get to a conclusion; whereas at present any person, if he thinks he is charged for the terminal charge more than is fair and proper, can protest against it, and sue the company for it. If he is a large manufacturer it is quite worth his while to do so, because it settles the question.

14,478. You spoke just now of proceedings being taken in the county court, you are perhaps aware that in the county court you cannot sue for more than 50*l.*?—That difficulty is met quite easily, because you have only to fetch away a cart load of cotton or flour, or anything else, and ask the company what their charge is, they say so much, then you can pay them, take away the cart, and sue them for the overcharge.

14,479. Would the company answer that question?—They are obliged to answer it, because they have to make you out a note.

14,480. Do they not, in fact, in such a case as that, charge the maximum mileage and say, the remainder is terminal charge?—There is no difficulty in getting at the actual charge.

14,481. (*Mr. Horsfall.*) Every station has its terminal; I presume you would see no objection to the publication of them?—Not the least, I see no objection to it whatever; but they vary. The terminal ought to bear some proportion to the amount of labour. The amount of labour varies enormously on different things. For instance, suppose you have to handle a ton of feathers, a ton of coals, and a ton of musical instruments. The labour in each of those cases varies a great deal.

14,482. (*Lord Stanley.*) It must be a very long list, because anything like a terminal charge would be only a terminal charge divided into three or four classes, which would be an impossibility?—It would be quite impossible. The terminal charge upon coal varies. With regard to the Taff Vale line, upon which I act as consulting engineer, their terminal charge at Cardiff was 1*d.* I remember that being the subject of tremendous litigation. In fact, I remember there were thirteen actions brought with reference to the terminal charge at Cardiff, and although I was the engineer of company, the freighters agreed to refer the matter to me. I think I settled it at 1*d.* per ton, and I rather think it is now reduced to ½*d.* per ton. In some cases it was as high as 2*d.* It varies so much that you cannot publish it, or do any good in trying to make a list of it. I am not aware of a single case where a person who has to sell coal, has any difficulty in determining whether it is right or wrong.

14,483. (*Mr. Horsfall.*) Do you see any objection to the insertion of a clause in every future railway bill to the effect of that which is now inserted in the North Staffordshire Act, namely, that,—"Besides the rates "per mile, which the company are authorized to charge "for the conveyance of goods or minerals on their "railways or canals, they may charge for such terminal "services as are performed by them such reasonable "sum only as may be from time to time agreed upon "between the company and the person sending or "receiving goods, minerals, or other articles of traffic, "or, failing agreement, as may be settled by arbitration "under 'The Railway Companies Arbitration Act, "1859'"?—I do not know that there is any objection to it; I do not know much difference between that and referring it to a county court judge, who has to decide upon the evidence. But the companies should be allowed to make their own charges pending the reference.

14,484. (*Mr. Hamilton.*) What is the law by which terminals are regulated now?—The Act of Parliament says that your rates are to be so and so, and then it says that in addition to that you may charge a reasonable sum for covering, sheeting, handling, and so on.

14,485. Do you think it is possible to improve the wording of that clause by using something more definite than the word "reasonable"?—I do not think you can have a better word than the word "reasonable." That is about as expressive a word as you can have. No doubt the company is bound to prove the reasonableness of their charge when it is disputed.

14,486. What is your own interpretation of the word "reasonable"?—That they do not charge an improper sum. If I wished them to prove that the charge was reasonable, I should ask them to tell me what it cost them, to show what my ton of goods cost to handle, that is, how much it had employed their men, &c.

14,487. I suppose it means that it has some reference to the cost of the service which is rendered?—Yes.

14,488. (*Earl of Belmore.*) They would expect to get a profit besides that, would they not?—Yes, they have a right to a profit, but it must be a reasonable profit.

14,489. (*Chairman.*) Have the terminal charges adopted by the clearing house agreed pretty nearly with the actual terminal charges incurred by railway companies who have a fixed scale of terminal charges?—They have a fixed scale, which agrees precisely with what the companies charge.

14,490. But does it agree pretty nearly with what it costs the companies?—I presume all the companies charge a profit upon their terminals, because the terminal charge is a part of their remuneration, and therefore they all obtain a profit upon it, or ought to obtain a profit upon it.

14,491. (*Capt. Galton.*) As the companies have fixed all the terminal charges for London, do you see anything unreasonable in having such an arrangement fixed by Act of Parliament?—When you say they have fixed the rate, that is not quite correct. The terminal charges which are fixed by the clearing house as between the companies only apply to certain goods; for instance, there are certain classifications which are known at the clearing house, but there is a large amount of traffic to which those charges do not at all apply. For instance, coal, lime, manure, and all those sort of things which are local traffic.

14,492. But still to all traffic on which there are through rates the terminal charges apply except to minerals, which have no terminal charges at all?—Yes, they have terminal charges, but they are very variable; they vary from a halfpenny or a penny up to 4*d.*, and I think in some cases they are as high as 6*d.*, and that is necessarily so, for instance, in the case of a small village or a place where a man requires a couple of waggons of coals to be brought and left on sidings until he can sell them; they have to be left perhaps two or three days, and men shovelling them into their carts as they are wanted. You could not find that man those two waggons and let them remain on the siding for two or three days at the ordinary terminal charge.

14,493. That would be extra accommodation, for which the company are entitled to demand a warehouse rate, or what is called a wharfage rate?—It is often included in what is called a terminal charge. That shows the difficulty of trying to define it by legislation.

14,494. The terminal charge covers certain things does it not?—Yes, but they are very variable things.

14,495. Those things are laid down in the clearing house regulations?—They cannot be defined in any very specific manner because they are so variable. I fear that if you were to try to lay down a law, you would really make the matter much more obscure than it is at present. So long as it is distinctly understood that the company are bound only to make a reasonable charge for their terminal whatever it may be, if you have the power of putting them to show that it is a reasonable charge, I do not see how you can have anything better.

14,496. (*Mr. Horsfall.*) You have the power of taking the opinion of a county court judge?—I think an arbitration by the Board of Trade would be no better on account of the expense attending an arbitration.

14,497. Do you think a judge of the county court could go sufficiently into the merits of the case as to be able to decide whether it was or was not a reasonable charge?—I think so, it is a simple case of evidence; for instance, suppose a person is charged for the handling of a cartload of cotton or flour so much, the company have to prove what they do in handling the cotton or flour; it is a simple case.

14,498. (*Mr. Hamilton.*) If a case were submitted to you, with all your experience do you think you would have any difficulty on the evidence in determining what was a reasonable charge?—Not the slightest.

14,499. (*Mr. Horsfall.*) Suppose the company choose to appeal from the decision of the county court judge, which they would in all probability do, if the decision were against them, then a small trader would be involved in a very serious expense if he had to appear in the case before a higher court?—He probably would.

14,500. Do you not think it desirable that there should be some check which should prevent such an outlay?—If you can devise such a check it would be better; I do not see any objection to it. If they proceed to an arbitration the award is not necessarily binding; you can appeal to the court to set aside the award.

14,501. I suppose the fact as to whether it was or was not binding would depend upon the wording of the agreement of reference?—It is not very usual to set awards aside, but it is a very common thing to try to do so.

14,502. Do you think it would be desirable that the decision of the county court should be final for the protection of the trader?—I think it would be better not to be so, because the county court judge might make a mistake upon the other side; he may charge a freighter too much, or he may give the company too little. I think it better to leave it as it is.

14,503. But suppose a small trader who feels himself aggrieved takes the thing into the county court, and the railway company, with a large fund to back them, takes the case to a superior court, the trader must give it up, and have no redress whatever, because he cannot go to the expense of the higher court?—I do not see how you can get rid of that.

14,504. Would not making the decision of the county court judge final be a remedy?—That would be a remedy; but whether it would be advisable is difficult to say. It may cut both ways; the county court judge may be as liable to make a mistake on the one side as on the other.

14,505. (*Mr. Hamilton.*) It is not easy to suppose a case in which a small trader would be interested in which a large trader would not be also interested?—No.

14,506. There is no allegation of any favour shown to large traders at the expense of small traders?—Not that I am aware of. I do not think there is any difficulty, because on the question of terminals affecting any important trade, there is no difficulty in getting a combination amongst a particular class of traders if it is worth their while to try the question. I do not know of any way in which you can get rid of courts of law; they appear to me to be the necessary consequence of difference of opinion.

14,507. (*Chairman.*) In numerous cases at the clearing house the terminals are limited merely in order to divide the charge on the carriage of goods between different companies, when, in fact, the total charge is much below what the companies would be authorized to charge as their maximum charge per mile?—Yes, that is so.

14,508. In fact the total charge is much under what they would be entitled to charge independently of the terminals?—Yes; I think there may be cases of that kind where companies are carrying for a great distance at a very low charge, but in all those cases they must still first of all take off the terminals.

14,509. In order fairly to apportion the receipts between the different companies?—Yes.

14,510. One point which the Commissioners are directed to inquire into is, whether any considerable reduction in the cost of conveyence is practicable; do you see any practicable means by which the cost of conveyance on railways can be materially reduced?—Do you mean by legislation?

14,511. By any mode?—There are modes by which you might reduce the cost of conveyance; for instance, you could reduce the cost of conveyance were you to adopt the continental system.

14,512. (*Lord Stanley.*) What do you mean by the continental system?—If you were to restrict the number of trains more than is done in this country, and also restrict the construction of railways more than is done in this country, by these two modes you might reduce the cost of conveyance.

14,513. You look upon it in this way, that we are actually making the conveyance by the number of trains that run more expensive, because the travelling public insist upon a greater number of trains being run than are absolutely necessary for the traffic?—Yes, much more. You could reduce the number of trains upon most lines to one half, by which, no doubt, you would reduce the cost of conveyance, but it would not be for the convenience of the public.

14,514. (*Chairman.*) That applies chiefly to passenger trains?—And to goods trains also, almost as much, in fact quite as much as to passenger trains. For instance, the Lancashire and Yorkshire Railway, with which I have been long connected, although it has perhaps the largest merchandise traffic in the kingdom, did not in 1851, when I took pains to inquire into it very carefully, carry more than 38 tons of goods on the average per train. At this day, no doubt, that average has increased, and perhaps now it may be 48 tons. The North-western used only to average 50 tons to a train, but that average has been somewhat increased.

14,515. (*Lord Stanley.*) When we see, as we do on most of the lines, the train leave a station with perhaps half or two-thirds of the first-class seats empty, that I presume indicates that railway companies are compelled by the pressure of public opinion to run more trains than are absolutely requisite for the conveyance of the passengers?—Yes; and it is the same with the goods traffic. The locomotives that were drawing the small average trains were capable of drawing 200 or 300 tons of goods, but they did not get that quantity of goods to draw, because the manufacturers in the various towns, Halifax for example, want to send their goods down to Liverpool to be shipped, they require the company to send their goods at a given hour to arrive in Liverpool at a given time, and if the company did not send them they would quarrel with them and send them by some other route which would complete the journey within the required time. By that means the average load is reduced, and thereby the cost is increased. But upon many portions of the continent with which I am acquainted they care less about these remonstrances and complaints. They tell the public you shall have a certain number of trains a day, and as to the public finding fault with that arrangement or quarrelling with it they never think of such a thing. They can thus carry goods cheaper. And it is the same with passengers. If you compare our trains with the trains in France, for instance between London and Manchester and Liverpool, you have about 10 passenger trains per day, but between Paris and Lyons you have six, and between Paris and Marseilles only five.

14,516. (*Capt. Galton.*) Do you think it is a fair comparison to make, to take the distance between Paris and Lyons, which is greater than the distance from London to Manchester?—I am about to give other cases where the distance does apply. From London to Manchester and Liverpool you have ten passenger trains per day.

14,517. (*Sir R. Hill.*) Each way?—Yes. From Paris to Lyons you have six, Paris to Marseilles five, Paris to Bordeaux four. If you take things nearer

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home, say London to Dover, you have eight trains per day, but from Paris to Calais only five.

14,518. (*Capt. Galton.*) Can you give the number of trains from London to Glasgow?—I am afraid not. From London to Portsmouth you have eleven, to Southampton nine, to Plymouth six. From Paris to Rouen you have five, to Havre four, Dieppe three, Brest three, Cherbourg two.

14,519. (*Sir R. Hill.*) Can you give the average number of passengers in each case?—I cannot do that. If you go to Prussia, from Cologne to Berlin you have only four. If you go from Prussia to Russia, for instance from St. Petersburgh to Moscow, where the traffic is enormous, you are restricted to two trains per day. I have had to go between these two places on more than one occasion; but although the traffic is very large, there are only two trains a day. I merely give these instances in order to explain what I mean that you can reduce the cost of conveyance in this country, that is physically, provided you change your habits to the habits of the continental people, and consent to travel by a limited number of trains per day.

14,520. (*Lord Stanley.*) Then it comes to this, that the English traveller insists upon having a first-class conveyance ready for him whenever he wants it, and that is a luxury for which he must pay extra?—Yes.

14,521. (*Sir R. Hill.*) Do you know whether a company has ever tried the experiment of appointing a small number of trains per day, and having lower charges by those trains than by any others?—That is tried in excursion trains; it is very much the same thing as an excursion train where people have to wait and start at some particular time of the day, such as six or seven o'clock in the morning; and are accumulated in large numbers and taken to the end of their journey, and on these occasions you do charge less, and get larger train mile receipts.

14,522. Then it may be the case that the profit on an excursion train is as great, or in fact greater, than the profit on the ordinary train?—I think sometimes it is greater. I think it is considerably greater.

14,523. (*Lord Stanley.*) Do you think, as a matter of fact, that English travellers on any great line of traffic, such as between London and Liverpool, and London and Manchester, would consent to put up with half the number of trains in the day if the inducement were held out to them that by that means they could be carried at considerably lower rates?—I think not.

14,524. (*Earl of Belmore.*) With regard to the ordinary passenger trains, must you not provide, not merely for the average, but for the maximum number of passengers in the day?—Yes, you have to provide for the maximum, and you have to provide power and carriages for a larger number of people than you usually carry.

14,525. (*Sir R. Hill.*) Does not the difference between the practice in this country and on the continent arise very much from the greater value of time here?—Yes, our time is more valuable, and we are willing to pay for despatch; indeed nothing could induce us to wait until we had accumulated a larger number of passengers. Another thing is also to be considered, that you could reduce the charges in this country in another way, but this country would not bear it. You could reduce the charges by putting a restriction upon the construction of lines. Supposing you had given to the original London and Birmingham Railway the absolute monopoly of that district, and said you shall have no more lines to compete with you, they would have been able to carry at a lower rate. That is what is done on the continent. We do not do so, and I think it would be a national calamity if we did.

14,526. The construction of competing lines does not in your opinion produce the effect which is generally expected, namely, that of lowering the fares?—No; not in that sense.

14,527. It would have the effect of increasing the fares, would it not?—If you restricted London and Liverpool to one line, you could have made it worth the while of that one line to have carried the public at a lower rate, but then you would have deprived the country of an enormous amount of railway accommodation which it has got by the construction of other lines. I believe that the country gains, probably, twice as much from the construction of railways as the proprietary gain, that is to say, that the proprietary of all railways in England get about half the profit the country gains from the railways.

14,528. In what shape does the country obtain a profit?—By the reduction of charges and the facilities of transport.

14,529. And by the increased value of its property?—Yes; but I am dealing with the question of what the country would have paid by the old system of transport; I am of opinion that the country has gained twice as much by the construction of the railways as the railway companies themselves have gained. I proved in 1851, to the satisfaction of a committee of the House of Commons, that at that time the Lancashire and Yorkshire Railway had been beneficial to the district through which it passed to a much greater extent than to its proprietary; the rates have been reduced since then, and I am sure since then it would be quite safe to take it at double. Therefore it would be great folly, I think, for the sake of getting a low rate, to adopt the continental system, either as respects a reduction of the number of trains, or as respects the repression of the number of railways.

14,530. Without reducing the number of trains might not the same result be effected by lightening the trains?—In what respect?

14,531. By reducing the number of carriages required for the conveyance of passengers?—I do not see how you can do that except you reduce the number of passengers.

14,532. Do you not find it to be the case that in every train there is a very large proportion of empty space?—Yes; that is a great loss, no doubt, to the companies, but the companies cannot avoid it, because although they may on some occasions have a considerable amount of empty space in their trains, still there are occasions on which they will be filled; and indeed cases occur in which the trains are not only full, but there are people who cannot find seats.

14,533. Does not that arise very much from the preference for particular carriages, rather than from the number of passengers being large upon the line?—No doubt a great deal of it arises from running what are called through carriages.

14,534. If the public would submit to the inconvenience of stepping from one carriage to another, would not that afford the means of reducing the cost?—Yes; but there is nothing the public are less inclined to submit to than that. There is nothing that the public grumble so much at as changing carriages.

14,535. If the public would consent to leave a carriage at the point of junction, and take a vacant seat in a carriage by which they might afterwards proceed, it would enable the companies, to some extent, to reduce the charge?—It would; but then that would be depriving the public of a convenience which they require, which I do not think they would submit to. Therein is the difference between our English travelling and the continent. Belgium is a country which is often alluded to in reference to the low rates upon the railways, which are there under government control. I have had occasion to pass through Belgium frequently for the last eight or nine years. I cannot imagine anything worse than the travelling in Belgium. People in this country would not tolerate it. If you go by way of Ostend they deal with you rather better. The railways belong to the government, and the government wish to encourage that route, and therefore they make that pretty good; but if you go the other way they make it as bad as possible. If the railways in Belgium were in the hands of a number of companies they would do something to please the public, and make matters more convenient to passengers.

14,536. It appears to be your opinion that so long as the people of this country expect to have a train starting just when it suits their convenience to travel, and

so long as they attach value to the convenience of retaining their seats when they have to be transferred from one line to another, that there is but small hope of a large reduction in the cost of conveyance to the public?—I think so. Of course the fares have been considerably reduced from what they were when railways first started. There has been silently and quietly a reduction of fares going on from what they were 20 years ago.

14,537. I presume that has resulted from the companies finding from actual experience that they obtain a larger profit from moderate fares than from high fares?—Yes.

14,538. Do you think that process of reduction will continue?—It may to a certain extent. I am quite sure it will continue so long as the companies find that by reducing their fares they can gain a larger income.

14,539. Does it not frequently happen that the proprietors of a railway are unwilling to wait the time which is necessary to effect a change in the habits of the people?—I think companies, like everybody else, make their experiments cautiously. My opinion is, that if they are disposed to err at all, it is to try to get upon their lines the largest amount of traffic that they can, whether it pays or not. I have heard it said by gentlemen who profess to reform railways, that railway managers are apt to be lethargic, and that they do not cultivate traffic at low rates. As far as my knowledge goes I think they are rather given to attempt to obtain the largest amount of traffic, sometimes whether it pays the company or not.

14,540. You think they are too apt to look to the gross receipts?—Yes, to the gross receipts and large returns, without reference to profit. If there is a tendency to err, I think that is the tendency.

14,541. (*Mr. Hamilton.*) You state that railway companies are more disposed to pay attention to the wants of the public in this country than they are abroad?—Yes, our whole system is different.

14,542. (*Mr. Horsfall.*) I suppose in this country the public are more willing to pay for the accommodation?—The public in this country have more influence and power than they have abroad.

14,543. (*Lord Stanley.*) The public here are less willing to submit to that degree of control and restriction which exists in the continental lines?—Yes.

14,544. May it not be owing to the influence of the public who are in the Houses of Parliament?—Yes; it is owing to the influence of the public generally on every matter affecting their convenience.

14,545. (*Chairman.*) In point of fact, are foreign railways in general worked at a much smaller cost than English railways?—The fares are rather lower.

14,546. Are their expenses lower?—No, not always; with regard to Russian railways, with which I have to do, I think some of the expenses are, if anything, higher.

14,547. Do you know anything about the expenses of the French railways?—The expenses may be lower on French railways, wages are a little lower than here.

14,548. You said that you think you could reduce the cost of English railways by adopting the French system?—I meant in reference to diminishing the number of trains, and thereby increasing the number of travellers per train; and also, by the other means, that is, by restricting the construction of railways, which I take to be a part of the continental system, and a very important part.

14,549. (*Earl of Belmore.*) Do you think that the difference in the cost of fuel in the two countries makes any difference in the cost of the train mileage?—I should think our fuel will be a little cheaper than in France.

14,550. (*Capt. Galton.*) How will having fewer railways reduce the cost of working?—By increasing the average weight of the trains. There is no doubt that you can carry 500 tons of coal in one train at a less rate per mile than 50 tons. Limiting the number of railways and diminishing the number of trains would have the effect of increasing the average loads. But I do not advise such a course.

14,551. (*Chairman.*) Are we to understand that it is your opinion that railway companies are proceeding, as fast as prudence will admit, in making experiments as to the reduction of their charges and fares?—I think so. I cannot conceive that they should do otherwise.

14,552. (*Mr. Horsfall.*) Are they not in some measure prevented from doing so by extending their lines into districts of country which do not remunerate them?—Of course, that is a mixed question; there is no doubt that, to the extent that companies make unremunerative branches they diminish their power of reducing rates to the public, but still I am not aware of any lines that are being made, or have been made, which in a national point of view ought to have been prevented from being made.

14,553. (*Chairman.*) Have you paid much attention to the question of third-class traffic? Do you think that the arrangements upon railways are such as at present to afford to the labouring classes as much opportunity for travelling as they would be glad to avail themselves of?—As a rule I should say that is the case, if you take companies in whose districts there is a large amount of third-class traffic, they afford every encouragement to it. I think it is the fact that of the whole passenger traffic of the Lancashire and Yorkshire, about 80 per cent. is third-class traffic. I think that where a company can acquire third-class traffic, it is their interest to do so, and I think they always do it.

14,554. It is not the practice of most of the railway companies to attach third-class carriages to all their trains?—No, they do not attach them to express trains.

14,555. Do you think that they ought to attach third-class carriages to all trains, except express trains?—I cannot speak to that; my impression is that they will attach them to all trains where they are likely to be productive of benefit.

14,556. Is there not a general feeling amongst railway companies that they can compel a considerable number of passengers to travel second class who would travel third class if third-class carriages were provided?—That used to be the case a long time ago, but I am not aware that that is the impression now. Of course there are cases where companies would not like to have third-class carriages attached; for instance, to some of the long trains, where the stations at which they stop are few, it would not be worth their while to attach third-class carriages; they would not get a large amount of traffic; they would only encumber the train with an extra weight of carriages; it is not worth while to attach third-class carriages generally, except to those trains which intend to stop frequently; they are the only trains which really accommodate third-class passengers.

14,557. (*Sir R. Hill.*) Third-class passengers usually only travel short distances?—Yes.

14,558. Is it not the fact that a very considerable number of third-class passengers is likely to delay the progress of the train, by stopping longer at the stations?—No doubt; third-class passengers never know which is their own carriage, and they frequently get into the wrong carriage.

14,559. They are not so much alert as the other classes?—I think they are more careless.

14,560. (*Chairman.*) Are you acquainted with any lines which pass through agricultural districts?—A portion of the Lancashire and Yorkshire in the Goole district is purely agricultural.

14,561. Do you think, generally speaking, that lower fares would answer better in a manufacturing district than in an agricultural district?—They answer best when distances are short; when you want to induce people to travel very short distances, the fares must necessarily be low, because people have to walk to and from the railway, and unless you make a very low fare, they will not travel a very short distance by railway.

14,562. I think you have incidentally, in answer to some of the questions which have been put to you, intimated that your opinion is strongly averse to the railways being the property of the Government, is that your opinion?—That is my opinion.

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14,563. Do you think that the public would not have as many advantages if railways were the property of Government as they have now?—I do; I think if Government had taken up the railways of this country at an earlier period, or if they were to take them up now, the first effect would be to diminish the construction of railways. I think that railways would not have been extended as rapidly as they have been, and I doubt very much whether in any other respect the public could have been benefited by a Government management of railways.

14,564. (*Sir R. Hill.*) Do you think it would be bad as compared with what it now is?—It is not that I mean; but railways at present are in this position, a very large number of individuals are all interested in devising modes of railway communication wherever they think that railway communication would be of advantage, and they are also interested in improving their management. You have now an enormous staff at work, that staff being a portion of the public, and the intellects of all these men are incessantly occupied in improving and extending existing railways, you would not have this if the Government had the charge of the railways. The management of railways would devolve upon one or two individuals. You cannot expect that one or two individuals, if they were the ablest men who could be found, would do as much towards the promotion of railways as the public do themselves.

14,565. Supposing the Government were to lease the railways; do you think the management would be less able than it now is?—Do you mean lease them to companies?

14,566. Lease them to companies or to individuals?—That would lead to lamentable consequences, in my opinion. It is a plan which I have had occasion to consider. Your brother did me the honour to communicate to me his view upon the subject of the Government management of railways, he admitted that the idea of Government managing railways by themselves would be politically out of the question; that is to say, Government would never be allowed to control the great number of employés who attend to railways. His view was that the Government should take the railways, not to manage them themselves but to lease them to companies to be managed.

14,567. Lease them to companies or to individuals?—Yes; in my opinion that would not work. In the first place, the conditions under which a company would lease a railway are very difficult to be defined. The lessees would, in my opinion, in spite of the Government, get very much their own way; and when quarrels arose they would bring their influence to bear on the Government, as I have known in other cases of Government contracts, which I could mention if it were proper to do so; and at last the Government would give way.

14,568. That is to say, the plan would not succeed if the Government did not perform its duty?—It would be difficult for Government to perform its duties in a matter of this sort, when there would probably be 200 or 300 votes for seats in the House of Commons to be considered.

14,569. It would, however, depend very much upon whether Government could perform its duty, or not?—I do not think it would be possible to control the great lessees of all the railways. Besides, I do not see what advantage you gain. If the Government are to take the railways, and hand them back again to the present companies or to similar companies to work, I do not see the good of the process; in fact it would lead to this, companies at present have some interest in managing the railways well,—they are their own property, and therefore they have an interest in managing them well. But if you make them lessees only, their interest then would be to manage the railways so as to put as large a portion of the proceeds as possible into their own pockets. There have been many cases in which companies have leased their lines to repair or work, and have handed over to the lessees their stock. It has been found that the lessees put a large portion of the rent into their pockets, and laid out as little as possible in repairing the railway; and in the other case they have allowed the stock to get out of repair. I can see no advantage the Government would gain by taking the railways, and handing them back again to companies to work.

14,570. In the cases you have mentioned the leases must have been granted by railway companies?—Yes.

14,571. Then you are citing instances of mismanagement on the part of railway companies?—Yes; and I am giving instances to show the difficulty of working railways by leasing them. I think it is a difficulty inherent in the system.

14,572. Might you not without much difficulty cite other instances of mismanagement on the part of railway companies?—Probably; but I only mention these cases to show the impossibility of working railways well by leasing their working.

14,573. But that would depend, would it not, on the care taken in the construction of the lease, and in enforcing its conditions?—Of course the conditions of the lease would be an element to be taken into consideration. But you would have an antagonist in the company, because it would in that case be to its interest to get as much as it possibly could out of the proceeds, and neglect the railway as to its repairs, stock, and so on.

14,574. Do you think it would be impossible to prevent that?—I think it would be very difficult. And I cannot see the slightest benefit which would be derived from the plan if carried out. I do not know what good would be effected, except that Government would take upon themselves a very heavy burden.

14,575. Is not Government able to borrow money upon better terms than railway companies can?—At present it is; but I very much doubt whether, if they undertook to work railways, their credit would not suffer.

14,576. (*Lord Stanley.*) Supposing Government borrowed 100,000,000*l.* of money for such a purpose as has been described, would not the effect of that be to raise the rate of interest which they would have to pay?—Yes. I do not see that the Government credit in that respect would differ very materially from anybody else's credit. If they wanted an enormous sum of money they would no doubt have to pay a higher rate of interest.

14,577. I suppose as far as security goes, the security of a company like the North-western is as good as that of the State?—I think so.

14,578. (*Sir R. Hill.*) Do the North-western obtain money on equally advantageous terms as the State?—Not quite; but they obtain money on very advantageous terms. I do not think it would be quite safe to assume that if the Government required to borrow two or three hundred millions of money its rate of interest would remain the same as it is now. I do not mean to say that there might not be some slight advantage in favour of the Government; but that is surely not sufficient to make it worth the while of the Government to trouble itself with the management of all the railways.

14,579. (*Chairman.*) You do not think there would be any motives which would influence a small body of leaseholders different from those which actuate a large body of shareholders?—I think the leaseholders would be much more troublesome people, and much more indifferent and careless about the management of the railway.

14,580. (*Sir R. Hill.*) Do you think that if each of the railways had been leased to three or four intelligent men, such as the railway managers and engineers are, the lines would not be better managed than they are at the present moment?—That depends on what you mean by "leased." Leased in what fashion?

14,581. That the lessees should pay a given rent for the use of the line, with the right to make charges for passengers and goods, within certain limits, as they now do?—If they are to have the right of using the line at a given rent, you must hand over to them everything belonging to the railroad. They might pay the rent for ten or fifteen years, and pocket an enormous sum of money by allowing the whole thing to go to ruin. Government could not help it. You

could not meet it, except by having a large staff, and I think not even then.

14,582. Supposing you were yourself a Government officer appointed to see that the roads were not injured, could you not perform that duty?—I could perform a certain portion of it, but I should require a very large staff of other engineers or officers.

14,583. To look after all the railways you would require a large staff?—The lessees would have their staff to look after the repairs; and the Government would require a very large staff to see that the lessees did the repairs; so that you would require to have two staffs.

14,584. (*Chairman.*) You do not think it possible to make a provision for the adequate maintenance of the line in the terms of the lease?—I think not. I remember on one occasion the Lancashire and Yorkshire let the repairs which were necessary to the maintenance of the permanent way, which you would suppose was not so difficult a matter to look after; but we found it so impossible to keep the lessees up to the mark that we had to get rid of the contract. The lessees' object was to put the money into their pockets and do nothing to the railway. The company's object, of course, was to see that they did not do that; and at last we had to get rid of the contract. I think that would be the end of Government leasing railways, and that they would have to get rid of the contracts.

14,585. (*Earl of Belmore.*) In fact, as a general rule, contract work is not likely to be so good as other descriptions of work?—No, I do not see the advantages of such a system. If it were manageable in other respects, I do not see what advantage is gained by it beyond the difference in the rate of interest, which which would be a trifle.

14,586. (*Chairman.*) If a body of four or five experienced railway managers had a line, do you think they would manage it on precisely the same system if they leased it as they would if they were the servants of a company; or do you think they could introduce improvements when they had not a board of directors or a body of shareholders to be responsible to?—It is quite evident, supposing they had the whole line handed over to them, paying a rent to the Government for the lease of it, their interest would be to pay away for management repairs and renewals the smallest sum of money which they possibly could. If they took a lease for 14 years, they might let the permanent way, the bridges and so on, get into such a state of repair as to put into their pockets a large sum of money, and take it out of the pockets of the Government. Of course the Government would try to exercise a control over the lines in order to prevent such a system as that, and would require a very large staff.

14,587. (*Sir R. Hill.*) Have you seen the evidence given by Mr. Bidder before this Commission?—I have not.

14,588. Then you cannot judge of the efficiency of the securities which he suggests in order to prevent the property being injured?—No, I have not seen his evidence. All I know is, and I can speak from experience, that I have had to try to prevent railway property being similarly injured, and I have failed.

14,589. (*Mr. Hamilton.*) Because you could not enforce the penalties?—Yes. Nearly all the large railway companies in the first instance let their permanent way. Some of them let their locomotive power; and I think in every case, so far from working efficiently, it had to be given up. I have no hesitation in saying, so far as my experience goes, that it has been or will have to be given up by all the companies who have tried it.

14,590. In one case I think you stated you had to buy back the contract?—We had to relinquish it. The penalty we paid was the state of depreciation in which it left our property. We found it was of no use going on any further.

14,591. It was not so beneficial to the lessees that they asked you for any compensation upon their giving up their lease?—No. It arose in this way, that we considered the work had been allowed to go out of repair. We called upon the contractors to put it into repair. The contractor would not put it into repair, and we had no effectual means of making him; and at last it ended in our mutually agreeing, as we found the thing would not work, in our getting rid of each other. In every case, as far as I know, the companies who did lease their permanent way or other similar matters, have found it to be a bad system, and have given it up; and I think if the Government were to adopt the system it would lead to a like result.

14,592. (*Chairman.*) Is it your experience that an interchange of traffic between different railways is satisfactorily managed at present; or do you think the public might reasonably require greater facilities in that direction?—I am not aware of cases where the public do not get what they have a right to require. There may be cases, but none occur to me at this moment.

14,593. You are not of opinion that any general measures are required to facilitate traffic between the different companies?—I think not. I think the interchange of carriages, that is, the running of through carriages, is carried quite as far as it prudently can be.

14,594. Do you think that is the case with respect to the through booking of goods?—I think so, as far as I know. Of course there may be special cases with which I am not acquainted.

14,595. What, in your opinion, are the principal causes which have led to such an extensive amalgamation of railways?—I believe it arose, in the first instance, from the opinion that by amalgamation they could stop the construction of competing lines. I think that was the inducement at first. But, as far as my opinion goes, I do not think that it has any such tendency; I think you cannot stop the construction of competing lines so long as railway property goes on improving. When railways begin to pay good dividends, and get up to 6 per cent., as they are doing, or to still larger dividends, nothing will prevent parties projecting railways in districts which have not railways already, nor can I see you should, if you could, prevent it. It appears to me that railways are very much like any other machine or invention, every district that wants them, if anybody can afford and is willing to make them, ought to have the benefit of them, and I can see no interest that the State has to interfere with that principle.

14,596. (*Mr. Hamilton.*) What evidences of the want would you accept?—I think it may be taken as a safe rule that men will not find money to make railways faster than railways are required. I am very much inclined to say with regard to railways that I should leave them as you leave cotton factories, to be made by parties willing to make them, provided that you have some regard to the way in which they intersect or deal with property, because that is a matter which Parliament has a right to inquire into, but, apart from that, I cannot see why you should not leave railways to be dealt with in the same way as you do a manufacturing or mercantile establishment.

14,597. (*Lord Stanley.*) You would require proof that there was at least some *primâ facie* case for a railroad being wanted before you would allow valuable property to be cut up or destroyed?—Yes. I think regard should be had to the property which it is proposed to pass through.

14,598. You would not allow any opposition to a new line which is proposed to be made on the ground of competition with existing lines?—No further than might be necessary to elicit facts. I should not upon that ground *per se*.

14,599. (*Mr. Hamilton.*) According to that, you would be in favour of taking away from railway companies their *locus standi* before committees of the House of Commons?—I do not say that. I think you may allow the existing railways to appear against a railway which is said to be a competitor with it for the sake of bringing out before the committee all the circumstances necessary to be considered, because unless you do allow that, you will not in many cases get any inquiry at all into the proposal. If you

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allowed nobody to appear to oppose it you would never have a proper investigation.

14,600. (*Lord Stanley.*) Then you would allow them to appear, but you would not allow them to go into the case of any injury to land by itself?—You could scarcely put it so broad as that, because there might be cases of injury to their land or to their works, or by people running across them in a way which would interfere with the capacity or utility of their own undertaking; but what I mean is generally upon the subject of competition, that when a railway company comes forward and opposes a railway which passes miles away from it, and says it ought not to be made through the district through which it passes, (which is supposed to require railway accommodation,) because it may incidentally compete with it; then I do not think that is a valid argument against the railway being made.

14,601. (*Mr. Hamilton.*) Then are you prepared to treat all applications, that is, the general mass of them, as *bonâ fide* applications?—Yes; I believe, and I think that practice will show it to be the fact, that the applications for railways will not exceed, generally speaking, the necessities of the case. When I say applications I mean the result of the applications, because, of course, you will have parties coming forward for two or three lines to serve the same purpose. I believe that railways will not be made faster than the wants of the country justify, simply from the fact that men will not as a rule find money for an undertaking which will not prove remunerative.

14,602. The question is not whether railways will not be made faster than the wants of the country justify, but whether applications to Parliament will not be made faster?—They will, because you often have two or three parties applying for the same line.

14,603. Do you think it would be an unfair thing if Parliament were to lay down some different rules to those which now exist, so as to compel parties who have obtained powers for making a new line of railway to carry those powers out?—They do lay down rules to compel parties to carry them out, that is to say, they make them deposit a certain sum of money in the Bank of England; and with regard to old companies, they make them forfeit their dividends if they do not make the line.

14,604. That deposit in the Bank of England is released at a certain stage of the transaction, is it not?—Yes.

14,605. Would you think it a hardship if Parliament were to impound that deposit until the railway were completed?—I do not see any advantage that would be gained by it; it would be locking up a sum of money for no useful purpose, because when a railway company has made considerable progress with its works I do not see why the money should be impounded.

14,606. As soon as that deposit has been released, has not Parliament taken the guarantee of a contractor who has evaded his liability when it suited him?—Such a case is not within my experience; it may have been so.

14,607. You do not think it is a usual thing?—I hope not. I am not aware of any case of the kind myself.

14,608. But it must be within your experience that railways which have been authorized by Parliament have frequently not been made?—I am trying to recollect a case of the kind, and I cannot do so. No railway with which I have been concerned has failed of being made, and I am not aware of any railways for which bills have been passed which have not been constructed ultimately. They have been delayed, and have had to ask for an extension of time, but I am not aware of any railway for which a bill has been passed which has not ultimately been constructed, although it may have been delayed more or less. I have known several cases where a railway company, having had a certain time to construct their line, have come to Parliament and asked for an extension of time. It has frequently happened that they have obtained an extension of time, but I have known of none that have not been ultimately made. I am not speaking of the year 1846, which was the time of the panic, during that time there were many railways authorized which were not made. I am speaking of the period since.

14,609. There are no means of compelling the promoters to complete the line after they have got facilities for doing so from Parliament?—They would forfeit their deposit if they did not complete it.

14,610. Not after the deposit was released?—They do not release the deposit until after they have expended a large portion of their capital; they ought not to release it unless they get something as good as the deposit. If the Government get something not so good as the deposit, that must be the fault of the Government.

14,611. You think there would be no hardship in proper measures being taken to have the conditions fulfilled?—If Government say that there shall be a deposit of a sum of money, which is to remain deposited until a certain event occurs, then I think they ought to keep the money unless they got something which is quite as good as money.

14,612. (*Chairman.*) Do you think amalgamation in England has nearly reached its limit?—I think in some cases the concerns are large enough; I think that perhaps they are as large as can well be managed.

14,613. Do you think that the amalgamations which have been effected have been of advantage to the public?—I think they have.

14,614. You think the public are not as well served by a number of small railways as they are by a few large ones?—I think not. I think railways thrown into large groups are better for the public in every respect than a number of small railways.

14,615. You are aware that in Ireland there are a vast number of small companies?—Yes.

14,616. Do you think it would be better for Ireland if many of these small companies were amalgamated?—I think it would; it has been beneficial in England, and I think it would be equally beneficial in Ireland.

14,617. Have you considered what has prevented the disposition to amalgamation in Ireland; do you know whether amalgamation has been proposed to such an extent as in England?—I do not know that I have, there is the reason which I alluded to previously, that in England the origin of amalgamations arose from the fact that those companies thought that by amalgamating they would prevent competing lines being formed. In Ireland there is no such apprehension.

14,618. (*Mr. Horsfall.*) Have you considered the question of the more safe conveyance of passengers by means of establishing a communication between the passengers and the guard?—I have considered that a great deal. It is a very old question, and it is a very difficult question. Of course railway companies can have no interest in preventing passengers from communicating with the guard if it would be beneficial; they could easily do it; but it is a complex question. In the first place, all you could do would be, if you made a communication from the passenger to the guard, to authorize the guard in case of being signalled to find out or to ascertain the motive of the person who had called him. He could take no other action upon it. To that extent I see no great objection to it.

14,619. (*Mr. Hamilton.*) You mean he would have to find it out without stopping the train?—You could not, I think, put it in the power of a passenger to stop a train; if you did it would lead to accidents.

14,620. That would lead to a great many accidents and irregularities?—Yes, it would be like giving power to passengers on board a steamer to interfere with the helmsman.

14,621. (*Sir R. Hill.*) It would be not only inconvenient, but very unsafe?—It would be very dangerous. You ought not to give passengers control over the motion of the train; that would be dangerous The circumstances under which it is supposed that it would be an advantage to enable a communication to be established between the passengers and the guard are not very numerous. No doubt in the case of a carriage getting on fire it would be useful. A case of

that kind has happened, and if a carriage were to get on fire it would be useful to be able to communicate with the guard and call his attention to it.

14,622. That is a question which is now being considered by the committee of the clearing house, is it not?—Yes; there are some cases in which it would be advantageous to have a communication between the passengers and the guard. I do not see any insuperable objection to it; I think you would require another guard. I think in every case it would entail upon companies the necessity of having an additional guard, because the guard's duty is to attend to the break, and it would not be safe to allow a passenger to call him away from that break in order that he might listen to some unfounded rumour or gossip, therefore you must have a second guard, but that is a matter of cost only.

14,623. But still, with carriages constructed as ours are would it be possible for the guard to communicate with the passengers without stopping the train?—He would have to walk along the side.

14,624. Is not that considered to be very unsafe?—It is dangerous; it is done a great deal on the continent, and used to be done here.

14,625. Was not the practice abandoned on account of its being so dangerous?—You would be risking the guard's life.

14,626. (*Mr. Hamilton.*) The great object is to attract the guard's attention, in case of the carriage being on fire, for instance?—If you once establish that rule it must have some signification; his attention may easily be attracted to the train to see that it is not on fire. If you want the guard to come to the carriage from which the communication is made, you require an additional guard to do it. I do not see any great objection to it, except the risk of the guard's life, which, undoubtedly, is a great objection.

14,627. (*Sir R. Hill.*) You think that the guard might travel along the foot-boards without extreme danger?—There are some cases in which it would not be safe, because there are some railways on which the tunnels, &c. are very narrow, which would render it dangerous.

14,628. (*Lord Stanley.*) It used to be done in that way?—Yes, and on the continent it is done in that way still.

14,629. (*Earl of Belmore.*) Would it be possible to have on narrow-gauge lines in England the same sort of carriages that they have in use on some of the continental lines?—I think that would be a more effectual mode of meeting the case. On our large railways I do not see why they should not make use of carriages similar to some I have seen in Russia. I do not mean the large American carriages, which are 80 feet long, and in which the passengers can walk from end to end; but they have carriages now in use in Russia, which have been lately made, which are not much larger than our ordinary first-class carriages. They have a compartment at each end; there is then a narrow passage running from the two compartments. They have four compartments, two on each side of this passage, and between two of these compartments there is a small door which leads to the water-closet, and between the other two a passage to the side of the carriage. You can walk along this narrow passage and get to this water-closet or look out at the door, so that you have a great deal of freedom and a great deal of convenience. I can see no reason why a carriage of that sort should not be adopted on our long lines, like the London and North-western. In fact I sent a drawing of this carriage to the Lancashire and Yorkshire Railway Company, hoping that they would make one as a specimen; they have not done so yet, because the circumstances of that line are such that it is not required so much as upon other lines. I will send a copy of the drawing with my corrected evidence. (*See* Appendix CI.)

14,630. (*Sir R. Hill.*) Is the gauge in Russia the same as ours?—Yes, it is practically the same. It is five feet.

14,631. You think there would be no difficulty in widening the carriages?—You could put this carriage on the North-western.

14,632. Would there be any danger of their touching the sides of the tunnels?—Not at all. They are little wider and larger than our ordinary first-class carriages, not so wide I think as some of the first-class carriages which we have on the North Kent line, or the South-eastern. In width and length they could be made compatible with our gauge, and might be put on our leading lines with safety. They would not be very expensive. I think if the long lines which go to Scotland, or Manchester, were to adopt carriages of that sort they would be useful, and I see no reason why they should not be adopted.

14,633. (*Earl of Belmore.*) Is the door of this carriage at the end or at the sides?—The door is at the side.

14,634. If the door is at the side, how would that assist the guard in getting from one to the other?—It would not assist the guard; but then the necessity for communication with the guard would in many cases be removed. Such a carriage would give the passengers many advantages which they cannot have in our present carriages. They are carriages which I think could be used with advantage in this country.

14,635. (*Mr. Hamilton.*) More on the side of comfort than safety?—On the side of comfort more particularly, but safety in some respects, as in the case of outrage and robbery.

14,636. (*Sir R. Hill.*) You were speaking some time ago of the gains which ensued from the construction of railways. Have you had occasion at any time to consider to what extent the value of land and other property has been enhanced by the construction of railways?—I have considered it as matter of general observation and general knowledge as being connected with railways. Land has improved in value by having railway communication. It is very difficult indeed to form an opinion as to the extent of improvement, but that it has greatly improved I have no doubt.

14,637. Can you give any idea of the extent to which that improvement reaches on each side of the railway?—It is very difficult to give any rule as to the extent to which the improvement has reached, because that question depends very much upon the previous modes of communication which existed in the particular district; for instance, a large agricultural district which had bad roads, no canals, and so on, would be improved to a much wider and greater extent by a railway passing through it than a country which happened to have a canal and good turnpike roads. It is almost impossible to lay down any rule upon the point.

14,638. You can give some rough estimate of it?—It depends so much upon the produce and the communication which the country possesses before that I cannot do so.

14,639. (*Mr. Hamilton.*) And also the distance that the land will be from the station?—Yes, and also on the special characteristics of the land, whether it is a mountainous district or not. For instance, if it went through a flat agricultural district, a railway might benefit the country for many miles; but if it passed through a mountainous district, it would benefit it to a smaller extent.

14,640. (*Sir R. Hill.*) But still all these matters are reducible to an average; can you not give some idea of what that average is?—I should not like to commit myself to figures upon such a point, because it requires an amount of investigation which I have had scarcely time to make.

14,641. But a considerable addition has been made to the value of land, quarries, and buildings in many instances?—No doubt, a very large addition.

14,642. Have you ever seen any attempts made to estimate that increased value?—I have heard it put at 10 per cent., 12 per cent., and 15 per cent.

14,643. (*Earl of Belmore.*) Every case must stand upon its own merits?—Yes.

14,644. (*Mr. Horsfall.*) Of course there have been cases where property has been injured, and the com-

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pany has had to pay compensation ?—There are cases in which building ground has been damaged ; and on the other hand there are cases where land has been converted into four times its value by enabling it to be laid out as villa property. That has occurred frequently in the suburbs of London.

14,645. (*Sir R. Hill.*) Suppose the line to run through purely agricultural land, what do you say would be the probable addition which would be made to the value of that land ?—It depends on the nature of the district. As I have stated, five or six miles in a purely agricultural district might be increased in value. Of course the further off the line the less would be the benefit.

14,646. (*Chairman.*) You can suggest no point on which you think it would be desirable for Parliament to interfere with respect to railways by any general measures ?—There is nothing that occurs to me where they could do good by interfering ; I have heard various plans suggested, but I must confess none of them appear to me to lead to any good result.

14,647. (*Mr. Horsfall.*) Did you see the Railway Companies' Bill of last session, which was withdrawn by the Government ?—No. I do not remember that I did.

14,648. (*Mr. Hamilton.*) Do you think the time has arrived for altering the maximum rates, which is a power reserved by Parliament ?—No. My impression is that if you struck out all the maximum rates altogether it would not affect the question in the slightest degree. I do not think they are of any use.

14,649. It has also been suggested, in order to remove the complaints made in particular localities, that a minimum rate should be fixed as well as a maximum ?—I think a minimum rate would be absurd. In fact, it is my opinion, that if you struck out the rate clauses altogether it would not affect the question. I think a maximum rate signifies nothing, nor that the tables of tolls signify much ; as to providing a minimum rate, it would be positively mischievous. If I were to recommend Parliament to do anything, I would recommend it to do this. I would strike out all rate clauses. But with a plain intimation that railways would be sanctioned wherever found necessary. I believe if that were done, it would be a better safeguard as respects the public than anything else which could be done.

14,650. You say wherever they were found necessary ; do you mean wherever the present lines did not afford sufficient accommodation ? — Wherever there was a want of accommodation. If it were to be understood that parties who were willing to afford it, if they came to Parliament, should get permission, provided they did not do any wanton damage to property, or any damage that could be avoided by some other mode of dealing with it, I should say let them have their Bill.

14,651. What would be the effect of such a change as that on railway property ; would it be to enhance it or lower it ?—I am not sure that it would affect its value. It would not affect its value in my judgment. I should hold railway property then with as much faith in its security as I hold it at present. I think that companies have rested on having as they thought a monopoly, and in many cases that has led them to neglect doing what they ought to do, such as making branches, or attending to complaints which they would have done had they been aware that they had not such a monopoly. As regards the public, I think it would have a salutary effect. I do not put money into railways on the supposition that if some other district wants a railway, and can get anybody to make it, that they will not be allowed to make it. I am one of those who believe that all the existing railways in the course of a few years will be so choked with traffic that before long you will be compelled to authorize railways to be made on some of the leading lines for the carriage of passengers only, and that the public will not be content to run the gauntlet through goods trains, coal trains, and cattle trains. I think we shall be compelled to make railways to carry passengers only.

14,652. (*Chairman.*) You think an enactment as to the scale of tolls and maximum charges is of very little benefit to the public ?—I say, if it were an understood principle that railways were like manufactures, and that if any person who chose to find the money, and could show that a district wanted railway accommodation, were allowed to make it, then I do not think that a scale of tolls would signify ; you must take both propositions together.

14,653. (*Mr. Hamilton.*) That not being the case, you would not think it desirable that the maximum should remain ?—I mean to put it in this way ; if you treat railways as you treat mills.

14,654. (*Chairman.*) Did you ever hear of a person building a mill and not intending to work it, but merely for the sake of making himself troublesome to his neighbours, and with a view of compelling them to buy it ?—Never.

14,655. Is not that the case with lines of railway that there are projectors who have no intention of working the railways, only intending to make them troublesome to their neighbours in order to compel them to purchase them ?—But still the people who do that must take care that the thing they make is worth buying.

14,656. Have they not considerable confidence that old established companies would be so afraid of the possible effects that they would give more than the new concern is really worth ?—I do not think that often happens in practice, because I have known many cases where companies have sold their lines, and have lost half their money ; they have sold them to pay 2 per cent. or $2\frac{1}{2}$ per cent.

14,657. (*Sir R. Hill.*) Has not the company which purchased often lost a good deal ?—In many cases, no doubt. There are few persons who would make a railway unless there is some probability of the railway paying. There are exceptions, but the exceptions are not very numerous.

14,658. (*Mr. Hamilton.*) You would not like to see any increased restraint put upon the extension of railways ?—I should not.

14,659. You would sooner leave that question to adjust itself ?—I think it will not be for the public interest to place restrictions upon the construction of railways. In the first place, it would have the effect of causing money to be invested in other countries which had better be invested here. I know of no greater mistake than to suppose, as I believe is supposed by a great many members of the Legislature, that by stopping railways they can prevent money being expended in works of that class. The fact is, that there are gentlemen who will expend their money in things of this sort, and if they do not expend it in this country will expend it elsewhere. They have a fancy for railroads and public works, and therefore if you will not let them invest their money here in public works in England they will invest it abroad.

14,660. That only applies to *bonâ fide* schemes, does it not ?—I think so, as a rule ; I do not think many will find money for schemes that are not *bonâ fide*.

14,661. They may see their way to an immediate return by exercising pressure on other parties ?—I have no doubt that applies to some, but not as a general rule. It is a dangerous thing to rely upon pressure upon other parties, because other parties can generally wait longer than the applicants. I do not think, as a rule, that that is the motive.

The witness withdrew.

Adjourned till Thursday next at 12 o'clock.

Thursday, 15th March 1866.

PRESENT:

The Right Hon. The Earl of Belmore.	Sir Rowland Hill, K.C.B., F.R.S.
The Right Hon. Lord Stanley, M.P., F.R.S.	T. B. Horsfall, Esq., M.P.
The Hon. E. F. Leveson Gower, M.P.	William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Charles Edward Stewart, Esq., examined.

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14,662. (*Chairman.*) I believe you were secretary to the London and North-western Railway Company for near 20 years?—I was.

14,663. You have never been connected with other railway companies?—That is the only railway company I have ever been connected with. I may state that I ceased to be secretary to the North-western from the commencement of this year.

14,664. You have paid some attention to French railways?—I accompanied a deputation from the North-western Board in the latter end of 1863, for the purpose of inspecting some of the principal stations in Paris and Marseilles. The visit was a very hurried one, but we were received very courteously and frankly by the railway authorities, and everything was freely thrown open to us.

14,665. Will you be so good as to state the results you arrived at from your examination of the French railways?—With respect to the passenger question, the conclusion at which I arrived was that first and second-class passengers in England, availing themselves of the through fast trains for long distances, are carried at a higher speed and at about the same fares (regard being had to the charge for luggage which is made in France, and the fact that return tickets are not generally issued there); but in France, persons travelling by the ordinary second and third-class trains are carried at a lower rate than in England, and by more frequent trains, especially the third class.

14,666. With respect to the first class, what are the disadvantages under which they labour in France?—The trains are much slower than they are in England; for instance, the speed of the French express trains, by which we travelled to Paris, was 33 miles per hour, making good about 29 miles as against the ordinary speed of express trains of this country, which is about 38 miles. We, of course, have faster express trains to Scotland and Ireland, but, taking the ordinary speed of express trains in this country, it is about 40 miles per hour, as against 33 miles in France.

14,667. (*Earl of Belmore.*) Does the speed of 33 miles include all the stoppages?—No.

14,668. Between Paris and Marseilles?—No; including the stoppages, we made good there about 33 miles per hour.

14,669. (*Mr. Horsfall.*) The express trains of this country make good about 38 miles per hour?—The average speed of our express trains is 38 miles per hour, say from London to Manchester; but to Scotland it is more, it is 42 miles per hour to Scotland, and 41½ per hour to Ireland, excluding stoppages.

14,670. (*Sir R. Hill.*) Are the stoppages as frequent upon the French railways as upon ours?—More frequent, especially on the Marseilles railway.

14,671. Perhaps on some of them the stoppages are more numerous?—Yes; but there was only one stoppage of unusual length between Paris and Marseilles, which is a distance of 500 and odd miles, of about 20 minutes or half an hour.

14,672. Then if the stoppages are more frequent that would account for the less total speed?—Yes, it reduces it by nearly four miles an hour.

14,673. (*Chairman.*) I understand you to state that the actual speed, when the train is in motion, is considerably less?—Yes.

14,674. (*Mr. Horsfall.*) What amount of luggage do they allow a passenger in France as compared with a passenger in England?—In England they allow 112 lbs. to a first-class passenger, 100 lbs. to a second-class passenger, and 56 lbs. to a third-class passenger. In France they allow 60 lbs. irrespective of class.

14,675. (*Chairman.*) In France the second and third class passengers are considerably better off than in England, are they not?—Yes, I consider so as respects short distances and single journeys.

14,676. Will you state the particulars in which those classes possess advantages in France as compared with England?—I have taken two of the French railways and two of the English railways as specimens, the North-western and the Manchester, Sheffield, and Lincolnshire, and I find that this would be the result:—Passengers travelling by the London and North-western from London to Leighton, and by the Manchester, Sheffield, and Lincolnshire railway from Manchester to Sheffield, or by the Paris and Mediterranean from Lyons to St. Rambert, or Lyons to Macon, are supplied with train accommodation and charge as follows:—From London to Leighton, which is a distance of 40½ miles, there were 10 first-class trains, allowing 112 lbs. of luggage, at 7*s.* 2*d.*; 10 second-class trains, allowing 100 lbs. of luggage, at 4*s.* 8*d.*; and one third-class train, allowing 56 lbs. of luggage, at 3*s.* 5½*d.* On the Manchester, Sheffield, and Lincolnshire line, from Manchester to Sheffield, which is a distance of 41¼ miles, there were seven first-class trains, allowing 112 lbs. of luggage, at a fare of 9*s.*; seven second-class trains, allowing 100 lbs. of luggage, at a fare of 6*s.* 3*d.*; two third-class trains, allowing 56 lbs. of luggage, at a fare of 4*s.* 6*d.*; and one Parliamentary train at a fare of 3*s.* 5½*d.* From Lyons to St. Rambert, which is a distance of 37½ miles, there are four first-class trains, allowing 112 lbs. of luggage, at a fare of 6*s.* 6½*d.*; four second-class trains, allowing 100 lbs. of luggage, at a fare of 4*s.* 11¼*d.*; and four third-class trains, allowing 60 lbs. of luggage, at a fare of 3*s.* 3*d.* I have assumed the distances equal, and have added the charge for luggage, bringing them up to the English standard. They can travel, therefore, in France four times by third-class for 3*s.* 3*d.*, as against once by the North-western for 3*s.* 5½*d.*, and three times by the Manchester, Sheffield, and Lincolnshire for 4*s.* 6*d.* and 3*s.* 5½*d.*, as against 3*s.* 3½*d.*; so that, compared with the fares on the English lines, and adding the charge for extra luggage (52 lbs.), the first-class passenger in France pays 7½*d.* less for the 41¼ miles than on the London and North-western, and 2*s.* 5½*d.* less than on the Manchester, Sheffield, and Lincolnshire line. The second-class passenger in France, adding the charge for extra luggage (40 lbs.), pays 3¼*d.* more than on the London and North-western, but 1*s.* 3¼*d.* less than on the Manchester, Sheffield, and Lincolnshire. The third-class passenger in France, with the right of carrying 60 lbs. of luggage as against 56 lbs. on the English lines, may travel from Lyons to St. Rambert by four trains per day, and from Lyons to Macon by eight trains per day, for 3*s.* 3*d.*, or 2½*d.* less than the Parliamentary fare on the English lines, and 1*s.* 3*d.* less than the ordinary third-class on the Manchester, Sheffield, and Lincolnshire line.

14,677. (*Sir R. Hill.*) That represented the state of things at the time of your visit?—That was the state of things at the time of my visit. I have not looked to see what change has taken place.

14,678. Have you looked to see whether there has been any material change since, either in France or here?—I do not think there has been any material change.

14,679. That was in 1863, was it not?—Yes, the latter end of 1863.

14,680. (*Mr. Horsfall.*) The second-class carriages are also more commodious, are they not, that is, better fitted up?—I do not think they are better than our more recent carriages. I think the new second-class

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carriages on the Great Northern and North-western are quite equal to those of France.

14,681. Are they equal in the internal arrangements?—I think so. I got out of the first-class carriage and travelled in a second class, and I did not find that there was much superiority in the French second-class carriages over the English.

14,682. (*Chairman.*) How are the third-class carriages in France as compared with those in England?—I did not observe the third-class carriages.

14,683. (*Sir R. Hill.*) When you compare the fares, you say they are lower in France than in England for the second and third class, do you take into account our return tickets?—No; my remarks apply to single journeys.

14,684. Have they any similar arrangement in France?—Not generally.

14,685. Taking all matters into account, should you say their fares are lower in France than the English fares?—No, I should not, to those people who can avail themselves of a return ticket, but I add the extra charge for luggage to the French charge.

14,686. (*Mr. Gower.*) What is the extra charge for luggage on the continent?—They charge according to distance. For 41 miles it amounts on the first class to 7½*d.* and on the second class to 6*d.*

14,687. (*Sir R. Hill.*) I think, if I followed you correctly, that you have taken in each class the maximum amount of luggage?—Yes.

14,688. That would be rather unfair towards the French railways, would it not?—Very little; it is not a material item. Then I have compared the number of trains between some of the points. In England of course there are duplicate lines of railway, but I have taken one route only, London to Glasgow, London to Aberdeen, Tring to Rugby, London to Leighton, Paris to Marseilles, Melun to Larache, Lyons to Macon, and Lyons to St. Rambert. There are four communications from London to Glasgow, which is a distance of 406½ miles. The third-class passengers are carried by a fast train at 9 p.m. There is no third-class train goes through. There are three fast trains advertised from London to Aberdeen, which is a distance of 542¼ miles. The third class are conveyed by one of those. From Tring to Rugby, which is a distance of 51 miles, there are seven communications a day. From London to Leighton, which is a distance of 40½ miles, there are 11 communications per day. From Peterborough to Doncaster, which is a distance of 80 miles, there are eight communications, of which three are third class, four are fast, and one is ordinary. From Paris to Marseilles, which is a distance of 538 miles, there are six trains, namely, three fast, one ordinary, and two third class per day. From Melun to Larache, a distance of 70 miles, there are eight trains per day. From Lyons to Macon, a distance of 45 miles, there are 12 trains per day, consisting of three fast, one ordinary, and eight third class. From Lyons to St. Rambert, a distance of 37½ miles, there are eight trains per day, consisting of three fast, one ordinary, and four third class. These facts lead me to the conclusion that the French, as a rule, give more frequent means of intercommunication to the third class between the stations upon their railways than we do.

14,689. (*Mr. Horsfall.*) Do you know at what speed the second and third class carriages travel in this country, as compared with those of France?—I have endeavoured to draw a fair comparison, but it is very difficult to do so. The average speed of the express train from Boulogne to Paris, including stoppages, is 28⅔ miles per hour; while the speed of the third-class trains, including stoppages, is 21¾ miles per hour. From Paris to Marseilles the speed of the express train, including stoppages, is 33 miles per hour; the speed of the ordinary trains, including stoppages, is 22 miles per hour; and the speed of the third-class trains, including stoppages, is 20 miles per hour. From Paris to Montereau the average speed of the third-class train, including stoppages, is 18⅓ miles per hour, and from Paris to Macon 18¼ miles per hour. From Lyons to Tarascon the average speed of the third-class trains, including stoppages, is 18¼ miles per hour. From Lyons to St. Rambert the average speed of the third-class trains is 16¼ miles per hour. From London to Manchester the average speed of the express train, including stoppages, is 38¼ miles per hour, as against 28⅔ miles per hour from Boulogne to Paris, and 33 miles per hour from Paris to Marseilles. The speed between Calais and Paris is somewhat higher, 35 miles per hour. The speed of the ordinary train, including stoppages, between London and Manchester is 32½ miles per hour, as against 22 miles per hour between Paris and Marseilles. The speed of the third-class trains, including stoppages, between London and Manchester is 22½ miles per hour, as against 21¾ miles per hour between Boulogne and Paris. The speed of the third-class train, including stoppages, from Rugby to London on the North-western is 21½ miles per hour; from Chester to Holyhead 22 miles per hour; from London to Watford 20 miles per hour; from Stafford to Crewe 20¾ miles per hour; and between Crewe and Manchester 20¾ miles per hour. The speed of the third-class trains seems to be about the same in both countries; but we are far in advance of them with respect to the first and second.

14,690. (*Sir R. Hill.*) I think you gave the speed of the quick trains between Boulogne and Paris at 28¾ miles per hour?—Yes.

14,691. Are you aware of the speed of the quick trains between London and Dover?—It is about 40 miles per hour.

14,692. Do you know the speed of the night mail, including stoppages?—No; my impression is that it travels about 44 miles per hour. We are far in advance of France, especially with the express and exceptional trains.

14,693. (*Chairman.*) I did not clearly understand what you stated about third-class passengers between Glasgow and Aberdeen. Do I understand you to say that they are obliged to travel in second-class carriages? No; they are carried at third-class fares by the fast train at 9 o'clock.

14,694. At low rates?—Yes; there is no third-class train that professes to go through. They are booked through by the 9 o'clock train.

14,695. Though it may not be by way of being a third-class train, they do carry third-class passengers if they wish to travel by it?—Yes, and in that respect they have a great advantage over third-class passengers in France travelling a long distance. On the continent I do not suppose they would allow a third-class passenger to travel by their express trains.

14,696. (*Sir R. Hill.*) Does the 9 o'clock train carry third-class passengers?—Yes.

14,697. That is a night train?—Yes.

14,698. Do they carry the third-class passengers by that train at the same fares every night?—Yes. "Third-" class passengers are conveyed by the 9 p.m. fast " train " is the note that I have made.

14,699. (*Chairman.*) Do I gather correctly from your evidence that there is, in fact, a greater amount of accommodation on French railways than there is on the English by reason of there being a larger number of trains?—Between intermediate stations, and stations which are a short distance from each other, certainly. With regard to stations a long distance apart perhaps we may afford equal, if not superior, accommodation in the way that has just been described, by allowing passengers to travel by fast trains at third-class rates.

14,700. (*Mr. Gower.*) Do you know if there is any fast train between Lyons and Marseilles that leaves Marseilles later than half-past 5 o'clock in the morning?—I cannot say.

14,701. (*Chairman.*) Did you make any observations with respect to the goods traffic in France?—They are far longer than us in delivery. We found they were allowed, and I believe they availed themselves of the power, a day for collection, a day for loading, and a day for travelling each 100 miles. They then had a day for unloading and a day for delivery, and in the case of heavy or bulky and troublesome articles, they

had two days. So that from London to Birmingham, according to that system, the time allowed for goods traffic would be about five days, and from Liverpool to London six days.

14,702. (*Sir R. Hill.*) Do they actually take that time?—Yes.

14,703. Do you happen to recollect what time the broad-wheeled waggons took between London and Birmingham?—About three days.

14,704. (*Chairman.*) How are the charges in France compared with those of England?—I do not feel competent to speak on that point, but they have a different mode of carrying the lighter goods; they carry them by the passenger trains; but they are quite the exception.

14,705. (*Mr. Horsfall.*) Do they make terminal charges?—That I do not know.

14,706. (*Mr. Gower.*) Is there not a distinction made between certain articles, some of which are carried by the passenger trains and some by the regular goods trains?—Yes.

14,707. Do you not think that that distinction ought to be introduced into the English railways?—It is practically; there are van rates. Light goods are carried by passenger trains now.

14,708. (*Sir R. Hill.*) At a higher rate of charge?—At a higher rate of charge. Those charges must be regulated from time to time by the managers. You cannot lay down any rule. What the traffic will bear the manager will put upon it.

14,709. (*Chairman.*) Have you any information respecting the mineral traffic in France?—No. We were informed generally that they carry at a low rate of speed very heavy train loads with large engines; and we thought their charges moderate; but it is very difficult to compare the charges made. Certain items are included under one head in France, but the railway companies in this country make up their accounts so different that it is very difficult to form a comparison of their charges.

14,710. (*Sir R. Hill.*) The Government have lent great aid to the French railways, have they not?—Yes.

14,711. Do you know whether their charges for goods are more uniform for a certain number of miles than in England?—I do not know. We found that the conditions under which railways are established and worked in France differ so materially from those that exist in this country that it was not possible, generally speaking, to form any comparison with advantage between the two systems. They were totally different. One represents a system of unrestricted competition, leading occasionally to very great inconvenience and injustice to individuals; carried on, as respects current transactions, without regard to commercial principle, and too often with a view only to effect a settlement with a competitor; producing disturbance and much inconvenience to the general traffic, and also serious injury to individuals, localities, and ports. In France they have a system based on monopoly, regulated by the State with a view to the general interest and to the avoidance of those evils; a system, in fact, under which practical effect is given to the intentions of Cardwell's Act. It would not be possible, I believe, even it were thought desirable in the interest of railway proprietors, to apply to the railways of this country the stringent regulations which obtain in France, but it appears to me deserving of serious consideration whether it would not be for the public advantage that some check should be placed upon the great evils that result from those reckless competitions that take place in this country between railway companies.

14,712. (*Mr. Horsfall.*) That competition is sometimes attended with advantage to the public, is it not?—Certainly. No doubt, amidst all the evils of our system, a great deal of good has in many respects resulted from violent competition.

14,713. (*Earl of Belmore.*) Does not the State exercise a direct control over railway companies in France?—Yes; we put this question to one of the managing directors, that, supposing upon the occasion of a *fête* in Paris, and they wanted to make very low rates, could they do so? The answer was that they would have no difficulty, because they would get by return of post the permission of the minister to make any necessary alteration whatever. But when we put the question to him, supposing a difficulty arose at Lyons, or beyond Lyons, between two companies, and they were to quote very low rates, say from Paris, he told us that the minister would not sanction that proceeding, because he would not think it for the public good that there should be such a disturbance, for instance, that there should be a 5*s.* rate to a point, say 200 miles from Paris, and a 30*s.* rate to a point 150 miles from Paris. The minister would not sanction that; it would lead to a temporary competition, which would end of course in loss to all parties and disturbance, and an ultimate combination and impoverishment of both.

14,714. (*Lord Stanley.*) Do you mean that he would prevent a railway company reducing its fares below a certain amount in order to compete with another company?—Yes.

14,715. (*Sir R. Hill.*) Are all the railway fares regulated by the minister in France?—I think they are, especially on those lines for which the Government are responsible in any way. There are several railways for which they are not responsible, but we were told that the minister had used his good offices to prevent their quarrelling and getting into a state of war with one another; and in fact on one occasion they owed it to the minister's good offices that they had not reached that unfortunate result.

14,716. Then in case of any difference they submit their differences to the minister?—Yes; but they are so much under the management of the State that the points of difference are very unfrequent. They do not come in contact with another railway, as they do here, every 20 miles.

14,717. (*Mr. Gower.*) Does the water competition lower the rates of the French railways?—We did not inquire into that. We had only four or five days altogether to visit Paris and Marseilles, and therefore it was a very hasty visit.

14,718. (*Chairman.*) Do any of the French railways belong to the Government?—They guarantee them.

14,719. (*Sir R. Hill.*) They have a reversionary interest in all of them, have they not?—In nearly all.

14,720. (*Earl of Belmore.*) Are there any railways in France over which the Government do not exercise any control?—Yes, they told us of several, giving us instances of the intervention of the minister, in which, although he had not the power of preventing their quarrelling, he lent his good offices to endeavour to do so.

14,721. (*Sir R. Hill.*) I believe the French railways pay, on the whole, very much better than ours do?—The original railways do; but those that have been constructed recently, we were informed were likely to be a very great burden on the Government.

14,722. (*Lord Stanley.*) They are very long, are they not?—Yes, some of them are very long, but they are not main trunk lines like the original railways.

14,723. (*Chairman.*) Those that have been more recently constructed go through less populous and wealthy districts than the original railways?—Yes.

14,724. (*Sir R. Hill.*) Those are the railways which have been guaranteed by the Government?—Yes, and the trunk lines too.

14,725. (*Mr. Horsfall.*) Are any of the railways entirely in the possession of the Government?—No, they do not work them; they merely exercise a control over them. The boards of management are very similar to the boards of the great railways in this country. Their internal arrangements are much upon the same model as the internal arrangements of the railways in this country. In fact it is quite clear from their forms that they had taken those of the Grand Junction and the London and Birmingham.

14,726. (*Chairman.*) What is your opinion on the question of railway monopoly, do you think that the establishment of railway monopoly, if it were practicable, would be desirable?—No, I do not think it would be

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desirable, either in the interest of the public or in the interest of the shareholders. I believe that a certain amount of competition is very desirable in this country in railways as well as other things, but to maintain that competition, and make it at all permanent, it must be moderated. Where it is so direct and intense as it must be between two railways having a reasonably good communication between A. and B., they will not go on competing in that intense way. They will come together and say, that the time has arrived for putting their horses together.

14,727. What is the course that matters practically take when two railway companies have competing lines between two different points?—They meet to endeavour to divide the traffic, and they very often differ about that; certainly they always did in the early days. The first effect of violent competition used to be to lessen the accommodation at the intermediate points. The number of express trains between the important points increased, to the sacrifice of intermediate stations. The rates were quoted very low from the more important points, and after a time the parties agreed to a restoration of the rates, and then, after both becoming impoverished, they reverted very much to the state of things that existed before.

14,728. When fares are ultimately settled, are they generally fixed at a higher or a lower point than those which previously existed?—In some cases the fares are even a little higher; between Manchester and London the first and second class fares I think are lower than they previously were. But between Birmingham and London they are the same, and I believe the only deviation that has taken place was to raise them slightly.

14,729. (*Sir R. Hill.*) The same as before the competition commenced?—Yes. The passenger fares between Staffordshire and London were never lowered. I had occasion to give evidence upon that point; I have referred to the minutes, and I have ascertained that they were in one or two classes actually a little higher than before the competition commenced.

14,730. Did not competition lead to the abandonment of the higher charges by the express trains?—No. The North-western have abandoned the express charge throughout their whole system. It was not in reference to any particular point, but they simplified their charges, they found it so inconvenient. People re-booked, and it was so inconvenient that we abandoned it entirely. I think Chester is almost the only place to which we have an express fare, and that is by the Irish mail. The object of that really is to keep it as select as possible.

14,731. In abandoning the additional charge by the express trains, did you adopt a mean between the two, or did you lower all the charges to those previously made by the ordinary trains?—I believe it was simply an abandonment of the express fares.

14,732. Has the company been satisfied with the results of that partial lowering of their charges?—It is difficult to answer that. I think that is a mixed question. It has rendered the express trains less select and less punctual than they otherwise would be. I think there is a large class of people who might very fairly complain of the alteration, who say they would be very willing to pay a higher fare for a better service. In some cases it has rendered the express trains unwieldy. Delay takes place at the stations and junctions; but, on the whole, I should say the public have derived advantage, and the railway company has not suffered damage.

14,733. You continued the higher charge in respect of some of the mail trains?—Yes; I think to Chester by the Irish express.

14,734. Do not the higher fares apply to the Scotch mails?—No; my impression was that they had, but some months ago I had occasion to inquire into this question, and I was rather surprised to find that it was not so.

14,735. (*Mr. Horsfall.*) You spoke just now of the fares from Staffordshire to London never being lower than they are at present?—Yes.

14,736. Is that the case with regard to goods traffic?—I do not know; I do not feel competent to speak on the goods question. That has not come within my cognizance.

14,737. (*Chairman.*) What advantage has the public derived from having two lines between two important points, if the fares are the same as they were when there was only one line?—If the trains started at different hours, there is a certain convenience to the public, especially in a great city like London; but I think it will be found that, as a rule, they start at the same hour, and therefore that advantage is to a great extent obliterated. The Great Northern train for Manchester starts at five o'clock, and so does the North-western train.

14,738. But you consider that the public does derive advantages from having two different lines between those points?—Yes, in some respects, although I doubt whether, on the balance, they do; but they derive a certain advantage where the trains start at different hours.

14,739. But otherwise you confine the advantages that they derive simply to that point?—Yes; and there is a certain competition in accommodation.

14,740. (*Mr. Horsfall.*) Of course those lines pass through different localities, and therefore they must be of great advantage to the intermediate stations?—Yes; but if they were not competing for those more valuable distant points, they would accommodate those intermediate stations better. Of course it is very difficult to analyse it, but I believe if you were to inquire you will find that there are very many points between Birmingham and London, and between Manchester and London, both on the North-western and the Great Northern, and the Manchester, Sheffield, and Lincolnshire lines, that probably were better accommodated before the violent competition between Manchester and London than during that violent competition.

14,741. You confine those remarks to extreme distances?—Yes, and the intermediate points. So long as those valuable points like Birmingham, Manchester, Liverpool, and London are objects of contention between railway companies, they sacrifice the intermediate points. They have got them in their hands. Perhaps they lose a little, but they gain more by struggling for the most distant points.

14,742. Do you think the intermediate traffic is developed as much as it might be if greater accommodation were given?—No, I think not. I think the intermediate traffic would be developed to a much greater extent if there were less violent competition between the extreme points.

14,743. (*Sir R. Hill.*) The convenience of the intermediate places is sacrificed for the sake of competing as regards remote places?—I think that is the tendency, and the more intense the competition the more does that tendency show itself.

14,744. Does that sacrifice of the convenience of intermediate places continue after companies have come to an understanding as to the charges which are to be made to the more remote places?—The effect, I believe, is to mitigate it, but still they never feel entire confidence in those "honourable understandings" into which they enter.

14,745. (*Chairman.*) Do you not suppose that railway companies consult their own interests in making their arrangements merely for the traffic between the important points, rather than consult the interests of the intermediate places?—The railway companies consult what they conceive to be their interests in that and in all other cases, and when witnesses come to Parliament and say they do not, and are consulting the public interests, I never believe them. That leads me to say that I believe if Parliament were to legislate with reference to what railway companies have done for the public requirements, rather than what promoters promise to do if they get their powers, that the public would be better off than they are now.

14,746. Are you of opinion that free trade, in the ordinary sense of the word, is practicable as applied to the railway system?—No, for it is impossible that all the railway companies should have their separate stations, or their separate entrances, or even their separate lines

into large towns, and yet it is a very desirable thing that railway companies, especially the large systems, should be universal, and that they should have communication from all points on their line to all other important places. That can only be done by duplicating the lines or making arrangements among themselves. If they were encouraged to make those arrangements in a friendly spirit, I believe very great advantages would result to the public. You cannot compel them to trade with one another on commercial principles by hostile legislation; they will not do it. There is a feeling of doubt engendered which prevents that free intercommunication and co-operation which is very desirable in the public interests. The state of antagonism into which the railway system has been thrown, and the distrust they have of each other, and especially of Parliament, is, I believe, a great misfortune.

14,747. (*Sir R. Hill.*) When did that feeling of mistrust commence?—I cannot say; it has been in existence as long as I can recollect.

14,748. In the early history of railways there was not that competition to which you refer, because Parliament discouraged competition, did it not?—Yes; but my connexion with railways has not extended beyond 1847, at which time competition was in existence and very freely discussed. On that subject I may state that, fifteen years ago, having had occasion to consider this question, I advised a revision of rates upon the North-western line at all points, irrespective of the existence of competing railways. I have continued to advocate that view; but people who took a different view, asked, What advantage is there; Parliament does not take that into consideration; Parliament will show us no more consideration for this than if we keep up the high rates and get them as long as we can.

14,749. (*Chairman.*) Can you state to what extent you advised a revision of rates?—It was in 1851 I advised a revision of rates generally. In the same document I pointed out that competition between railways was an inevitable condition, and recommended that we should make "a general revision of the rates upon our "own line, not with a view to a panic, but to the "removal of cause of complaint at those towns "where, owing to the absence of competition, the rates "had been maintained at a high scale as compared "with neighbouring places."

14,750. (*Sir R. Hill.*) Then you desired to deal with the public in the absence of competition very much as you would be obliged to deal with the public in consequence of competition?—Yes; that was my view.

14,751. (*Chairman.*) That was because you apprehended competition of all sorts to arise?—I apprehended that competition would ultimately be introduced.

14,752. (*Mr. Horsfall.*) Can you state what percentage of reduction you proposed?—No.

14,753. (*Chairman.*) Did you advise a very large reduction both in the passenger fares and in the charges for goods?—I advised the removal of all anomalies, where there were anomalies.

14,754. (*Sir R. Hill.*) Did you advise something like an uniform mileage rate?—No; that I never should have advised.

14,755. You appear not to think that the public has derived any considerable permanent advantage from competition, taking into account the convenience of the smaller towns as well as the convenience of the larger?—The smaller towns I believe have suffered, as I said before, but on the whole advantage has I think resulted from competition. It has called forth the energies of the men engaged in the conduct of our railways in a way that I do not think they would have been called forth under any other system. It has cost a great deal of money, probably 100,000,000*l.* You cannot recal the 100,000,000*l.* or whatever has been the amount spent beyond what was necessary to give an equal amount of accommodation to what you have got now; but there is an evil going on now of equal magnitude, and that is the enhanced expense at which the traffic of the country is worked by reason of the want of co-operation between the railway companies in the running of unnecessary and in many cases duplicate trains without any corresponding advantage to the public; in fact, on the contrary, as I endeavoured to explain before, I believe that, on the whole, the balance is against both the public and the shareholders, for although the terminal points may appear to get an increase of accommodation, the intermediate points have suffered in a greater degree.

14,756. Suppose competition had not been allowed by the Legislature, one result, I presume, would have been that a much larger amount of traffic would have been enjoyed by the old lines, the North-western for instance?—No doubt the North-western and the other old lines would have been in a very much better position than they are now, and their shareholders would have been anxious to have had an extended railway system, instead of being, as they too frequently have been, averse to doing so, as was the case with the Midland shareholders when their dividends were small. All shareholders, when their dividends fall, get dissatisfied. Their first cry is to stop the expenditure, and then there come in contractors who supply the accommodation required by the public, but in a much more costly, and, I believe, a less beneficial manner than would have been provided by the same amount of capital if expended by one of the old companies, especially in co-operation with their neighbours. Two of the great companies expending a few hundred thousand pounds can give the public much more accommodation than ten times that amount of money spent independently and in a state of hostility to the existing companies.

14,757. If the old companies had enjoyed that amount of traffic which they now have to share with new companies, it would have been in the power of those companies, would it not, to have reduced their charges very considerably?—If Parliament had adopted this policy, for instance, that with an increase of dividend there should be a reduction in the tariff of charges, it would I believe have been very beneficial. A company receives its Act with a certain set of tolls, but with its advancing prosperity, I think those tolls might be reduced.

14,758. By "tolls" you mean fares?—By tolls I mean their power of charge to the public.

14,759. But setting aside for a moment the question of interference on the part of the Legislature, if the old companies had enjoyed the whole traffic instead of having to divide it with competing lines, would they not have had the power of making a considerable reduction in their rates?—They would have been in a position to do so.

14,760. Then as regards motive, have not the companies found by experience that moderate charges are more profitable than the high rates which were charged 20 or 30 years ago?—Under certain circumstances, yes. When there is a large mass of traffic to be dealt with, we have found that a very low rate of charge induces a great development of traffic; in the manufacturing districts, for instance, where the population is dense. Then, again, we tried a very low rate of charge in Buckinghamshire, but you cannot move agricultural labourers, and indeed if you offered to carry them for nothing they will not go.

14,761. But under certain circumstances favourable to traffic the company have found by experience that moderate charges are more profitable than high charges?—Yes.

14,762. You are aware, are you not, that in nearly all the Railway Companies Acts there is a provision which authorizes Parliament at any time to reduce the rates irrespective of dividend?—I am not aware of that.

14,763. Is there not in the North-western Act a clause under which Parliament reserves to itself the right of revising the rates at any time?—After payment of a dividend of 10 per cent.?

14,764. Irrespective of dividend?—I am not aware of it, unless the Government elect to purchase the railway on the basis of 25 years purchase.

14,765. (*Mr. Horsfall.*) The principle was laid down in the first Liverpool and Manchester Act, was it not,

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that when the dividend amounted to 10 per cent. a corresponding reduction should take place in the rate? —I have heard of it, but I never saw it.

14,766. That principle has been evaded, has it not? —No. I cannot admit that. Lawyers differ about that, and therefore I would rather not express any opinion.

14,767. (*Sir R. Hill.*) But assuming for a moment that Parliament has the power of revising the rates, then if the old railways had enjoyed the traffic which they now have to divide with the new railways, would it not have been practicable, without reducing the dividends of the old lines below a fair amount, for Parliament to have enacted that they must carry for lower fares?—Yes, it would; but I think the sounder basis would have been to have made it contingent on an increase of dividend.

14,768. Then it does appear, assuming that power to have existed, that the advantage of lower rates might have been given to the public without competition?—I doubt whether there would have been the economy that there now is in working railways if you had not given the railway company a direct and immediate interest in economising its working expenses.

14,769. Are you aware of the existence of this clause in Standing Order No. 167:—"The following clause "shall be inserted in all railway bills passing through "this house: And be it further enacted, that nothing "herein contained shall be deemed or construed to "exempt any railway by this or the said recited Acts, "authorized to be made, from the provisions of any "General Act relating to railways now in force, or "which may hereafter pass during this or any future "Session of Parliament, or from any future revision "or alteration, under the authority of Parliament, of "the maximum rates of fares and charges authorized "by the said Act [or by the said recited Acts]"?—I certainly never understood that there was any power on the part of Parliament to alter the tolls, rates, and charges upon which a railway was originally sanctioned, and upon which the shareholders agreed to subscribe their money, except in the case either of the dividend exceeding 10 per cent., or of the Government electing to purchase the railway.

14,770. It did not, I believe, exist in the older Acts, but was introduced, I think, in 1846?—Yes; but of course the main lines, such as the North-western and others, were sanctioned before that.

14,771. But the North-western has been repeatedly before Parliament since 1846 for modifications of its Act, has it not?—Yes.

14,772. You see then Parliament has reserved a power to reduce the rates of certain lines accordingly? —Yes.

14,773. But it has obtained Acts since 1846 irrespective of the dividends obtained?—Yes.

14,774. Do you not think that Parliament might have exercised that power so as to have afforded to the public all the advantages of low rates without competition?—I come back to the point that I believe the sounder basis would have been to establish an identity of interests between the workers of railways and the public. I do not think you would ever have had the economy that is now exercised in the conduct of the traffic unless you had given the shareholders of the several companies a direct and immediate interest. If you had said, when you get an increase of 1 or 2 per cent. dividend that there should be a reduction of your rates, you would have made it their interest to have economised and gone on decreasing their charges to the public.

14,775. But if the reduction were to depend upon the dividend to the shareholders, would not the effect of such an arrangement be to make it the interest of the shareholders and directors not to bring the dividend up to the maximum?—They would bring it up to the maximum, but they would not exceed it. I understood you to put the case of there being no maximum; but I admit with the maximum of 10 per cent. the Government have the power of purchasing certain railways.

14,776. This clause does not speak of any maximum. I understood you to express an opinion to the effect that it would be better if the Legislature had retained and exercised the power of reducing the rates and charges when the maximum dividend was reached? —Instead of a maximum I would have made the reduction progressive and dependent upon the dividend. I think it was not desirable to say that they should go to a very high maximum without any advantage to the public, but rather that there should be an immediate advantage to the public, and that the identity of interest and contingent reduction of charge should commence, say, about 5 or 6 per cent.

14,777. With such a provision as that, you think it would be better that there should be no competition? —Yes; I very much prefer a mitigated competition to that which has existed. It would have economised capital, and prevented, what is going on now to a frightful extent, waste in the working the traffic.

14,778. Can you now suggest any means by which the further waste of capital would be avoided?—If confidence could be restored between railway companies; when they enter into an agreement for the exchange of specific rights and powers, and exchange of property, on terms which would satisfy a public board as fair and consistent with the public interests, Parliament should respect those agreements. At present the companies find when they come before Parliamentary committees those agreements are looked upon not only with suspicion, but as *primâ facie* evidence that they must be injurious to the public, because they are between two railway companies. One of those parties is permitted to come to Parliament and have agreements made under their seals broken upon no other ground than the allegation that a public advantage would result from the agreement being broken.

14,779. Then you appear to be of opinion that what is wanted is an intermediate authority between Parliament and the companies, a court of appeal, as it were? —You cannot have a court of appeal from Parliament, I am afraid.

14,780. You recollect the measure that was adopted in 1844, I think, of referring all Bills to the Board of Trade?—Yes, that failed.

14,781. Is that the kind of arrangement that you would recommend?—No; I wish for a court of much higher rank. It has appeared to me that a fluctuating tribunal like a Parliamentary committee is a very uncertain and unsatisfactory one, and that you want a much more permanent tribunal. I do not think that the cost of such a permanent tribunal ought to interpose the slightest difficulty. I believe the best tribunal for the management of railways would be in the end the cheapest. There has been a good deal of discussion about the cost of Parliamentary legislation, and suggestions for reducing the hearing from two to one. I believe it would be a great misfortune to reduce the two committees to one. I believe the second hearing generally arrives at a much more correct judgment than the first, and that the cost ought to be a very secondary consideration to obtaining the best judgment that can be obtained. With regard to railway legislation, I would very much prefer seeing a permanent tribunal of the very highest character irrespective of cost.

14,782. To be appointed by Parliament or by the Crown?—By either, but not necessarily to be members of Parliament.

14,783. (*Mr. Horsfall.*) I think you stated just now that you had recommended the North-western Company to make a reduction in their fares?—To anticipate the effects of competition, no specific reduction.

14,784. Do you think that could be done with advantage to the public and without any loss to the company?—I believe so. I believe it would have been done years ago if the company could have had confidence that Parliament would have taken that course into consideration and dealt with them in an equitable spirit; but, on the contrary, there was a total distrust of Parliament. We were met by this unanswerable argument, that Parliament has never given any con-

sideration to what has been done for the public. They have rather taken the promise of some aggressive speculator as to what he would do, and have overlooked everything that had been done before.

14,785. Your opinion then remains the same?—Yes.

14,786. (*Chairman.*) You have stated it as your opinion that there might be a considerable reduction in the cost of working; by what means do you think that reduction could be effected?—I think the number of trains which are run now between the points of competition are greater than are necessary for the public convenience or necessity. I may mention that about five years ago I had to look into this question by the desire of the then chairman of the North-western Company, Admiral Moorsom, and I will now state the conclusions which that inquiry led me to form. I found that of the total working expenses, (49 per cent. of the gross receipts,) 27 per cent. arose under three heads, viz., 9 per cent. under the head of permanent way, 14½ per cent. under the head of locomotive power, and 3½ per cent. under the head of maintenance of coaches and waggons. Any unnecessary running of trains of course had a direct bearing upon the working expenses through those three items. There had existed, and I believe there still exists, in the minds of railway shareholders and even directors an impression that we are suffering from unduly low rates, especially on the heavier description of traffic, and that the greatest benefit would be derived from an advance of rates. I had expressed my belief that the result aimed at was not practicable. I found that the rates were moderate, and the conclusion that I arrived at was that railways were suffering not so much from the lowness of the rates as from the undue cost of working. The attempt to obtain high rates led to a loss of traffic, to the working of what was carried at an excessive cost in the train mileage, to the running of duplicate and empty rolling stock, and of course to wear of way; and I believe that the present and ultimate welfare of railways will depend not so much upon an advance of the rates as upon a saving in the working expenses.

14,787. Do you think that unnecessary goods trains are run as well as passenger trains?—Yes. The general managers will tell you that very often a waggon is sent off with a quarter of a ton or half a ton which is capable of carrying four or five tons. I believe the general average which is sent off in a waggon is not more than from 1½ to 1¾ tons.

14,788. (*Lord Stanley.*) Is that because the persons who send goods by railway are impatient of delay?—Yes; the cost of transferring goods at junctions is so very great, and it is so troublesome, and they are so liable to get wrong and lead to claims, that companies prefer sending off waggons capable of holding four or five tons to small stations with a few hundredweights rather than sending it to a junction to be transferred.

14,789. (*Mr. Gower.*) What is the average capacity of the waggons?—They are capable of carrying four or five tons.

14,790. (*Sir R. Hill.*) Then the waggons are only one-third full on the average?—Yes.

14,791. Is not that arrangement a necessary one to enable the railways to have competition with canal companies, who deliver at small wharves as they go along?—It may be at points which are well accommodated by canals; but I believe the economy to be obtained from the development of all descriptions of traffic in full waggons and full carriages and full train loads at moderate speeds where practicable is enormous.

14,792. (*Chairman.*) Under the present state of circumstances do you think that is attainable?—Not without much more co-operation between railway companies than at present exists. As long as they are in a state of violent competition there will be this absence of co-operation. Whether the advantages which they gain by that are not outweighed by the disadvantages, it is for them to consider.

14,793. (*Sir R. Hill.*) Have the extended amalgamations which have taken place tended at all to reduce that competition?—I have no doubt that they have tended to produce great convenience.

14,794. Suppose all the railway companies in the country were to belong to one company, would you have this system then?—No; but I doubt whether the people would have their goods quite so soon; I quite admit that.

14,795. If all the railways were to belong to one proprietor, whether to a company or the Crown, there would be a tendency to prevent that waste of which you have spoken, would there not?—Certainly; and it appears to me that it is not now so much the competition between railways as a competition between markets, by means of railways, which should be aimed at.

14,796. Causing impatience on the part of the consumer, I suppose?—No. I am speaking now of using railways as a means of bringing markets into competition with each other, rather than making two railways compete, which is a very costly thing, and necessarily only temporary. The quantity of traffic which will bear a high rate of carriage is very limited, viewed in connexion with the enormous capital invested in the railways of this country. The coarser descriptions of merchandise, the cattle and mineral traffic, offer the only field which is capable of great development. The published statistics of passenger traffic show that the third and second class passengers are the only sources which admit of great development. In 10 years, with an addition of 420 miles or 88 per cent. to the line worked by the London and North-western Company, we find an increase in the receipts from first-class passengers of 71,000*l.*, or only 13½ per cent.; from second-class passengers, 202,000*l.*, or 46¼ per cent.; from third-class passengers, 226,000*l.*, or 88¼ per cent., equal, in fact, to the increase in mileage. These broad features have shown themselves year after year. The result is not accidental. Any arrangement tending to stimulate the first-class traffic by inconveniencing and impeding the development of the third must result in a diminution of profit. Then, making the comparison over a more extended period, namely from 1850 to 1864, the result is found to be as follows:—With an increase of mileage of 791 miles, or 166 per cent., there have been an increase of the number of miles run with passenger trains to 5,735,799, or 152 per cent. The total increase of receipt is 952,173*l.*, or only 78 per cent., in the following proportions:—first-class, 210,099*l.*, or 40 per cent.; second-class, 326,355*l.*, or 74 per cent.; third-class, 415,719*l.*, or 162 per cent., again the third-class keeping pace both with the additional mileage worked and with the miles run.

14,797. Do you think the increase upon the third-class is capable of being still further enlarged?—I think so.

14,798. Should you recommend a reduction of second and third class fares?—I think you must leave that to the judgment of the managers of the various railways. Any general reduction I think would not be judicious. The rates are very moderate I think now, and a sweeping general reduction would be attended with great loss at many points, whereas judicious reduction might be attended, as I believe it would be, with compensation and profit, but that would have to be dealt with by the managers.

14,799. (*Mr. Gower.*) The effect of a reduction of fares must depend on local circumstances?—Entirely; we tried the experiment at various places, I recollect, between Shrewsbury and Wellington. Through the violent competition between the North-western and the Great Western, passengers were carried for a penny. The consequence was that everybody travelled, even the boys coming out of school for an hour used to have a pennyworth of railway. The North-western Company's proportion of the receipts increased from 20*l.* or 30*l.* a week to 283*l.* We tried very low rates in Buckinghamshire, but it proved an entire failure, it had not the slightest effect.

14,800. (*Sir R. Hill.*) Do you mean that these penny fares between Wellington and Shrewsbury were very profitable?—No, on the contrary, it developed a large amount of traffic, because people there were disposed

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to travel, and availed themselves of it, but the increased cost exceeded the increased receipt, while in other parts of the country no amount of reduction would induce them to travel.

14,801. But even between Wellington and Shrewsbury, notwithstanding the vast increase of traffic, the net receipts diminished?—Yes, because it had been carried to an extreme, in fact to an absurdity; supposing that you were to reduce the fare between Edinburgh and London, you cannot induce the people to travel more frequently, on account of the time and labour necessary for such a journey.

14,802. (*Mr. Horsfall.*) There have been considerable reductions made in the station masters' salaries on the North-western line, have there not?—Not that I am aware of; some changes have been made no doubt.

14,803. Have they not been charged rent for the station houses?—In many districts the station master lived in the house free, and in another district he was paying rent. In order to simplify the matter in the accounts they have all been charged rent, but as a rule the amount of the rent was added to the salary.

14,804. (*Sir R. Hill.*) You appear to be of opinion that as between places remote from one another a reduction in the charges does not do much to increase the traffic?—Reduction is advantageous at particular seasons of the year, as, for instance, during the summer holidays. You can only induce people to travel in large numbers by very low rates, but that should be done by excursion tickets or special tickets. A general reduction of fares between London and Edinburgh, irrespective of season and circumstances, would mean nothing more nor less than a loss to the railway company.

14,805. Do you think permanent low fares in an agricultural district would be beneficial to railway companies or not?—I think not.

14,806. Do you think the fares at present are as low as can be expected?—I think so; because, as a rule, our experience has shown us that we cannot induce agriculturists to travel more by low fares than they otherwise would.

14,807. Do you think, if matters are left to themselves, that there will be a large increase gradually of the second and third class traffic?—Yes.

14,808. Without any intervention on the part of Parliament?—I think so. I think the managers of railways are becoming alive to the necessity, and must be left as they feel their way to make a reduction wherever they think they will increase their profits by doing so.

14,809. You have spoken of the evils arising from the want of co-operation between railway companies; do you apprehend any evils which are likely to arise from a want of proper arrangement between the companies in forwarding goods and passengers?—I think they arise from a distrust of each other, and a fear of the consequences that would probably follow any concession that they might make to each other, such as admitting people to the use of station and to the use of a line, who are, perhaps, not their competitors, but who may become their competitors from a change of circumstances, and then the very fact of having admitted them once is brought to Parliament and made the groundwork of a hostile application for a compulsory admission to the station for all purposes, involving the company in great inconvenience and increase of expense.

14,810. Does the public suffer any inconvenience from the want of proper arrangements at junctions between two railway companies; is there delay in the forwarding of goods and passengers?—I cannot say that there is more delay than could be justified under the circumstances.

14,811. Does one railway company ever make its arrangements on purpose to inconvenience another?—No doubt that has been the case; but I think it is much less frequent than it was; in fact, I should say it is quite the exception.

14,812. Is there any unwillingness on the part of railway companies to make, among themselves, arrangements for through booking?—I think not. It is very generally adopted now; but there would be very great jealousy to making it compulsory. The North-western, for instance, book through very generally even with competitors; but they would look with great jealousy at being compelled by law to book through under all circumstances. Their protection now is, that if they are treated unfairly by any company with whom they are carrying on a voluntary co-partnership they can cease to book through, and that keeps companies reasonably honest towards each other. I can mention a case which illustrates that. I recollect some 15 years ago we booked through, to a small line, some goods, I think it was cheese, to Cheshire. It so happened that they were not delivered. We wrote to the company. They were in a state of antagonism to us. They would not reply to our letter. An action was brought against us as having made the contract. Fortunately we were able to trace the goods; and when that was discovered by our co-partners they paid the money, but they put the onus upon us. They would not reply to a single communication. That showed us what might be the consequences if by law we were compelled to book through, at the instance of the public, on to the line of a company who were disposed to treat us in that way. We might be involved in very serious inconvenience and loss.

14,813. That was an occurrence which took place some years ago?—Yes.

14,814. Has not the feeling of cordiality between different companies rather improved?—Yes, very much so, and as amalgamations take place, and as companies extend their communications to points of competition and divide the traffic, that feeling will become better.

14,815. (*Earl of Belmore.*) May not the difficulty of compulsory through booking be met by extending liability to the companies with whom you were booking through, in case you were compelled by law to adopt that course?—I am afraid there would be a great difficulty in that. The public only know the company who makes the contract, they take that company to a court of law, and know nothing about anybody else.

14,816. (*Chairman.*) Do you think amalgamation has been carried as far as is desirable for the public advantage?—No, I think not. I think it might with great advantage be carried farther, but it would be well that, where it is ultimately desirable, it should be done while railway companies are in a tolerably prosperous condition, and when Parliament might make terms with them. Hitherto too often they have postponed it until it has become a necessity, for instance, the Shrewsbury lines, after carrying on a violent competition for years, to the great injury of their own system and the adjoining ones, came to Parliament and said, Now we are upon the verge of ruin, you must hand us over to one of the large companies, or we cannot accommodate the district. Parliament sanctioned the amalgamation because they were not in a condition to make terms. It was the same with the West Midland; for years they carried on a contest with the Great Western about their gauge and other things; they projected new lines all over the country to compel the Great Western to buy them, in fact, if I recollect rightly, one of their witnesses described the Oxford and London line very candidly as a "lever" line, a lever to compel the Great Western to buy them. For years this went on, and at last they came to Parliament and said, the time has now arrived, our line is in bad order, we cannot buy any more rolling stock, and unless you hand us over to the Great Western we cannot carry on the traffic. Parliament had no option but to sanction that arrangement. It is true they inserted a clause with reference to the reduction of rates when the profits reached 8 per cent., but that was no advantage to the public. If these amalgamations had taken place before that impoverishment had occurred, Parliament might have made lower rates a condition to their giving their sanction to the arrangement.

14,817. You mean Parliamentary sanction to amalgamation; you do not mean consent?—No, sanction; but Parliament might have withheld its sanction unless

they got reasonable conditions under the circumstances. It is a favour that these companies come to ask at the hands of Parliament.

14,818. (*Sir R. Hill.*) The Great Western Company were willing to purchase the West Midland, and did, in point of fact, purchase it, did they not?—They refused to purchase on certain terms, and then finally, as the least of two evils, they agreed to an amalgamation.

14,819. I suppose the Great Western were influenced in the purchase of the line by the desire of arresting the further mischief of competition?—Clearly; they had stood it session after session, and as the least of the two evils they purchased the West Midland at a price, that is to say, they amalgamated with them, they receiving a certain proportion of the united earnings.

14,820. (*Chairman.*) Those instances which you have mentioned were instances of mistaken judgment on the part of the boards of directors or the shareholders of those lines?—Clearly; but they were not discouraged by Parliament when they came to Parliament with hostile Bills.

14,821. Had they attempted in those cases to amalgamate previously, and had their amalgamation bills been rejected?—Yes, the Shrewsbury and Chester and Shrewsbury and Birmingham endeavoured to amalgamate both with the Great Western and the North-western. The North-western opposed the Great Western amalgamating with them, and the Great Western opposed the North-western amalgamating with them. Parliament rather gave credit to the theory that competition would ultimately result in good to the public. We, on the part of the North-western, took the contrary view. In connexion with the expense of working the traffic, and in order to show what even now, without any compulsion on the part of Parliament, is done by a great railway company for the passenger traffic, I will state the number of passengers booked during two days from Euston. On the 12th and 13th of September 1861, which I believe may be taken as a fair average, there were booked 4,482 passengers, and for the accommodation of those passengers there were sent away trains containing seats for 13,512 passengers.

14,822. (*Sir R. Hill.*) That is about three seats for every passenger?—Yes; that is what they do now without any compulsion. If there was further pressure put on these companies to book through and send their carriages on, as has from time to time been proposed, that evil, which I hold to be a very great one, would be increased.

14,823. Were their reserved seats intended for any expected access of traffic after the train left Euston?—No; it arose from the attempt to send through carriages to so many towns. Then, with regard to the up traffic on those two days, 4,336½ passengers arrived at Euston, and there was space provided in those trains for 13,333 passengers.

14,824. Was there anything peculiar in those days which rendered that an unusual proportion of passengers to seats?—No, that is a fair average.

14,825. (*Mr. Horsfall.*) But those carriages do get some intermediate traffic?—No, it is very small; it is a very troublesome thing to ascertain with any correctness, but I did it with 15 principal up trains. The number of people accommodated by putting on and taking off through carriages from those trains was 179, and to accommodate those 179 persons there were additional seats for 1,274 put on. Now, granting it was an accommodation to the 179, it had the effect of inconveniencing the 4,000; I believe the attempt to further convenience a few people produces a much larger amount of inconvenience to the many, and that we are doing too much in the direction of attempting to send through carriages.

14,826. (*Earl of Belmore.*) Is it not found in practice that an express train which stops at only a few stations has generally fewer unoccupied seats than an ordinary train which stops at many stations?—Yes, at certain seasons of the year the express trains fill well; for instance, in July and August the express trains to Scotland are quite full, and there is scarcely a seat to be got during certain seasons.

14,827. Does not that rather show that in sending out an ordinary train you do, to a certain extent, take into consideration traffic which you may pick up on the way?—No; for it is the case that on approaching a large town a larger number of passengers get in than get out, and in coming away from a large town you discharge a larger number of people than you take in. No doubt that is so.

14,828. (*Mr. Horsfall.*) Is it not the case that at certain periods of the year, such, for instance, as the time of assembling of Parliament, there is a great influx of passengers to London, which renders it necessary to send back comparatively empty the carriages which conveyed them?—That is the case at certain periods of the year, but about September the up and down traffic balances as nearly as possible; on the two days which I have already given there were 4,482 down passengers and 4,336½ up passengers. I endeavoured to take it at a season of the year when there were not those disturbing elements.

14,829. (*Sir R. Hill.*) What are the means which you would suggest for avoiding this waste of room in the trains?—In fact it comes back to this, that railway companies should be allowed to divide the traffic to competing places, and encouraged to make friendly arrangements, by which that intense competition might be mitigated.

14,830. It is a competition for convenience rather than for cheapness, is it not?—Yes; the price of course must be the same, they would both quote the same rates.

14,831. Can you suggest the *modus operandi* by which that can be effected? Would you propose that the Legislature should interfere? Of course it is open to the companies to make such arrangements now if they choose so to do?—But they are looked upon with great disfavour; they go on for a time, then they quarrel and come to Parliament, and they cannot have a better point against their opponent than to say, "They agreed with us not to compete." The breach of such an agreement is not regarded as a crime.

14,832. Then it would appear as though you were of opinion that if the trains can be made proportionate to the number of passengers, so that there should be little or no waste of room, the cost of conveying passengers might be very largely reduced?—I think that the cost of conveying passengers would be very largely reduced, and also the punctuality of the trains would be increased, if some mode of that kind could be adopted. For instance, you set off now with an unwieldy train, consisting of 25 or 30 carriages, when 10 or 15 would suffice.

14,833. I suppose, in point of fact, that the cost of conveying empty carriages is nearly as great as the cost of conveying full carriages?—Very nearly.

14,834. And therefore the cost of running the trains of which you speak would not have been very materially enhanced had the number of passengers been three times as great as it really was?—Not much; of course if passengers have a quantity of luggage that makes a difference.

14,835. But by no means a proportionate difference?—No, only mail bags.

14,836. (*Chairman.*) Would not the public grumble very much if almost every place in the carriages was filled?—I would not suggest anything like the filling up of the carriages as some of the Southern companies do; I think if you attempted to get four or five passengers in one compartment that would be quite enough. But the extent to which the public go is very unreasonable; they fee porters to keep places; they fill up the seats with coats, and say they are occupied; they will not say they are engaged, but they say they are occupied, which is true.

14,837. (*Lord Stanley.*) In fact it comes to this, does it not, that a passenger who has taken a first-class place, unless there is a very unusual number of passengers, thinks himself aggrieved if he has only his own seat?—Yes; and then if he wishes to smoke he fees the porter to lock him up.

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14,838. (*Mr. Gower.*) At whose discretion is the number of carriages put on?—The station master's. But the evil arises very much from having to send through carriages to so many points. There must be a carriage put on for the Buckinghamshire line, another for the Bedford line, another for the Northampton line, another for Leamington, and so on, so that apart altogether from the feeing of the porters there is a great waste, and that must necessarily be, because although when there are three or four passengers only for a place a through carriage must be provided for them.

14,839. (*Sir R. Hill.*) But that waste would be avoided if the passengers were willing to leave the carriages on the main line, and step into carriages on the branch line?—Yes.

14,840. (*Chairman.*) Do you find an unwillingness on the part of passengers to changing carriages?—Yes; the public have been spoilt, but I believe, if they really consulted their own interest with regard to punctuality, that they had better submit to a little inconvenience at the junctions than suffer the delay which necessarily arises from the present system, first of all having their carriage taken off and added to another train, and then if they are in a heavy train of 25 or 26 carriages it does not keep its time.

14,841. (*Earl of Belmore.*) Are carriages ever dropped with slip couplings on the North-western railway?—Yes.

14,842. Does that tend to increase the expense?—It obviates the delay of pulling up at the station, and it also saves carrying on that carriage from that point to, perhaps, the next important station. We drop carriages at Leighton and Watford.

14,843. With a view of sending them down branch lines and leaving them?—With a view of accommodating those two places.

14,844. (*Sir R. Hill.*) I believe you have never been able to devise means for taking up a carriage?—No, only mail bags.

14,845. (*Chairman.*) You think companies are prevented from making arrangements between one another from a fear that all arrangements of the kind are looked upon with suspicion by Parliament?—Yes.

14,846. Can you suggest any general regulation that Parliament might lay down for the guidance of committees?—No; Parliament from time to time have pronounced their opinions, but the committees are not guided by them. The committees are a fluctuating body and disregard instructions. Nothing can be clearer or better than the reports that have been made from time to time by Mr. Gladstone and Mr. Cardwell and the highest authorities in the House with regard to competition in relation to railways, and the countenance or otherwise that ought to be shown to speculators, but committees after a very short time ceased to pay the slightest regard to them.

14,847. (*Sir R. Hill.*) You appear to be of opinion that the difficulties under which railway companies are labouring, and much of the inconvenience which is suffered by the public, are the result of mistaken legislation?—Yes; the evil has its root in the tribunal.

14,848. (*Mr Horsfall.*) Are you prepared to suggest any other tribunal which you consider better?—Nothing beyond this, that there should be established a permanent tribunal of the very highest order and regardless of cost, a tribunal to which we could look with the same confidence and respect that we look to the judges of the land, not a political tribunal, and where everything should be done openly.

14,849. (*Lord Stanley.*) Do you refer to a tribunal having the power of sanctioning the making of new lines?—Yes; Parliament reserving to itself a veto.

14,850. Has it ever struck you that one of the difficulties of creating such a tribunal is that the question to be decided is not a judicial one, but one of administration, that there are no fixed rules of law by which you can decide whether a company should or should not be permitted to take private property for the purpose of constructing a new line?—No doubt, but a tribunal such as I contemplate, sitting permanently and having all the facts before them, would, I think, establish a uniformity of practice.

14,851. (*Sir R. Hill.*) If their decisions were subject to the revision of Parliament, would not that again probably lead to the destruction of the advantage of such a tribunal?—No, I should think not. I should think Parliament would be much more likely to respect the advice and the deliberate decision of such a tribunal. Parliamentary committees are exceedingly jealous of the Board of Trade. They have never treated the reports of the Board of Trade with the slightest respect. They have never been guided by the reports of the Board of Trade.

14,852. (*Earl of Belmore.*) Do you think they would be guided any more by the reports of this tribunal which you propose?—I think they would if it were a tribunal of the mark I contemplate.

14,853. (*Mr. Horsfall.*) Do you think that the system of canvassing on the part of railway managers and railway directors, which we have now in the House, would be diminished?—I think so. I think that Parliamentary committees are not influenced even now by canvassing in the way in which they used to be.

14,854. I am not referring to Parliamentary committees, but when a bill having passed this judicial tribunal comes before the House for a third reading, do you think the members of the House would not be canvassed in the same way as they are now by railway managers?—I think with such a tribunal it would be quite hopeless for them to do so.

14,855. (*Earl of Belmore.*) If you gave Parliament a veto upon the decisions of this new tribunal, would you not, in all very important cases, put the parties to the expense of two hearings instead of one?—If you give a party the right of appeal at the risk of paying costs, I do not see why he should not have it. The matters are very important, and the amounts at stake are enormous, and the rights of parties are liable to be changed to a great extent. I do not see why there should not be an appeal at the risk of the penalty of having to pay the costs.

14,856. (*Sir R. Hill.*) There is no appeal to Parliament from the decision of an ordinary court?—There is an appeal in the House of Lords, but this is not strictly a legal question; take the case of dealing with land for instance, that is not a question which a judicial tribunal could be considered to finally settle; it is a mixed question.

14,857. You appear to entertain the opinion that it would be inexpedient to leave the whole decision with such a tribunal as you have in view?—I think Parliament cannot reasonably be asked to do that. They are not disposed to be relieved even of the preliminary inquiry into details, which I believe could be made better by this tribunal to which I refer; I do not think it would be reasonable to ask Parliament to divest themselves of the power of giving their final sanction to the measure.

14,858. Suppose Parliament were to be willing to hand over its power to such a tribunal, do you think, on the whole, that that power would be better exercised by that tribunal than it now is, or not?—I think it would be better exercised; but still I think the fact of there being an appeal to Parliament might have a very wholesome influence upon that tribunal. One of the great advantages that I see in an appeal or second hearing is that the evidence brought before the first is given with much more caution than it would be if there were no appeal. A reckless or unscrupulous witness is aware that if he gives evidence before the House of Commons it is reviewed before the House of Lords, and that there is time to expose him, and therefore he does not mislead the committee to the extent that in all probability he otherwise would do.

14,859. (*Earl of Belmore.*) At present opponents only are able to exercise the right of appeal, because if the promoters lose a bill in the House of Commons they cannot proceed any further that session?—I think that is correct.

14,860. Would you propose that an appeal should be given to either party from the tribunal to which you

refer?—No, I should not allow them to come to Parliament unless they satisfied this tribunal.

14,861. (*Mr. Horsfall.*) Has not considerable advantage arisen from the appointment of the referees before whom bills are now taken?—I think the general opinion is that there has. There was a great difference of opinion last year upon the subject. It was said that in some cases the inquiry before the referees added to the expenses, but those were quite exceptional cases. I believe, on the whole, it has done well.

14,862. (*Mr. Gower.*) Do you think there is a greater disposition to mislead the second tribunal than there is the first, owing to the circumstances you have mentioned?—No, because evidence is looked at with suspicion when brought forward for the first time before the second tribunal. Supposing the first hearing is in the House of Commons, the House of Lords accepts a large proportion of the proof on trust. They inquire into new matters which are raised before them upon questions of principle, but the inquiry befor the House of Lords is generally very much shorter than that before the House of Commons.

14,863. (*Chairman.*) You have stated it to be your opinion that a great many unnecessary lines have been made?—Yes.

14,864. Do you think that no further lines are wanted for the public advantage, or will be required in the course of a few years?—I believe that a very much larger amount of railway accommodation will be required in the country, and that we are now only in our infancy. What I desired to convey was, that lines have been made in a much more costly manner than was necessary. Duplicate lines have been granted. In many cases the same amount of capital expended systematically would have produced a much larger amount of accommodation and convenience than has been afforded by the expenditure which has been made.

14,865. You are of opinion that a great extension of the railway system will be hereafter required for the public advantage?—Certainly; I think it would be very dangerous, indeed, to assume that the limit has been at all reached. I may mention a case, with reference to crossing the Thames. Authority was given to the Great Western and the North-western to cross the Thames, being an extension of the West London railway, but at that time it was considered to be so costly that those two companies abandoned their powers. I am afraid to say how many bridges there are now across the Thames of a much more costly character than the bridge which was proposed for the extension of the West London railway. It is made now; but in those days if anybody had suggested the possibility of there being half the number of communications across the Thames that there are now, he would have been laughed at. I believe many cheap lines of railway will be made between points throughout the country. I do not think there is much room for additional through communications. I think the Great Western, the Midland, the North-western, and the Great Northern, Lancashire and Yorkshire, North-eastern, and other lines, accommodate nearly all the important towns in Lancashire and Yorkshire.

14,866. (*Sir R. Hill.*) What description of lines do you refer to when you speak of cheap lines?—Single lines. They are the only lines that will pay in agricultural districts.

14,867. With sharper curves, steeper gradients, and so forth?—Yes.

14,868. Have you considered the question of the possibility of adopting a narrower gauge?—It has been suggested with reference to some of the very hilly parts of Wales; but there is, of course, great inconvenience from having a break of gauge.

14,869. You are no doubt aware that some have been constructed in Wales?—Yes; they have a gauge of two feet, which does very well for slate railways.

14,870. They have also been constructed in that manner in our Indian empire?—Yes.

14,871. And also in Australia?—Yes. Last year the North-western had it in their contemplation to construct a railway in their mineral districts on a two-feet gauge, but that is quite an exceptional case.

14,872. When you spoke of cheap lines, did you refer to that description of line?—No, I meant cheap lines on the ordinary gauge of 4 feet 8½ inches. Instead of two or three companies coming before Parliamentary committees to obtain the right of making additional lines, and putting forward as a plea that they would make the lines, if granted to them, in the most costly manner, going through towns and valuable property, it will be found that if they are to pay at all they can only be made to pay by pursuing just the opposite course—of making the cheapest lines, less good gradients, less good curves, and avoiding valuable property.

14,873. (*Chairman.*) Have you any reason to think that under the present system all the additional lines of railway that will be required will not be gradually constructed?—Yes, I have that apprehension very strongly. Two years ago, in giving evidence before a Select Committee of the House of Commons, I detailed the particulars connected with the passing of the Stafford and Uttoxeter railway, and stated my belief that the sanction given by Parliament to such schemes was throwing so much doubt on the stability of the four hundred millions of capital expended in the construction of railways in this country, that *bonâ fide* investors can no longer be found to embark capital in new railways. This opinion is fully confirmed by Lord Redesdale, who so lately as the first of the present month, when addressing the House of Lords, stated that the question of railway legislation had become so serious that he thought he should feel himself bound to call attention to the subject. He referred to the fact, that at the present time no capital was fairly found for the promotion of schemes before Parliament, and expressed his opinion to be, that that was one of the causes why so many were not proceeded with after passing through only a few stages; while in some cases they proved abortive, even before they were introduced into Parliament. He went on to state that the system had reached such an excess of abuse that Parliament was bound to interfere. This is, indeed, a very serious question in the interest both of the shareholders and of the public.

14,874. You are of opinion that the present system rather discourages the making of lines which the public convenience really requires?—Yes. I think if the old established railway companies were maintained in a better condition, that it would be their desire, as it would be their interest, to expend capital in giving the necessary accommodation, which at present they are very unwilling to do. I recollect within the last three years there was an agitation among the North-western shareholders of a very serious character, by means of an association respresenting millions of capital; what they desired the directors to do was to close the capital account, and spend no more money. Their dividend had been brought down to 3¾ per cent. for the first half-year, and 4¼ for the second half-year, and they were in a state of panic. I believe it would have been unwise to have done what they desired to do, but they were of opinion that that was essential to their salvation, and they urged very strongly upon the directors that there should be a cessation of all expenditure.

14,875. (*Sir R. Hill.*) Do you think the directors had practically any option, whether to expend or not, what had been expended upon these additional lines?—I do not think that the additional lines were the cause of the reduction of the dividend, but that the cause was competition and the cost of working.

14,876. But have not all the old companies constructed branch lines which have proved unremunerative?—Yes, some of the lines have proved unremunerative, but it really is not a question of the expenditure of capital. The cause of the diminution of the North-western dividend was not the expenditure of capital, but abstraction of traffic, reduction of receipts, and an increase of the working expenses.

14,877. (*Chairman.*) Do the working expenses bear a larger proportion to the receipts now than they did in the early days of the working of railways?—

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Yes, they were at one time as low as 37 or 38 per cent. on the North-western. In 1850 they were 37 per cent. They then rose to 47 per cent., and afterwards to 51 per cent., consequent on the competition between Manchester and London. They are now at 46 or 47 per cent. I may state this, which has pressed very much upon me, that 10 per cent. in the working expenses of the North-western makes a difference of 600,000*l.* a year in their net profits.

14,878. (*Mr. Horsfall.*) And to what extent would that affect the dividend?—About 2½ per cent.

14,879. (*Sir R. Hill.*) Do you think that a saving of 10 per cent. in the working expenses would be practicable if trains could be kept no longer than was necessary for the convenience of passengers?—No, not from that source alone, but I believe if the whole of the traffic of the country were worked harmoniously with reasonable and good accommodation to the public, that you might make a reduction of 10 per cent. upon the general working expenses throughout the kingdom, and that would represent millions per annum.

14,880. (*Chairman.*) Is the cost of the conveyance of mineral traffic capable of being reduced?—Not so much as the passenger and merchandise traffic. I believe that is worked much more economically relatively than other traffic.

14,881. (*Sir R. Hill.*) Is that the case with regard to coal?—Yes, contracts are generally made by which it is sent in full train loads on particular days, and it is so arranged as to avoid much loss with regard to empty waggons. In fact it is worked on commercial principles.

14,882. You would desire to see the same principle extended to the conveyance of passengers and goods?—So far as it can be done consistently with economy and the interests of the public.

14,883. And you think it may be done to a great extent without seriously incommoding the public?—I believe so; I believe that the expense of the whole of the railway system of the country can be reduced 10 per cent. without diminishing as a whole the convenience or the service now rendered to the public.

14,884. I believe the total receipts of the United Kingdom for a year upon all classes of traffic amount to 34,000,000*l.* What is allowed for working expenses is on the gross?—The 10 per cent. is on the gross, that would be 3,400,000*l.* a year.

14,885. (*Chairman.*) I do not understand that you have made any other suggestion for accomplishing a reduction of the working expenses as much as 10 per cent., except that railway companies should go before a different tribunal when they have new schemes to bring forward?—That there should be a different tribunal, and a different mode of dealing with railways by Parliament. If Parliament comes to the conclusion that a state of antagonism between railways and erratic competition is essential for the public interest, there is an end of it. If, on the other hand, they come to the conclusion that such competition has failed to give to the public corresponding advantages to the evils which it has induced, then I say that a permanent tribunal would tend to restore confidence between the railway companies and between the railway companies and the Legislature, and would produce, in time, the results indicated.

14,886. Do you think competition has been on the whole productive of great advantage to the public, and that it should not now be carried any further?—Yes, but I think the evils of erratic and reckless competition have for some time outweighed the further benefits to be derived.

14,887. (*Sir R. Hill.*) Do you think that is the prevailing opinion among people connected with railways?—Amongst those representing the old companies, certainly.

14,888. (*Mr. Horsfall.*) But it is not the prevailing opinion of the public?—I think the public who understand the question agree in deprecating violent and temporary competition.

14,889. (*Sir R. Hill.*) Do you think that the variety of classes is one cause of the excessive length of trains?—In some degree, but that is not material.

14,890. Supposing it were practicable, would a reduction from three to two classes materially affect the amount of waste room in the trains?—No, because that difficulty is met now by composite carriages. Besides I do not think it would be practicable to reduce the three classes to two classes, because there is a clear line of demarkation between first, second, and third class in this country.

14,891. If there were a very large reduction of fares, might it not then be practicable to reduce the classes from three to two?—No; I do not think people would like it; I think they arrange themselves into classes, and that they would be unwilling to reduce themselves from three to two in this country. They do not like a large carriage with many people, which, on the continent, is thought preferable; but the English people do not like it.

14,892. (*Chairman.*) Many complaints have been made before this Commission by many parties of the inequality of rates between different places; was that a point which came under your notice as secretary to the North-western?—No, that would come more immediately under the notice of the manager, who would be able to give you better information on that point than I can.

14,893. Will you state generally whether you think the principle of uniform mileage rates is a good one, or the reverse?—I think it is inadmissible; it would destroy what I think is a great advantage of and to railways, competition between different ports. I think competition must fail between two railway companies from its intensity and directness; but railways may be made very valuable by bringing ports and markets into competition with each other. I illustrated what I mean on a former occasion by taking the case of sugar being sent from Liverpool to an inland part, such as Carlisle. I say you might duplicate or quadruple the railway between Carlisle and Liverpool, and you will not affect the price of sugar at Carlisle; but if you extend, as you have extended, the railway from Carlisle to Greenock, and bring Greenock into competition with Liverpool, then you give the public the benefit of cheaper sugar. That competition is not so direct; numerous merchants and shipowners are parties to it; managers do not come together and say, "We cannot stand this any longer, "let us put an end to it," and they go on competing. I believe you will find at central points of that kind great benefit has resulted to the public from competition obtained by means of railways between those ports and their merchants. But there would be an end to such competition if Liverpool or any other port were placed at a disadvantage or an advantage, as the case might be, by compelling the railway companies to charge an equal mileage rate.

14,894. (*Mr. Horsfall.*) Has not the North-western Railway Company the right of running over the Caledonian to Greenock and Glasgow?—There is, I believe, a bill in Parliament this year for securing them that right by consent.

14,895. Is there a uniform mileage rate contained in that bill?—I cannot state positively. I believe competition by means of the extension of railways to various ports, and allowing the companies to carry on their traffic just as merchants or shipowners carry on their traffic, and get the best rates they can, or the largest amount from any transaction which comes before them, so long as they are within the Parliamentary charge, will be the best.

14,896. You think there would be no injustice in one port charging a very much lower rate per mile than another port?—Certainly not, any more than a shipowner who charges a different rate per mile from one port to another.

14,897. But there is this difference between the shipowner and the railway, that the shipowner has competition and the railway company has none?—There is, I am sorry to say, too much competition between railways, and a very strong competition from Greenock to Carlisle.

14,898. With what?—With the Glasgow and South-western. I have been unable to see why the railway company should be compelled to charge a higher rate per mile to one port than to another. I have got from Liverpool as much as I can, within my Parliamentary powers, but I cannot obtain from Hull, or any more distant point, traffic at an equal mileage rate, and if I attempt it I shut myself out entirely, and in shutting myself out I shut out the town with which I am in communication.

14,899. (*Sir R. Hill.*) Is not the question which they have to consider this, viz., whether it may not be better to carry at a low rate than not to carry at all?—Yes, clearly. They may have outward traffic to some distant point from which the waggons would otherwise come back empty and then it would suit them to carry at a lower rate per mile. There would be no injustice to Liverpool if they acted in that way. It will be found that although it may be a less rate per mile from those distant points compared with Liverpool, that Liverpool happens to be very favourably situated with reference to the most important manufacturing districts.

14,900. You estimate the possible saving of working expenses at 10 per cent. on the gross receipts?—Yes.

14,901. I think you have stated that the working expenses of the North-western railway amount to about 47 per cent.?—Yes; they have been upwards of 51. There are many railways in the kingdom whose working expenses are from 60 to 70 per cent.

14,902. Then it would appear that the practicable saving upon the working expenses would be nearly 40 per cent.?—No; 10 per cent. on the gross receipts.

14,903. Ten per cent. upon the gross receipts would be about 20 per cent. upon the present working expenses?—Yes. *C. E. Stewart, Esq.* 15 Mar. 1866

14,904. You think that a practicable saving?—I believe that that saving might be ultimately effected. I believe that the same amount of service might be rendered to the public by the harmonious working of the railway system which is now rendered, and at the same time a saving of 10 per cent. effected.

14,905. That would of course render it practicable to lower the charges to the public considerably?—Yes.

14,906. Do you think that the companies would lower the charges?—Some of the large companies have a great deal of leeway to make up, such as the Great Eastern and the Great Western. The Great Eastern shares are at a discount of 60, and the Great Western shares at a discount of 40 per cent.

14,907. Then the result would be, either that the charges to the public would be considerably lowered, or the dividends of the shareholders considerably augmented, or that the advantage would be divided between the public and the company?—I should like to divide, and that immediately, the advantage between the company and the public.

14,908. Is not that likely to be the result if such a saving were effected?—If such a saving were effected on that basis.

14,909. Have you anything to do with the question of the rating of railways?—I have not.

14,910. You cannot give any information upon that point?—No.

The witness withdrew.

Adjourned.

Tuesday, 20th March 1866.

PRESENT:

The Right Hon. The Earl of Belmore.	T. B. Horsfall, Esq., M.P.
The Right Hon. Lord Stanley, M.P., F.R.S.	Capt. Douglas Galton, R.E., C.B., F.R.S.
The Hon. E. F. Leveson Gower, M.P.	William Pole, F.R.S., *Secretary.*
Sir Rowland Hill, K.C.B., F.R.S.	

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Edward J. Page, Esq., examined. *E. J. Page, Esq.* 20 Mar. 1866

14,911. (*Sir R. Hill.*) What is the appointment you hold in the Post Office?—That of Inspector General of Mails.

14,912. You, I believe, prepared the returns sent by the Post Office to this Commission?—Those for England and Scotland were prepared in my department, those for Ireland were not.

14,913. I think that is shown on the returns themselves?—That is so.

14,914. In the return for Ireland, does the speed given include stops, as it does in Great Britain?—I have very little doubt that it does, because it is the custom of the Post Office always to include stops in such returns, but I cannot say for certain, as I did not prepare the return.

14,915. What is the total cost of the service?—The total cost of the railway mail service for England is about 399,000*l.* a year, for Scotland about 75,000*l.* a year, for Ireland about 83,000*l.* a year, making a total for the United Kingdom of 557,000*l.* a year.

14,916. Which is the quickest of all the mail trains?—The fastest mail train we have is in England; that is the continental mail train from London to Dover by the South-eastern line; the distance, which is 88 miles, is performed in an hour and 55 minutes, which gives a rate of speed within a fraction of 46 miles an hour.

14,917. I observe that certain trains run exclusively for the conveyance of the mails?—We have only one exclusive mail train at present in the kingdom, and that is the night mail train between London and Bristol.

14,918. Others appear to be restricted as regards the number of passenger carriages; which are they?—There is only one mail train restricted, and that is the night mail train from London to Edinburgh and Glasgow, and back.

14,919. What is the object of these limitations?—The object the Post Office had in view, both in the the case of the exclusive train and the limited train, was to get rid of the very serious irregularities in the performance of the service that existed before the adoption of that exclusiveness and limitation. The effect has been very marked indeed. The night mail train upon the Great Western line works with wonderful punctuality, and the limited mail train to and from Scotland, although not so punctual as the exclusive train, is still very fairly worked indeed.

14,920. Then the object which the Post Office had in view has been attained to a great extent?—To a very great extent it has been.

14,921. You appear to send a great many mails by ordinary trains over which the companies retain full control, and which are not, in fact, mail trains; have you the means of comparing the number of miles thus traversed by mails by ordinary trains with the number of miles traversed by mail trains under notice?—I think I have. In England, taking the service for a single week day, I find that the mails were conveyed by railway over a distance of 46,000 miles, of which about 10,000 were trains under legal notice, that is to say, fixed trains, and about 36,000 miles were ordinary trains, over which the Post Office exercised no control. In Scotland the fixed mail trains in one week day travelled over about 2,300 miles, and by ordinary

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trains mails were conveyed over 5,700. In Ireland the mileage of the fixed trains was about 1,660, and of the ordinary trains about 4,100 in a single week day.

14,922. What would be the total of daily mileage of the several trains carrying mails in the United Kingdom?—As nearly as possible 60,000 miles a day, including trains under notice and ordinary trains.

14,923. You draw a distinction between ordinary trains and trains under notice, will you explain what is meant by trains under notice?—Trains under notice are trains the hours of working of which the Postmaster-General fixes and controls. He derives the power of doing so from an Act of Parliament, which enables him at any time to establish a mail train at any hour of the day or night on giving a certain notice, and enables him also at any time on giving a certain notice to alter the hours. No company can alter the hours of such a train under any circumstances whatever without the concurrence of the Postmaster-General.

14,924. I think the Postmaster-General also fixes the places at which these trains shall stop, does he not?—He does.

14,925. It appears from the Post Office returns that in some cases a separate payment is made for each service, and that in other cases there is a general contract for a lump sum; what has been the general principle as to payment on which these contracts have been made?—Contracts of that description have generally been made after an arbitration has taken place: a certain amount of fixed mail service is ordered by the Postmaster-General, and the railway company and the department being unable to agree as to the rate, the remuneration is settled by an arbitration.

14,926. That is done in accordance with the provision in the Act, is it not?—Precisely. If the result of that arbitration is, on the whole, tolerably satisfactory, and the remuneration is deemed by the Postmaster-General to be not very excessive, the custom has been to apply to the railway company to invite them to make the payment permanent, and enter into a contract for a term of years, the total payment consisting of the total annual sum awarded under the arbitration, and the whole of the ordinary train service being thrown in, as it were, without extra charge. Frequently when the result of the arbitration has gone against the department, as it not unusually does, the companies have been induced to agree to some deduction from that payment, and then to enter into a contract for a term of years, throwing in the ordinary train service.

14,927. The rates of payment made by the Post Office appear to vary very greatly. Is there usually such an amount of difference between different services as to account for such variation?—There frequently is a considerable difference between the different services performed on railways, but it has been found that where the services are very nearly identical, or at any rate very similar, the payments have varied very largely indeed; I mean the payments awarded under an arbitration.

14,928. Will you be kind enough to give some instances of varying payments?—Perhaps the Commissioners will allow me to avoid mentioning the name of the Company, unless it is really necessary, in order not to excite angry feeling by appearing to hold up any particular company to invidious comment. A case occurred in the north of England, where a train which was previously running was placed under legal notice. An arbitration was resorted to, and the payment awarded was 3*s.* per mile, the accommodation required in that train being one whole carriage. In Scotland another case occurred, in which a train was previously running and the Postmaster-General placed it under legal notice, requiring one compartment of the carriage. In that case the payment awarded was only 6*d.* a mile, the difference between 3*s.* and 6*d.* being of course quite inexplicable, looking at the small difference in the accommodation required for the mails.

14,929. The cost to the company being much the same whether it uses a compartment or a whole carriage?—I should imagine there is very little difference indeed.

14,930. Can you cite any other case?—I have two others that are very marked. In two cases, one in England and one in Scotland, a train service was placed under legal notice, the payment awarded by the umpire being in the one case $1\frac{5}{8}d.$ per mile, and in the other case $2\frac{1}{2}d.$, one compartment of the carriage being allotted to the Post Office in each case. Two other instances occurred, one in Ireland and one in England, in which the train service was placed under legal notice. The same amount of accommodation was required, that is to say one compartment, in each cases the payment awarded in Ireland was 1*s.* a mile, and in England 2*s.* a mile. The Post Office has never been able to understand why there should be that extraordinary difference between the payments for service; so nearly similar.

14,931. When an arbitration takes place, I think the decision is generally made by an umpire chosen by the two arbitrators?—Latterly the decision has almost always been given by an umpire; but in the earlier periods of arbitrations, some 15 or 20 years ago, it frequently happened that the arbitrator of the Post Office and the arbitrator of the company were able to agree, without having recourse to the umpire.

14,932. In the cases you have cited, I presume the umpires were different?—In the cases which I have cited of very heavy payments, the umpires were generally different; but it happens that the same umpire awarded nearly all the low payments I have quoted.

14,933. Have you any knowledge of what is the bare additional cost of running a train (say an engine and a single carriage) per mile?—I do not know of my own knowledge the cost, but I find, in an address delivered by Mr. Robert Stephenson some 10 years ago, that he estimated the bare additional cost of running a train at 1*s.* 3*d.* per mile, of which $9\frac{1}{2}d.$ was allotted to locomotive expenses. I am under the impression that the bare cost of running a train has, if anything, somewhat decreased since those days.

14,934. I think he was speaking of an average train, was he not?—I have no doubt that he was speaking of an average train. He uses the term "running a train."

14,935. Can you compare this cost with some of the rates of payment which have at different times been paid under an award for railway mail service under notice?—I can. I will read a short list of payments that have been awarded, commencing as high as 2*s.*:—

	Per Single Mile.	
	s.	*d.*
Chester to Birkenhead	2	0
Dublin to Drogheda	2	0
Leeds to Selby	2	0
London to Bristol and Gloucester	2	$0\frac{1}{4}$
Ipswich to Colchester	2	$0\frac{1}{2}$
Ely to Yarmouth	2	1
Peterborough to Grimsby	2	2
London to Dover	2	3
Londonderry to Strabane	2	4
Arbroath to Aberdeen	2	6
Lancaster to Carlisle	2	6
Southampton to Dorchester	2	$8\frac{1}{4}$
Perth to Dundee	3	0
Dublin to Galway	3	0
York to Berwick	3	0
Dundee to Arbroath	3	1
Preston to Liverpool	3	1
Dundalk to Castleblaney	3	2
Parkside to Preston	3	6
Exeter to Plymouth	3	7
Grange Court (near Gloucester) to Haverfordwest	3	7
Drogheda to Dublin	3	9
Drogheda to Dundalk	4	0
Dublin to Cork	4	6
Limerick Junction to Limerick	4	6

The highest payment, I believe, ever awarded, and that only in Ireland, has been 4*s.* 6*d.* per mile.

14,936. These high rates of charge were not for the whole train, but for a part of the train?—In each case they were for the conveyance of mails by trains, which

also carried a considerable amount of passenger and parcel traffic.

14,937. Was there in any case more than a whole carriage required for Post Office purposes?—In one of the cases only was there, I believe, more than a whole carriage required by the Post Office.

14,938. Which was that mail?—From Preston to Liverpool. In that case I am under the impression that besides a sorting carriage there was a van for mail bags. I am a little doubtful, also, whether there may not have been a van as well as a sorting carriage from Dublin to Cork; but I rather think not.

14,939. In many cases less than a whole carriage was required for Post Office purposes?—In many of them.

14,940. You are speaking of a state of things that existed many years ago, are you not?—I am, because at the present moment, owing to the large number of fixed contracts made in the way I have described, it is very difficult to separate the rate of payment for any particular service from the lump sum.

14,941. The list which you have read I think appears in a report which was made by you to the Postmaster-General some 10 years ago, does it not?—It appears in a report which I made, addressed to the Postmaster-General, 10 years ago, in reply to certain statements made by Mr. Robert Stephenson at the Institution of Civil Engineers.

14,942. And which was published in the report of the Postmaster-General at that time?—It was published in the second report of the Postmaster-General issued in 1856.

14,943. Who was the Postmaster-General then?—The Duke of Argyll.

14,944. Can you give illustrations of wide differences of opinion between the Post Office arbitrator and the company's arbitrator in any arbitrations which have come under your notice?—I may mention two cases which occurred some years ago, and which were much dwelt upon by the Duke of Argyll at the time when attempts were being made to improve the legislation between the Post Office and the railways. A case occurred in Scotland, in which the arbitrators being unable to agree selected their umpire. The mileage first demanded by the railway company was 9*s.* a mile. That which was claimed by their arbitrator in the arbitration was 6*s.* 0½*d.* per mile. That which was proposed by the Post Office arbitrator was 3½*d.* per mile; and the amount which was awarded by the umpire was 3*s.* 3*d.* per mile. A subsequent arbitration occurred with the same company, with results almost as startling. The mileage asked by the company was 8*s.* 6*d.* The mileage proposed by the company's arbitrator was 5*s.* 9¾*d.* The mileage offered by the Post Office arbitrator was 1*s.*; and the award of the umpire, who is a member of this Commission, was 1*s.*

14,945. Will you give the name of the umpire on that occasion?—Lord Stanley.

14,946. (*Lord Stanley.*) In those cases, and especially that case to which you have last referred, is not the secret of the great difference between what the Post Office are willing to pay and what the railway companies ask this, that the railway companies in many cases claim for the whole cost of running a train, which they contend they would not run unless to satisfy the Post Office demands?—That is very frequently the line of argument taken. The railway companies not only claim the whole cost of running the train, that is to say, the whole additional cost, but they claim the whole cost of running the train, assuming that the train bears its full share of the fixed expenses, in other words, the average cost of running a train on that line.

14,947. On the other hand the contention of the Post Office is, that they ought only to pay for such accommodation as they require?—The Post Office view has generally been, that railway companies should be reimbursed the whole additional expenses of every kind which they are put to, and receive in addition a considerable profit.

14,948. (*Sir R. Hill.*) Will you now proceed to state generally in what respect you consider that the relations between the Post Office and the railway companies are unsatisfactory and require amendment?—The view of the Post Office has been, seeing the great want of uniformity in the decisions of umpires, that it is necessary to introduce some specification into an Act of Parliament, which shall in some way guide the umpires to a decision; in other words, that some endeavour should be made to define what is "reasonable "remuneration." The Act of Parliament says, that every railway company shall be entitled to "reasonable "remuneration;" but inasmuch as no attempt has been made to define that "reasonable remuneration," we are left to the individual judgment of every different umpire; and an amount which one umpire may consider very reasonable, another umpire may consider a great deal too high, or a great deal too low; consequently we have had to pay, as I have before stated, for similar services different rates of remuneration, which are altogether irreconcileable with the circumstances of the cases. Perhaps you will allow me to give an illustration of that want of uniformity in the decisions of umpires, in cases where the service arbitrated for has been performed upon the same line. I may mention the case of the North-eastern railway. I select that, partly because I believe the manager of that railway has made certain complaints against the Post Office in the evidence which he has given before this Commission. An arbitration took place with that company in the year 1854. An award was given by the umpire, the result of which gave the railway company a payment at the rate of 31,000*l.* a year, that payment being made up of different rates for different services. Three years afterwards another arbitration took place with the same company. The service had undergone very little change; it had very slightly increased; and the payment awarded by the umpire then amounted to 37,000*l.* a year, being an increase of 6,000*l.* Two years after that, another arbitration took place, the service still remaining very similar to what it was before, and the payment then awarded was 43,000*l.*, being a further addition of 6,000*l.* a year. The second of those arbitrations (that under which 37,000*l.* was awarded) affords another remarkable illustration of the difference of opinion between the Post Office arbitrator and the company's arbitrator. The arbitrator for the company asked for one of the trains 4*s.* a mile. The Post Office arbitrator proposed 7½*d.* The umpire awarded 2*s.* 6*d.* In the case of another train the company's arbitrator proposed 5*s.*; the Post Office arbitrator proposed 1*s.*; the sum awarded was 3*s.* For another train 2*s.* was asked by the company's arbitrator; the Post Office arbitrator proposed 1*d.*; and the umpire awarded 4*d.* For another train 2*s.* was proposed by the company's arbitrator, a halfpenny was offered by the Post Office arbitrator, and the sum awarded was 4*d.*

14,949. Were all these services under notice?—Yes; we have never gone to arbitration except for service under notice.

14,950. To what do you attribute this want of uniformity?—To the cause I stated just now, namely, the total absence of any definite principle of valuation to guide the judgment of the umpires. No attempt has been made to regulate or define the principle upon which the rate of remuneration is to be based.

14,951. What is the next point in which you consider that the relations between the Post Office and the railway companies require amendment?—I have hitherto spoken of trains the hours of which are fixed by the Postmaster-General; but, as I have shown in answer to one of the questions as to the extent of service by fixed and ordinary trains respectively, a very large portion of our service now consists of mails conveyed by trains which are entirely within the companies' own control, which the Postmaster-General does not attempt in any way to control, and, in fact, does not wish to control. We have hitherto failed to discover any means of bringing a service of that kind under arbitration. Our lawyers tell us, that the Postmaster General, if he serves a notice, of necessity fixes the hour, consequently the train ceases to be an ordinary train. We are, therefore, dependent entirely upon

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the consent of the company to convey bags by ordinary trains. Our difficulty with regard to these ordinary trains is, that we are unable to send our bags at a fixed rate of mileage according to weight; in fact we are unable to send them at all, except after previously negotiating with the company in order to ascertain what they will charge. We are, therefore, worse off than the public at large is with regard to parcels. The public can send a parcel at a fixed rate, advertised by the company, the maximum of which is regulated by the company's Bill; but the Post Office cannot do anything of the kind. The service which the Post Office requires is very much less than that which the public requires with respect to parcels. The parcels of the public have to be collected in the first instance, then conveyed, and finally delivered; whereas the service which the Post Office requires by an ordinary train consists merely in the conveyance of bags; our own porters take them to the station; our own porters meet them at every intermediate station, and at the terminal point; consequently the service we require is very much less costly to the company than the parcels service of the public; and yet many railway companies have persisted in refusing to allow the Post Office to send bags at the full parcel charges made to the public, those full charges being charges for merely occasional service, whereas the Post Office service is daily; and therefore one would imagine it ought to be charged for at a rate considerably below a similar service performed only occasionally.

14,952. That is to say, the Post Office, though sending a parcel, or a bag which may be called a parcel, day after day by the same train, has to pay a rate higher than that which the public pays for an ordinary parcel of the same weight sent once, and only once, and that notwithstanding that the company is relieved of that which is unquestionably the chief expense incurred in respect of parcels, namely, their collection and their delivery?—Precisely. Many companies have refused terms of that kind; but at the same time it is right I should admit, that a few companies have allowed us to send bags at the full parcel charge.

14,953. Then you are of opinion that the Post Office is worse off with regard to sending mail bags by ordinary trains than the public at large is with regard to parcels?—Clearly; because we cannot send bags at all by an ordinary train, without coming to terms with the company, who may ask any rate of payment they think proper.

14,954. The alternative, which is within the power of the Post Office, being either to put the train under notice, and so fix the time, and consequently pay for having fixed the time, on the one hand, or not to send the mail at all on the other; is it not so?—That is so; but I should qualify what I have stated in this way, that the Postmaster-General has the right of sending a mail guard with his bags, paying the fare of a passenger, so that I was not quite right in stating that, failing an agreement, he could not send the bags at all. He can resort to that expedient; but, as I will show presently, there are difficulties attending that course of proceeding which make it practically of very little use to us.

14,955. What in practice has been the effect of this defect in the legislation?—The effect has been a very high rate of charge for the ordinary train service, and, in consequence, often great delay in establishing mail service, and in extending the facilities of the public. A remarkable case occurred some years ago with regard to a service of this description. It was the case of a day mail to the small town of Alton, in Hampshire. Application was made by the inhabitants for that day mail in the year 1852. The Postmaster-General was quite willing to give the accommodation, provided the service could be established on terms which the number of letters to be carried would warrant. He applied to the company to know what they would charge for conveying such a bag to and from Alton, there being already a day mail on that line as far as Farnham. The bag would probably have weighed at the outside about 3 or 4 lbs. The company demanded 4*s.* a day, which would have amounted to 62*l.* a year, whereas the full second-class fare for a passenger and his luggage would only have amounted to 47*l.* a year. The result was that the day mail was not granted. The inhabitants rested content for a period of about four years, when they renewed their application. The Postmaster-General then again applied to the company, and their demand at that time was 1*s.* 3*d.* in each direction, or 39*l.* a year. That was more than the letters warranted, and the company were asked if they would take the bag at the parcels rate; but they declined. Again the question slept for 12 months, when a renewed application was made by the inhabitants, backed up by some influential recommendations, and on our again applying to the company, they said they would carry the bag at the parcels rate, provided the minimum charge was 8*d.* The minimum charge for a parcel would probably have been about half 8*d.*, but the company said they would carry the bag for a minimum charge of 8*d.* for a period of 12 months, at the expiration of which period they should expect the payment to be raised to 1*s.* 3*d.* each way, the amount of their former offer. The cost at 8*d.* would have been 20*l.* a year; the cost at 1*s.* 3*d.* each way would have been 39*l.* a year. The Postmaster-General was again compelled to refuse to grant the day mail, and the inhabitants had to do without it until the year 1861, nine years after they first applied for it, and then they only got it on our entering into a general contract with the South-western Railway Company, which entitled us to send bags by any ordinary train. That of course is an extreme case; but still numberless cases have occurred to my knowledge in which very great delay has occurred in increasing the accommodation of the public, because the companies asked terms which were altogether incompatible with the value of the services proposed to be rendered.

14,956. If I understand you correctly in the instance which you have cited, although the Post Office would have relieved the company of all the expense of collecting and delivering the parcel, the company demanded that the Post Office should pay twice as much as the public pays for a service which includes collection and delivery?—Quite so.

14,957. But in cases where you have succeeded in coming to terms, have those terms been reasonable, or have they varied very widely for nearly similar services?—We have very seldom obtained terms which we considered altogether satisfactory for mail service by ordinary trains. The lowest charge that has ever been made to us has been the full parcel rate, which charge, as has been shown before, is at least twice what it ought to be, considering that the Post Office does its own collection and delivery. But very few companies have been contented with even the full parcel rate. It has been much more usual for companies to demand the second-class fare of a passenger, although the weight of bags conveyed has been only a fraction of the amount of luggage allowed to the passenger, and the Post Office has sent no mail guard to occupy space in the train. Other companies have conveyed bags at the return second-class fare; but, in many cases, we have been unable to agree either on one condition or the other that I have named above; and, after trying to overcome the difficulty for a considerable time, the Postmaster General has adopted the course of serving a notice upon railway companies, in which notice it was specially mentioned that, although the hour was fixed in accordance with the Act of Parliament, he, the Postmaster-General, granted the company full permission to vary the hours from time to time as they thought proper, on giving the Post Office a notice of about 10 days; practically, he left the train quite at the company's own discretion, because it is well known that railway companies usually fix their changes month by month at least 10 days beforehand; and the imposition of that notice therefore subjected them to little, if any inconvenience. Under such a notice as that which I have last described, service by ordinary trains has been performed in different parts of the kingdom, and an arbitration has taken

place for deciding what the payment should be. Although the service was nearly identical with an ordinary train service, in no case has the Post Office succeeded under an arbitration in getting a lower payment than $3\frac{1}{2}d.$ per mile for such a service; and in one case the payment awarded was as high as $7d.$ per mile. I should mention, that even in the case of the high payment I have named, viz., $7d.$ per mile, the aggregate weight of bags conveyed did not exceed that allowed to a passenger for luggage.

14,958. Do you know what a second-class passenger would have paid per mile by the same train for himself and his luggage?—I believe the full fare would have been very little more than $1d.$ per mile, and the return fare something like $\frac{3}{4}d.$ per mile.

14,959. Whereas the Post Office, for a weight less than a passenger's luggage, the mail being unaccompanied by a guard, or any one to take the place of a passenger, had to pay $7d.$ per mile?—Precisely.

14,960. What is the next point with regard to which you consider the relations between the Post Office and the railway companies are unsatisfactory?—I mentioned just now that Parliament had given the Post Office the right of sending a mail guard, paying his fare as a passenger, and subject to the ordinary regulations of the company for any excess in the weight of the bags over that allowed to a passenger; but owing to the opposition of some railway companies that facility has been rendered to a great extent inoperative, because the companies have denied our right to allow the mail guard to exchange bags at intermediate stations, and inasmuch as it very rarely happens that a mail guard sent with bags has *not* got to deliver them at intermediate stations, the questioning of that right has almost entirely negatived the intention, as I believe, of Parliament in giving the facility to the Post Office. Great dispute has arisen on this very point, and it was so important a one to the Post Office, that in the first case that occurred in Scotland, an action was commenced against the company to endeavour to bring the question to an issue. The case was tried in the Court of Session, and the decision given was, that the Post Office had a right to exchange these bags, and that the company had no right to levy any charge at parcel rates, as they had claimed, for the bags taken up and delivered at intermediate stations. At first we thought that this had practically settled the question, but we were mistaken. Very shortly afterwards a similar case occurred in England, and precisely the same objection was raised, and full parcel rates claimed for every bag taken up and delivered at intermediate stations. As the case occurred in England, we were about to bring it before an English court of law, but the solicitor of the Post Office thought it right to consult the law officers of the Crown, before instituting legal proceedings, and the law officers, although they had placed in their hands a copy of the decision of the Court of Session in Scotland, gave a very decided opinion that the Post Office could not claim to take up bags at intermediate stations, and therefore advised us not to institute legal proceedings, and in deference to their judgment no such proceedings were instituted, but the claims of the company were complied with. A third case occurred in Ireland, and there our solicitor, I presume, felt more confident in the justice of his case, and legal proceedings were instituted. But the decision given was a curious one. The company maintained, not that we had no right to exchange bags at intermediate stations, but that it never was contemplated that the power of sending a mail guard at the fare of a passenger should be exercised, except in cases where the Postmaster-General had previously put in force his powers under the General Act of Parliament, that is to say, except in cases where he had previously established a mail train under legal notice, the argument being that it was intended merely as a supplementary power. We have, therefore, had these various conflicting decisions, and the result has been that every successive Postmaster-General has hesitated to attempt to put in force a power which was subject to so much question. Very few cases have occurred lately in which the Post Office has made the attempt to use this power.

14,961. Under the decisions of which you speak, the only mode in which the Postmaster-General could exercise the power would be to send a porter to every station at which the bags were to be given up?—That would be the only mode of carrying it out.

14,962. That is to say, he would have to send almost as many porters as bags?—He would have to send as many porters as there were series of bags. A further case of the following kind has occurred, viz., the Postmaster-General has endeavoured to claim the same privilege which is conceded to the ordinary public; that is to say, he has asked companies to grant a yearly ticket for the guard at the same rate as is charged to the public; but in that case again our right to have the same accommodation as the public has been disputed. It is right I should admit, that one company at least has granted such a season ticket; but at the same time our right to insist upon it is doubtful.

14,963. What is the next point to which you desire to draw the attention of the Commission?—The next point in which I think the powers of the Post Office are deficient is, that we have no right, as we are informed, to *claim* a train devoted exclusively to the mails, nor have we any right to *claim* a train in which the traffic is restricted. This is a very important defect, because on many of the main lines of railway, the traffic is so large by the mail trains, that during a particular season for that traffic, great irregularity takes place entirely owing to the passenger and parcels traffic. Every year during the Scotch season, previous to the establishment of the limited mail train to Scotland, the irregularities in running the mail train to and from London and Edinburgh and Glasgow were very great; indeed sometimes as much as an hour and two hours were lost on the journey. In other cases, where there is an agricultural show, or a race meeting, or anything which brings traffic to the train, our mail trains (I am speaking now of the trains the hours of which are fixed under legal notice), are subjected to very serious delay, because the companies make ordinary return tickets available by the mail trains, and in fact attempt to carry by them a larger amount of traffic than is compatible with regularity. It seems to me, therefore, that it is very important that the Post Office should have the right of requiring, if it is prepared to pay for it, an exclusive train carrying the mails and officers of the Post Office only, and that it should also have the right, if it desires it, to claim a train the traffic of which should be limited either as to the number of carriages or the description of the traffic, such as limiting it to first-class passengers.

14,964. You are of opinion, in the absence of such a right, that it is impossible for the Postmaster-General to secure the punctual arrival of the mails at distant towns?—We can show, from the experience of the last 20 years, that it is quite impossible to secure regularity, so long as the companies can throw into a mail train any amount of traffic that the circumstances of any particular case may render convenient.

14,965. Care is taken, I believe, to report all irregularities; your officers report to you all instances of unpunctuality on the part of the trains, do they not?—Day by day, when irregularities occur, a representation is addressed to the railway company on whose line it occurs, and they are invited to offer any explanation they wish to be submitted to the Postmaster-General. But the explanations are frequently to this effect, that the traffic was so heavy on that day, that although they did their best to secure punctuality, they found it quite impossible to do so.

14,966. An impossibility of being punctual on account of heavy traffic is pleaded frequently, is it not, in cases where the Post Office is paying more than sufficient to cover the whole cost of the train?—In many cases it is so. Perhaps you will allow me to mention a particular case of the train from Edinburgh and Glasgow to London, leaving Edinburgh and Glasgow late in the evening. During the last year, the irregularities of that train were something terrible. The

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complaints from the public were very loud indeed, especially from the merchants of Liverpool and Manchester, whose letters frequently arrived too late for the morning delivery. I made inquiries into the subject, and found that the train was occasionally started from Edinburgh and Glasgow (or rather from Carstairs where the Edinburgh, Glasgow, and Northern trains join), with as many as 25 carriages, a load which rendered regularity simply impossible, and it was only after considerable negotiation with the companies, and after the traffic for the season had to a great extent subsided, and therefore action was less necessary, that I induced them to divide the train into two, and from that moment the delays very sensibly diminished.

14,967. In the case you have cited, viz., that of the Edinburgh and Glasgow mail, with every effort, and assuming that the mail train arrives punctually, the hour of arrival is necessarily so late as to make the delivery of letters in the morning, in time for business, a matter of extreme difficulty, is it not?—It arrives at Liverpool and Manchester, at which points the train ceases to be a mail train, two or three hours after the arrival of the London night mail; it is only, therefore, in case of tolerable punctuality that the delivery of important London letters can be delayed, so that it may include also those from Scotland.

14,968. I think the Post Office also encounters a difficulty with reference to the speed which it is entitled to demand, does it not?—There again our powers have been disputed, and they are still somewhat uncertain. The Act of Parliament states, that the Post Office shall be entitled to claim the same rate of speed which shall be settled by the railway companies for their own traffic, that is to say, that whatever may be the highest speed any company may adopt voluntarily, the Post Office may insist on the same speed being adopted for mail trains; but in a subsequent Act, provision is made for those cases where the highest speed adopted by the companies is very low, and it is provided that, in those cases where the speed adopted by the companies is *under* 27 miles per hour, the Postmaster-General may require a speed as high as 27 miles per hour, provided the Board of Trade does not certify that it is unsafe. But it has been asserted by railway companies, that the object of the Legislature in this subsequent Act was not to extend the right of the Post Office to claim, in certain cases, a speed of 27 miles an hour, but to limit our right to require any speed over 27 miles an hour. Again, in fixing the rate of speed the stoppages required by the Post Office frequently differ very much from those adopted by the companies for their first-class trains. In many cases, for instance, where a company has six intermediate stops the Post Office would be content with three, and yet it is doubtful whether the department could claim any shorter interval for the entire journey in consideration of that smaller number of stoppages. Again, in one case, an attempt has been made to thwart the Post Office in requiring a rate of speed as high as that of the companies' first-class trains, by altering the speed of the train *after* our notice was served, and before it came into legal operation. This I should state occurred a great many years ago, and it has never been repeated, but at the same time it shows that our right is so vaguely defined that we are subject to disputes. It has also been stated more than once, I think, but it was stated lately in a pamphlet by a very eminent engineer, that the Post Office forced railway companies into high speeds, the real fact being that the Post Office has no power to force any company at all. The Post Office can only follow the lead taken by the companies themselves, as I have shown, the law being that whatever they voluntarily do for themselves, they shall do for the Post Office.

14,969. You have pointed out various difficulties and defects, will you now proceed to state in what way you think that these difficulties and defects may best be met?—The Post Office has more than once endeavoured to deal with all the difficulties that have arisen from time to time. A Bill was prepared in the year 1853 by Lord Hardwicke when he was Postmaster-General, and it was introduced into Parliament, but very shortly withdrawn, owing, I believe, to the opposition made by the railway interest in Parliament.

14,970. The railway interest is very strong in Parliament, I believe, is it not?—Very strong indeed. But a further attempt was made by the Duke of Argyll, when he was Postmaster-General, and a very carefully prepared Bill was introduced. The object of that Bill perhaps may best be explained, if I am allowed to read the remarks made by the Duke of Argyll, in his annual report, on the subject of it.

14,971. What is the date of the report?—It is the fourth report which the Postmaster-General presented to Parliament in 1858, the Bill having been introduced into Parliament in the session of 1857. The Duke states this—"The defective state of the law regulating "the relations between the Post Office and the rail- "way companies has been viewed as a serious obstacle "to postal improvement by my predecessors for many "years past. In this view I entirely concur; indeed "my experience has satisfied me, that as the law now "stands, it is utterly impossible either to secure regu- "larity in the conveyance of the mails, or to have that "full use of the railways for postal purposes which the "public demands, which the department is anxious to "afford, and which would be beneficial even to the "companies themselves. Acting under this conviction, "I caused a Bill to be prepared, which, with your "Lordships' concurrence, was introduced into Parlia- "ment in the course of last session. In this Bill every "provision, however important, which appeared open "to reasonable opposition was carefully avoided. "Some of its clauses would have removed objections "to the present law which have been repeatedly urged "by the railway companies; and, taken as a whole, the "Bill certainly cannot fairly be represented as a measure "opposed to railway interests. Nevertheless, owing, "apparently, to misapprehension on the part of the "railway companies, statements were put forth on "their behalf which were almost wholly erroneous; the "Bill was strongly opposed by the railway interest "generally, and, the close of the session approaching, it "was withdrawn." That was the most carefully considered attempt that the Post Office has ever made to improve the legislation as to railway mail service.

14,972. That Bill is printed *in extenso* in the report from which you have just read, is it not?—It is; the Bill appears at page 46 of the appendix to the fourth report of the Postmaster-General, 1858, and is entitled "A Bill to make further Provision for the Conveyance "of Mails by Railways." The Duke of Argyll took a good deal of trouble and pains, both in the preparation of the Bill and in the proceedings connected with introducing it into Parliament; and, if you will allow me, I will read an extract from a memorandum which he himself prepared, to explain the various provisions of the Bill, the principles upon which they had been framed, and their objects.

"Under the present law (except in the few instances in which a guard is sent as a passenger) there is but one mode of determining the payment due to railways (of course failing agreement) for every kind of service, viz., that of arbitration. The result has been great delay in obtaining awards, diversity to an extent almost inexplicable in the amount of those awards, total uncertainty on the part of the Post Office as to what any given service will be found to cost, and lastly, as we think, an expense to the revenue in many cases not justly proportioned to the service rendered.

"At the time of the first railway legislation, it probably would have been easy to secure the conveyance of the mails at charges which, if not absolutely fixed, would have admitted of very limited variation. This course was actually adopted, and the advantage secured in reference to the conveyance of troops. Railways are compelled by law to render this service to the State at rates below those charged on the average to the general public. It is now, however, I fear, impossible to recover the ground which was lost by negligence at a more favourable time. But as the evils of the present system have been generally felt, and some changes have been recommended by a Committee of the House of Commons, and, indeed, have become

absolutely necessary, it may be as well to try at least a partial remedy.

"The principal features of the proposed Bill are these:—

"1. To enact a fixed tariff of charges in respect to all services performed by ordinary trains, thus avoiding the necessity of arbitration.

"2. To maintain arbitration for all *exclusive* and for all *special* services, but to lay down certain rules of computation for the guidance of the arbiters, and, as far as practicable, to confine them within a fixed maximum and minimum

"In respect to ordinary trains, the principle of substituting a fixed tariff for the present mode of settlement by arbitration, seems to have been approved by the Committee of the House of Commons which sat in 1854. They say, 'There is no great difficulty in fixing the price to be paid 'by the Post Office for any amount of service where the 'mails are carried by one of the ordinary passenger trains.'

"Discussion will of course arise on the figures of the proposed tariff for service performed by ordinary trains. It may be sufficient to explain here, that it is based upon the principle that the Post Office is to have no pecuniary advantage over the general public, that it is to pay at rates calculated upon the actual charges of the public traffic, with no other deduction than that which is due for regularity and continuity of service.

"In respect to all services rendered under the compulsory powers possessed by or to be conferred on the Post Office, we admit that no tariff absolutely fixed can be applied with justice to either party. The compulsory powers of the Postmaster-General may or may not act beneficially to the ordinary service of a railway company. The hours fixed may be unsuitable for general traffic, or, as much more frequently happens, either by their correspondence with other trains, by their speed, or by the undeniable popularity attached to the name of mail trains, they may be highly remunerative trains to the company, and it will be admitted that when the time is convenient, and the company have the full benefit of that convenience, no compensation ought to be paid for compulsory service. The following, therefore, is the principle of computation proposed for the guidance of arbiters.

"They are to start by calculating the additional cost of an *exclusive* train, that is to say, the gross additional expense to which a company would be put in running a train exclusively devoted to the conveyance of the mails. It so happens that although on this, as on every other point, very different estimates have been formed, there seems to be predominant authority for a valuation (assuming the minimum number of carriages), varying from about 1*s.* 1*d.* to 1*s.* 4*d.* per mile. This sum is calculated to include, besides the bare additional cost of running the train, an allowance for interest upon the value of the rolling stock so employed, and an allowance for its depreciation and for the injury done by the train to the permanent way; adding to the above rates 100 per cent. for profit, &c., the result will be a total mileage varying from 2*s.* 2*d.* to 2*s.* 8*d.*, and these are the maximum and minimum rates inserted in the new Bill.

"It is, however, provided that the maximum is not to limit the arbiter where a night police is required for the performance of such service.

"When the service rendered is not exclusive, that is to say, in the case of mail trains under notice, but allowed to carry passengers, the arbiters are to deduct a 'fair allow-'ance' for the traffic of the train. There is no attempt to specify what this allowance shall be. The result may, therefore, vary from the maximum (plus the cost of a night police) allowed for an exclusive train, down to the rates charged for an ordinary train, below which it cannot fall.

"In no case under the proposed Bill, except where a night police is required, would even an exclusive train (with the minimum number of carriages) receive more than 2*s.* 8*d.*, consequently in almost all cases a passenger mail train would receive much less, because such trains always convey some traffic, and for this a deduction would be made; whereas under the present system we pay in one instance as much as 4*s.* 6*d.* per mile for a mail train with a single mail carriage, from which train the company derives the whole traffic revenue in addition. This is the highest rate now paid, but on a great number of lines the rate is from 3*s.* to 3*s.* 9*d.* and 4*s.*"

It will be seen from that memorandum, that the Duke speaks of a maximum and minimum. These limits were introduced into the Bill when first prepared, but, acting under the wishes of the Lords of the Treasury to omit everything that could by any possibility, as they thought, raise an objection on the part of the railway interest, the maximum and minimum were excluded, when the Bill was laid before Parliament. The chief provisions were to this effect:—Powers were taken to demand exclusive mail trains, subject to an ordinary arbitration, without any maximum or minimum; powers were taken to use ordinary trains on giving 14 days' notice from the Post Office, leaving the company the right of altering or discontinuing the trains on giving seven days' notice to the Post Office. In that case payment by ordinary arbitration was retained. A third provision was to entitle the Post Office to send mail bags by any ordinary train at a fixed tariff of $\frac{3}{4}d.$ per mile for any weight not exceeding 1 cwt., and so on, in this latter case the company being at liberty to alter the trains without any notice whatever, but the Post Office to be required not to withdraw any service once established without giving the company seven days' notice. There were other provisions to meet some of the minor difficulties I have before referred to. That Bill was introduced into Parliament in the session of 1857, and after a great deal of opposition from the railway companies, the close of the session approached, and the Bill was withdrawn. It has never since been re-introduced.

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14,973. In speaking of the case of the North-eastern Railway, you mentioned two successive increases of payment under arbitrations which were not explicable by any corresponding increase of service; can you in any way account for that increase?—Under the second of the three awards I referred to, while the service had not increased in more than an infinitesimal extent as regards the number of miles, the weight of the mail had very greatly diminished, because, since the previous arbitration, an Act had been passed abolishing the compulsory stamp on newspapers, the result of which was to transfer from the mail bags to the trains of the railway companies parcels of a very large weight of newspapers. The extent of this reduction of weight may be illustrated by referring to the fact that the weight of the night mails leaving London after the commencement of that new law was diminished by no less than $2\frac{1}{2}$ tons per night, the whole of which diminution had gone into the traffic of the railway companies. Therefore, so far as regards the weight of the mail, there was a reason for a lower award rather than a higher award; and in looking for a cause for the increase actually awarded, I have not been able to discover any other cause than the following, which probably may help to explain it:—Under that arbitration, it was pleaded by the railway company's arbitrator, that the Post Office had deprived them of much of their parcel traffic, which is a very common plea with railway companies, and that plea was put before the umpire as a reason why he should give them a high rate of payment to compensate them for that supposed loss. That is the only reason that I can imagine why an umpire should have awarded any increase of payment at all; and, in the absence of any other reason, I can only conclude that the argument of the company's arbitrator had with him considerable weight. The umpires seldom give their reasons; and therefore in giving that as my opinion, I am merely making a guess at the probable cause.

14,974. The passing of the Act which abolished the compulsory newspaper stamp was accompanied, I think, by a lowering of the rates charged on book packets?—It was.

14,975. Can you explain to the Commission how it happened that one measure led to the other?—The abolition of the compulsory stamp rendered it necessary to make some provision for sending newspapers through the post office, and it was found that, as a rule, with one or two exceptions, the old red penny stamp on newspapers covered a rate not exceeding four ounces; and it was therefore thought desirable that an unstamped newspaper should pass through the post office at the rate of a penny for four ounces; but inasmuch as the reason for altering the law was that the law officers of the Crown or the Courts of Justice had found it impossible satisfactorily to define a newspaper, it will be evident to the Commission, that when the charge upon an unstamped newspaper of four ounces

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was fixed at 1*d.*, it became necessary also to reduce the charge on book packets to 1*d.* for four ounces; in point of fact newspapers are not, so far as the Post Office is concerned, distinguished from book packets; the charge is 1*d.* for four ounces of printed matter of whatever description.

14,976. Are you aware that it has been stated by Captain O'Brien, the manager of the North-eastern Railway Company, that the Post Office sends all its parcels by the railway without paying anything for them?—I have seen his evidence to that effect, and after the statement which I have just made with respect to the successive increases of payment to the company under successive awards, the Commissioners can, I think, very readily judge what ground Captain O'Brien has for that sweeping accusation. I may mention, in further refutation of his statement, that after the last of those awards had been given (that under which the company received the payment of 43,000*l.* a year), the Post Office entered into negotiations with the company with a view to a general contract, based on some reduction of that enormous payment, and after some negotiation, Captain O'Brien, on behalf of the company, agreed to reduce the total payment by 5,000*l.* a year, and to enter into a general contract for a term of years. I think that fact ought to be tolerably good proof, that Captain O'Brien did not at that time consider that the company were carrying our parcels for nothing.

14,977. But at the time the contract was made, I presume it was well known that many book parcels were put up with other portions of the mail?—Very well known indeed.

14,978. Then, in brief, you do not concur in the accuracy of Captain O'Brien's statement?—I think it is a sweeping accusation supported by no proof whatever, and I certainly cannot give my assent to it.

14,979. Nevertheless, I presume you are quite ready to admit that railways have been the means of enabling the Post Office very greatly to extend the facilities for the transmission of mails throughout the kingdom?—There is no doubt that railways have afforded very great advantages indeed to the Post Office for the development of correspondence. Perhaps the most important of those advantages has been the increased rapidity of transit, the result of that increased rapidity being, that Edinburgh and Glasgow are now, for postal purposes, as near to London as Birmingham and Bristol were in the mail coach days. That, no doubt, has been a very important benefit which railways have conferred upon the Post Office. Another important benefit is this, that by sorting letters in carriages on a line, which, of course, was impracticable under the coaching system, delays at certain points for sorting letters have been avoided. That has been a further indirect means of the saving of time, and it has also been a means of simplifying the system of the Post Office as regards its accounts. There is no doubt, also, that the Post Office is indebted greatly to railway companies for the facilities of establishing more frequent postal communications, and for the means, therefore, of serving the public more satisfactorily than they could have been served without those facilities; and I have no doubt that the advantages that I have spoken of above have tended very materially to increase the number of letters passing through the Post Office.

14,980. So far as the public are concerned, the facilities afforded by railways have been obtained at a diminished cost as compared with coach conveyance; does the same remark apply to the mail service?—Quite the contrary; the cost to the Post Office of performing its service has very materially increased; and where the public have obtained an accommodation for themselves at a diminution of cost, the Post Office in a similar case has had to pay very much more.

14,981. (*Mr. Horsfall.*) Has the increase of cost been in proportion to the number of letters carried?—The increase of cost has certainly not been proportionate to the number of letters carried; nor is there, I think, any reason why it should be.

14,982. (*Sir R. Hill.*) But do the letters form the bulk of the mail?—The letters form only about 30 per cent. of the whole mail as to weight.

14,983. Then you say that the Post Office has not, in common with the public, obtained the use of railways at a smaller cost, keeping in view the increased weight of the mails as compared with what they were 25 years ago?—Certainly I do.

14,984. Weight for weight, you consider that the Post Office is paying more now than it did under the old system of stage coaches, or at all events if it is not paying more, that its expenditure has not been reduced to the same extent that the expenditure on the part of the public has been reduced for the conveyance of goods, and parcels, and passengers?—I have no doubt whatever that the increase in the charges has fully kept pace with the increase of weight, and I am quite of opinion that the Post Office has not obtained a diminution of cost to the same extent that the public have done under similar circumstances.

14,985. Have you ever given much attention to the subject of conveyance of small parcels by the Post Office?—My attention was given to that point many years ago. In the report which I have already spoken of as having been written by me to the Postmaster-General in reply to the remarks of Mr. Robert Stephenson, the peculiar facilities of the Post Office for the conveyance of small parcels are specially shewn.

14,986. Will you explain to the Commission what is meant in the Post Office by a parcel, as distinguished from a book packet?—At present, anything that does not come under the description of a book packet can only be conveyed by post, provided it pays full letter rates. Therefore, except for books, the charges now made by the Post Office for what the railway companies term *parcels*, are in fact at the rate of 2*s.* 8*d.* per pound, which is the same charge as for letters.

14,987. But it has been the desire sometimes of the authorities of the Post Office to establish if they could in co-operation with the railway companies a parcel post, with a view of affording to the public the means of transmitting any article by the post which could be carried without risk to the general correspondence in enclosed packets, that is what is meant by a parcel post, is it not?—Yes. That is a subject which has often been discussed at different times during the last 10 years in the Post Office.

14,988. It being intended that such parcels should be charged at a lower rate than the letters, but that they should be subject, as the book packets are, to possible delays in their despatch and delivery?—It has generally been considered that something of that sort should be the basis of a parcel post, if established at all; but no definite plan has ever been drawn up.

14,989. Can you state why the measure has been delayed so long?—The question has been ventilated over and over again by the public press, and by discussions at the Society of Arts; but whenever any indication has arisen of the probability of the Post Office taking up the question, serious indications have at the same time been shown of a very strong and combined opposition on the part of the railway companies, and up to the present moment, no negotiations have taken place between the department and the railway companies, with the view of considering whether such a service as a parcel post might not be established to the mutual benefit of both parties. I have always believed, that if such a service as that was established, it might be made as profitable to the railway companies as to the Post Office, and instead of being a loss to the companies, might be a source of considerable increase of revenue.

14,990. You spoke of the Society of Arts discussing the question some years ago. I think a committee was appointed by the Society of Arts to report upon the subject of a parcel post, was there not?—There was.

14,991. And they made a report recommending that a parcel post should be established by the Post Office?—A very elaborate and careful report of that kind was prepared, and in that report the recommendation you speak of was made.

14,992. Can you tell how long this is since?—The report I refer to was published in 1858.

14,993. Do you recollect the reasons assigned by the committee of the Society of Arts for the establishment of a parcel post?—The gentleman by whom that report was prepared adopted many of the reasons which had been given by me in the report to which I have already referred, as well as much of the evidence given before a Select Committee of the House of Commons. It was shown that the service of the Post Office in conveying packets of books, &c., limited as it was, consisted almost entirely of packets for the conveyance of which the arrangements of the railway companies did not make provision, that is to say, parcels going to small villages and over a variety of lines, over which, in many cases, no through booking for small parcels existed; and therefore, that a small parcel service, through the Post Office would be, as it were, supplementary to the parcel service of the railway companies, and instead of interfering with it, would be a sort of auxiliary to it. The reason why the Post Office has thought that peculiar facilities were offered for a parcel post, is the wonderful organization of our machinery, that is to say, the immense facilities we have for the collection and delivery—facilities with which the railway arrangements cannot for one moment compare. I find by a return which has lately been prepared that there are throughout the United Kingdom about 16,000 post office receptacles for letters; and it is well known that there is scarcely a village now without a post office, and even scarcely a hamlet without some organized means of communicating by post with some head post office. It would be almost impossible for any railway company, or the combined railway companies, to perfect an organization so complete as that of the Post Office. It was mentioned some years ago as an illustration of the extraordinary facilities offered by the Post Office that the North-western Railway Company issued a circular to their shareholders, in which a complaint was made of the undue competition of the Post Office with their parcel traffic, and that these very circulars were sent to the company's shareholders through the Post Office, not merely to small villages, but even to Liverpool, to which the company's own trains would have carried them without any cost whatever; the explanation, of course, being that the company could not even deliver them for the same money that the Post Office would charge for conveyance and delivery.

14,994. It was a report of the committee to the company, forming a pamphlet of considerable size, was it not?—It was a small pamphlet. It was called "The "Report of the Committee of Consultation."

14,995. The scheme that many years ago was considered in the Post Office, and that which is recommended by the Society of Arts for a parcel post contemplated a uniform charge irrespective of distance, did it not?—It did.

14,996. The charge increasing only according to the weight of the parcel, upon a principle similar to that which has been applied to letters; was it not so?—It was.

14,997. Then the adoption of such an arrangement would have given the public the advantage of knowing, on the despatch of the parcel, exactly what would be the cost to its destination?—It would.

14,998. The public does not enjoy that advantage now in sending a parcel by a railway company unless it is delivered upon the same railway as that on which it is received?—It does not in all cases. I believe that you can, for instance, by taking a parcel to Euston Square, ascertain what the whole charge for conveyance would be to a town in Scotland; but such a charge could not, I believe, be elicited from the company's books sold to the public, and could only be ascertained by proceeding yourself or sending a servant to the Euston Square station, or to one of the company's receiving houses.

14,999. It depends on whether the companies have what they call through rates for parcels, does it not?—It would depend entirely upon that.

15,000. Now, supposing a parcel to be sent from a town upon a railway addressed to a village remote from a railway, then, though there should be a through rate to the nearest railway station, I presume that it would be impossible to ascertain what would be the total charge for that parcel?—It would be impossible to ascertain the total charge, and it would be equally impossible to pay the total charge. Something must be left for whatever the charge may be of the ordinary carrier to whom the parcel is handed after arrival at the station.

15,001. And that portion of the cost would in many cases be an arbitrary charge?—I believe so.

15,002. Then, if a parcel post were established by the Post Office in co-operation with railway companies, a small parcel dropped into any one of the 15,000 or 16,000 receptacles for parcels would be delivered practically at any house in the kingdom?—It would.

15,003. And judging from what you have observed during your long service in the Post Office, is it your opinion that an arrangement of that kind, which would render it easy for the public to send at a small cost a small parcel from any town or village to any other town or village, would cause a great increase in the number of parcels distributed?—If the charge were not excessive I should be prepared to find that an enormous number of parcels would be sent, which in many cases are not now sent at all.

15,004. Under fair arrangements between the post office and the railway companies, would not that great increase be beneficial to the companies?—It appears to me that it might act very beneficially with regard to their revenue.

15,005. The total charge in such a case should be divided in certain proportions between the railway companies and the post office?—I do not think it would be very difficult to devise means, by which the whole charge levied and collected by the post office should afterwards be divided according to a certain principle which should be equitable to both parties, as well as profitable to both parties.

15,006. The service performed by the post office would be, first, the receipt of the parcel, then its conveyance to the nearest railway station; and after it had been carried by the railway companies as far as their lines extended in the proper direction it would be delivered by the post office, possibly after a further conveyance by a post office cart, or by a post office messenger. I presume that any fair division of the total charge upon the parcel should have reference to the service performed under ordinary circumstances by each party, that is to say, a sort of average estimate of the service performed by the post office, and of the service performed by the railway companies?—No doubt some principle of that kind could be adopted. It would, of course, be a mistake to suppose that the whole conveyance would be performed by the railway company, as many of these parcels would have to be carried by rural post messengers, by mail carts, and by coaches, for which the post office makes payments, and, therefore, the allowance would have to be divided so as to yield a fair profit to the railway companies for their portion of the conveyance, and a fair profit to the post office for that portion of the conveyance which devolved upon them, as well as for collection and delivery.

15,007. As a means of giving the Commissioners some idea of the probable amount of the service to be performed in each case, I would ask you to state the daily mileage of the railway mails, the daily mileage of the post office coaches and carts, and the daily mileage of the post office foot messengers?—I cannot give that for the present year, but the last record, such as you describe, was issued in the Annual Report of the Postmaster-General for the year 1862. In the return which appears in that report the following results are shown as to the mileage; the number of miles per diem over which mails were conveyed by railway in the United Kingdom was 49,700; the number of miles per diem over which mails were conveyed by coaches, omnibuses, mail carts, &c., (not including the rural post messengers, who travel over a very large mileage besides,) was 33,300, being about two-thirds of the mileage over which mails were conveyed by railway.

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15,008. What is the mileage of the rural messengers?—I have no record of that, but I should not be surprised to find that it was nearly as much as the railways, coaches, and mail carts put together.*

15,009. Then you think that arrangements might be made between the post office and the railway companies which should fairly divide the postage of these parcels without going into a detailed estimate in respect of each?—Unquestionably; I feel confident, if both parties went heartily to work with a sincere wish to arrive at a settlement, that arrangements could be devised which would give satisfaction to the Post Office, would be profitable to the railway companies, and would afford the public a very important accommodation. I wish to state, that I am now giving only my own personal opinion, I am not prepared to say that either the Postmaster-General, or the Secretary to the Post Office concur in my views; I wish it, therefore, to be recorded, that they are only my own views, and that I am not authorized to say that they are the views entertained by the Post Office.

15,010. Do you happen to know whether the establishment of a parcel post formed part of the scheme of the Post Office improvement, which I submitted to the public many years ago?—It did form a part of it.

15,011. (*Lord Stanley.*) The difficulty I understand at present is to get anything like a principle on which to understand what eventually should be paid to the railway companies for mail service?—That is the chief difficulty.

15,012. Hitherto the practice has been to arrange it simply by arbitration, without leaving them any right, but leaving it to arbitrators or to an umpire, if they disagree, to settle it on such terms as they may think fit?—Yes, by arbitration, undefined and unregulated.

15,013. And of course the result has been a very great discrepancy in the decisions which have been given?—The result has been, as I have endeavoured to show, a very great discrepancy between awards and payments for services very nearly, if not quite, similar.

15,014. The substance of what you have come here to tell us is this, that you think an arrangement might be made by which some ground of principle should be laid down so as to prevent those discrepancies in future?—Exactly.

15,015. Do you anticipate any material saving to the Post Office on the whole?—Believing, as I do, that the present system of arbitration has resulted in payments much higher than we ought to make for railway conveyance, I certainly should anticipate that any attempt to define and regulate arbitration would lead to somewhat lower payments for mail trains under legal notice.

15,016. But there have been cases, have there not, in which the railway companies in their turn have complained of not receiving sufficient payment?—I believe there is scarcely a railway company in the kingdom that would not come forward to say that they were insufficiently paid.

15,017. (*Sir R. Hill.*) Have you not always found new railway companies very anxious for the conveyance of the mails?—We frequently find, so great is their desire to obtain the conveyance of the mails, that they use very great efforts through influential parties to secure the conveyance.

15,018. (*Capt. Galton.*) Is not the reason of the great difference of opinion between the Post Office and the railway companies, as to the remuneration for the services performed, owing to the fact that the railway companies consider that they should receive a sum which would pay interest on the capital they have expended in the construction of their railways, and which should cover all their general charges, and give them a fair profit, where as the Post Office has held that the price to be paid should be founded solely upon the cost of the train?—There is no doubt that that is one reason which has led the different umpires to award different sums; they have taken into consideration the very circumstances which you have described.

15,019. Then you would wish that Parliament should lay down the rule, that the companies should only be paid for the cost of the train with a remuneration besides, as I understand you?—The Post Office, as I understand it, would wish in that respect to be treated precisely the same as any large trader would be treated, if he applied to a railway company for a certain special service. I think it is beyond a doubt, that if any large trader went to a railway company, and said, "I want a "train to run every day in the year at a certain time, "what will you run that train for me for, and carry my "goods," the company would be quite satisfied to get, in return for their services, the whole outlay they were subjected to, *plus* a reasonable profit.

15,020. (*Sir R. Hill.*) Are you aware that it has been stated in evidence before this Commission repeatedly by railway managers that when such an application is made their rule is to ascertain the additional cost to the company, and then add 100 per cent. for profit?—I was not aware that that had been stated.

15,021. Have you not stated, in reading the Duke of Argyll's memorandum, that that was precisely what he had in view, namely, that the actual cost should be ascertained, and 100 per cent. added for profit?—That was the Duke of Argyll's view.

15,022. Therefore, the Post Office has not attempted to restrict the payment of the railway companies to the mere cost of running the train?—The Post Office has never wished to be placed on a better footing than the public at large would be, if they entered into arrangements with the railway companies for any amount of service that they might require. We believe that the result of arbitration has been to place us at a great disadvantage as compared with the public at large, and that if we could be left completely unfettered so as to arrange as private individuals with railway companies, that we should get our service performed at rates which are much lower than those that we have been compelled to pay as a public department, under arbitration.

15,023. (*Capt. Galton.*) Is it not because you are not in the same position as the public at large that you have to pay that extra sum? You have the power of ordering the train to run at a certain time, but if a private individual went to a railway company the railway company would fix its own time for the running of the train; therefore, to that extent, you are in a totally different position, are you not?—I think if a private trader went to a railway company, he would specify the particular service that he wanted the railway company to perform, which is, in effect, what the Post Office does. The Post Office say, we require a certain service, naming and describing it fully in the notice. That certain service subjects the company to a certain amount of extra expense, in many cases small, and in many cases large; but in estimating the payment for that service, the cost to which the company have been subjected by the performance of it appears to be thrown aside, as it were, and a general argument is attempted to be used, that the Post Office for its service should renumerate the company for any unsatisfactory state of things as regards the general traffic of the company.

15,024. I think you stated that the highest mileage rate you had to pay was 4*s.* 6*d.* per mile?—The highest mileage we have ever paid as the result of an arbitration, is 4*s.* 6*d.* per mile. But we have paid more than that, and we do at the present time pay more than that, for the service on the Chester and Holyhead line, but that has always been viewed by the Post Office not as mere payment for railway mail conveyance; I believe it is about 4*s.* 10*d.* a mile.

15,025. Was not that arrangement made at the time the Menai bridge was constructed?—It was an arrangement made by the Lords of the Treasury, who, I believe, intentionally gave a very high payment as an inducement to the company to proceed with works which in themselves would not have been profitable.

15,026. (*Sir R. Hill.*) That was for a term of years?—That was for a term of years, certainly.

15, 027. Which term has expired long ago?—Before

* Let me correct myself by saying, that I now observe that, in the same Annual Report, the number of miles travelled daily by rural post messengers is given as 72,600, being very nearly as high as I had roughly guessed.

the expiration of the term, arrangements were made by which, on its expiration, it should be continued and made dependent on the continuance of the Irish mail contract.

15,028. (*Capt. Galton.*) Then it was somewhat in the shape of a subsidy to the company for making a very expensive road to Ireland?—It was, and therefore we have never thought it fair to quote that as being an illustration of a heavy payment for mail service only.

15,029. What is the price which the Post Office now pays for the special train which it runs from London to Bristol, and Bristol to London?—I can give it very nearly indeed. The contract with the Great Western Company was based upon an award fixing the rate of payment for different services. The total sum was calculated, and was adopted as the annual payment under the contract. Under that arbitration, the sum awarded for the night mail train from London to Bristol was 3*s.* 9*d.* a single mile.

15,030. Do you think that any individual who applied to a railway company to run a special train could obtain that train at so low a rate as 3*s.* 9*d.* a mile?—I should be very much astonished if he did not, if he required a service daily, because I believe that that payment gives the railway company a very considerable profit.

15,031. (*Sir R. Hill.*) According to the estimate made by Mr. Robert Stephenson of the actual cost of running a train, what would be the profit on such a train as that which we are speaking of?—The profit would be about 200 per cent.

15,032. (*Chairman.*) Do you know what is included in Mr. Robert Stephenson's estimate; is maintenance of way included in that estimate?—I believe it is.

15,033. Is it not the fact that the average cost of running a train of all the trains in the country is 2*s.* 6*d.* per mile; that is, dividing the expenditure of all the companies per train mile?—I have always understood that 2*s.* 6*d.* represents about the average cost of running a train. Mr. Stephenson's estimate, I believe, was the bare additional cost, supposing a certain state of things exists; say there are six trains running on a certain line during the day, then to add a seventh train would subject the company to an additional expense at the rate of about 1*s.* 3*d.* per mile.

15,034. (*Sir R. Hill.*) But the average cost of running a train would far exceed the cost of running an engine and a single carriage for the Post Office, would it not?—Of course it would very largely exceed that, because the average cost must include the total expenses of the company under all heads of management, and everything else; whereas if six trains are running on the line and a seventh is added, it is more than probable that a large number of the ordinary expenses of the company would in no way be increased.

15,035. (*Capt. Galton.*) Do you not consider that the Post Office should pay any proportion of those ordinary expenses?—I do not, provided a fair sum for profit is added to the bare additional cost.

15,036. (*Sir R. Hill.*) Still, the principle proposed by the Duke of Argyll, of ascertaining the additional expense and adding 100 per cent., would have included, if adopted, a proportion of the fixed expenses?—It would not directly include them. It would have repaid the company all the expenses that they were subjected to, of every kind, under any head that they could show an additional expense to have been incurred, and over and above that, it would have given them 100 per cent. for profit.

15,037. Sometime ago the Post Office obtained an estimate from the Board of Trade of the actual cost of running a train, did it not?—Some years ago, at the time when a tariff of rates for mail service was under consideration, the Post Office wished to be fortified with the opinion of the Board of Trade, as to what should be fairly considered to be the bare additional cost of running a train, and in the report received from the Board of Trade at the time,—I am speaking from recollection,—I believe it was stated, that the bare additional cost of running a train and a carriage would be represented by a rate varying from 1*s.* to 1*s.* 2*d.*

15,038. Among the contracts existing between the Post Office and the railway companies, there are several, are there not, which contain authority on the part of the Post Office to require an additional train at a certain fixed rate?—Nearly all the recent contracts provide not only for the continuance of the then existing service, but for any increase of service that the circumstances of the case may call for during the continuance of the contract.

15,039. Giving the Postmaster-General a right to require an additional train to be run at a fixed time at a speed within the limits prescribed by the Act of Parliament?—They usually give the Postmaster-General a right to require any additional train that he might think proper.

15,040. Can you state what are the rates of payment provided for under these contracts for such special trains?—The exact conditions of the contracts vary considerably. In many cases, it is provided that all additional mail service by trains under fixed notice shall be paid for under arbitration, but it has been found that many companies dislike arbitration. It is dilatory, unsatisfactory, and troublesome; and instead of providing that such additional trains shall be paid for under arbitration, many companies have, at the time of making the contract, agreed upon a fixed rate for additional trains. I may mention a few of the companies who have agreed to contract to run any number of additional mail trains at fixed rates. The London and South-western Company agreed to establish any additional mail trains at a rate of 3*s.* per single mile. That would apply to a train running in one direction only, so that it is quite possible that for that 3*s.* per mile, the company might have to run the distance twice over.

15,041. Is it not more than possible, is it not highly probable—almost certain?—Railway managers generally contrive to utilize a return engine in some way, but in many cases it would be impossible so to utilize the engine, and in these cases the additional payment would, at the rate quoted, be represented by 1*s.* 6*d.* a mile. But on other lines, we have payments very much lower than that. For instance, under the contract with the Highland Company, any additional mail train can be established upon payment of 1*s.* per single mile. Under the contract with the North-eastern Company, which is Captain O'Brien's company, any additional mail train may be established at a payment of 1*s.* 3*d.* per single mile. On the Lancashire and Yorkshire line, under the original contract, any additional mail train might have been established at the cost of 1*s.* per single mile, and even under the renewed contract, made some two or three years ago, that payment has been fixed at only 1*s.* 6*d.* per single mile. On the North British line, an additional mail train may be established at the rate of 1*s.* per single mile. All those rates are for trains running at fixed hours.

15,042. (*Capt. Galton.*) They run at hours named by the Postmaster-General?—Yes; but on the North-eastern line, for instance, the company undertake to run occasionally special trains, if the Postmaster-General shall require them, owing to any mail bags being left behind, or any loss of junctions. An occasional special train may be called for, and the payment for such occasional special train is fixed only at 2*s.* per single mile.

15,043. (*Chairman.*) Do you know what is the usual rate that railway companies charge other parties for special trains?—I believe it varies from about 5*s.* to 8*s.* per single mile; but it is well known, that the rates to the public are purposely fixed at a prohibitory amount, it being desirable that railway companies should not be subjected to the disruption of their service caused by a frequent demand on the part of the public for special trains.

15,044. Have you frequently availed yourself of the power you have in certain cases of calling upon railway companies to run additional trains?—Very seldom indeed, except in the case of the two lines by which

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the foreign and colonial mails are conveyed to and from London; I speak of the South-western line and the South-eastern line. On the South-western line we use a great number of special trains, dependent on the arrival of the mail packets; and those trains running at any time of the day or night are paid for at the rate of 3*s.* 6*d.* per single mile. On the South-eastern line, we use a special train on the 26th of every month, by which the Australian and Indian mail is conveyed. That train is run always on the 26th of the month, and it is paid for at the rate of 4*s.* per single mile. On the other lines I can mention, the employment of special trains is very rare indeed, probably not more often than once a year.

15,045. (*Sir R. Hill.*) The trains which you are now speaking of are trains in one direction?—They are.

15,046. And occasional trains?—Occasional trains.

15,047. I presume it would make a great difference as to the rate which the company would demand from any private individual, as to whether the trains should be occasional, or whether they should be daily, and whether they should be in one direction or in both directions?—I should imagine that would make a very great difference in the amount of payment which they would claim from the individuals who applied to them.

15,048. All the principal mail trains are in both directions, and run daily. Is that not so?—It is very seldom the case that a mail train under notice is not required to run in both directions. There are some cases, but those cases are exceptional.

15,049. (*Earl of Belmore.*) Is it not the fact, that in the case of certain contracts between the Post Office on the one hand, and railway and steamboat companies on the other, that power is reserved to the Post Office to inflict fines in case of the service not being within the specified limits on any day of the service?—There is no case of a contract with a railway company in which fines are provided for. The mail packet service does not come within my department; but I happen to know, that in the case of the Dover and Calais service, provision is made not only for fines for the time being exceeded, but for premiums when the time is not exceeded.

15,050. Is there no fine in the case of the Irish mail with regard to the contract with the North-western?—The intention of the Treasury, when that contract was negotiated, was that the service should be performed subject to fines, but owing to a dispute between the contractors and the Government, as to whether certain piers which were to be completed at Holyhead have or have not been completed, the Post Office has never felt itself in a position to enforce those fines, and up to the present moment they have been inoperative.

15,051. Would those fines have been enforced against the steamboat company or against the railway company?—Against the two combined. The service was taken as a whole, and the fines would have been levied on the excess of time over the journey as a whole, by land or by sea, from London to Kingstown, and *vice versâ*.

15,052. (*Mr. Horsfall.*) Does the Post Office make any stipulations as to the stations at which these railway companies shall take in passengers?—The Post Office has no power to make any stipulation whatever with regard to the passengers. All that the Post Office can do by notice, is to fix the stations at which the train shall stop, and at any of the stations the company can take in whatever traffic they please.

15,053. (*Mr. Gower.*) What remedy have the Post Office when a train under notice is unpunctual?—Theoretically our remedy is to enforce the penalty of the bond. Every railway company by law is bound to give a bond for the due performance of the service, but the difficulty of enforcing that bond would be so great, on account of the difficulty of proving what the real cause of delay was, and the ease with which the company could dispute the cause assigned, that in no case has any penalty provided for in a bond ever been enforced by the Post Office.

15,054. Then the mere fact of delay would not be sufficient to enforce the penalty of a bond?—It would not.

15,055. (*Chairman.*) Is the form of the bond regulated by Act of Parliament?—I believe not; the form of bond is, I think, settled by the solicitor of the Post Office, but whether the solicitors of the companies are consulted, I do not know.

15,056. (*Capt. Galton.*) Is it the same in all cases?—I am not sure that it is; I believe it is very nearly the same, but of course I need hardly say the amount differs according to the amount of the service and the length of the line.

15,057. (*Sir R. Hill.*) Practically it is a mere form, is it not?—As I have shown, it is a mere form; it is a mere form, because in numberless cases we should have been very glad to have endeavoured to have secured punctuality by enforcing the bond, but we have never been able to see our way to do it successfully.

15,058. With regard to the fines which are provided for in the contract for the Irish mail service, the companies concerned voluntarily entered into an agreement to pay those fines, did they not?—The companies voluntarily entered into an agreement to pay very heavy fines, at the rate of 1*l.* 14*s.* for every minute of delay, and the heavy subsidy paid them under the contract had reference to that contingency, that is, to the possibility of their having to pay the Post Office fines on occasions when, with every exertion on their part, they found themselves unable to avoid a loss of time.

15,059. Is there any doubt whatever that the company received a much larger subsidy in consideration of those fines than they would otherwise have obtained?—I have no doubt whatever in my own mind that the subsidy had a special reference to the heavy amount of penalty; but the contract was negotiated at the Treasury, and not at the Post Office, and therefore I can only express my opinion.

15,060. Then the actual result would appear to be this, that the companies have obtained a large subsidy in consideration of the fines, but owing to peculiar circumstances they have never paid any fines?—That is precisely the state of things.

15,061. As some guide to the determination of the amount paid by the companies in respect of fines, and some other considerations, are you able to state how the actual subsidy compares with that which was stated, on behalf of the companies before a Committee which sat upon the question of special arrangements for Irish mails, to be sufficient for the service?—I have no recollection at the present moment what amount they stated on that head would suffice.

15,062. Are you aware that the sum actually paid is many thousands a year beyond that sum which was stated to the Committee to be sufficient?—I know it is higher than the amount which they originally stated, but I do not know by how much.

15,063. (*Capt. Galton.*) Have you any mode of enforcing greater punctuality to suggest to the Commission?—I have always considered that there would be no difficulty practically in framing a contract, by which the companies should on the one hand obtain a premium whenever the time within which they contracted to perform the service was not exceeded; and on the other hand, pay to the Post Office a penalty whenever it was from any cause exceeded. I believe that such an arrangement as that might be made a very workable arrangement; and that if the company made exertions to maintain regularity, it might also prove to them a very profitable arrangement.

15,064. (*Sir R. Hill.*) Are you aware that an arrangement of that kind was actually offered some years ago to the principal companies conveying the mails?—It was offered to nearly all the principal companies in the kingdom, and it was accepted by only one of them. It was actually put into operation, and during the time it remained in operation, that company did obtain a very considerable amount of profit from the premiums paid to the company.

15,065. From the excess of the premiums over the fines?—Yes; practically they were very seldom fined, and as a rule they obtained the premium.

15,066. Are you aware that when the offer was made to the companies, it was accompanied by an offer to open the award, if any company should desire it to be opened, with a view to the sum to be paid for the service being determined with reference to this arrangement of fines and premiums?—I recollect well, that that condition was specially proposed to the companies as an inducement to them to accede to a system of fines and premiums.

15,067. And all the companies, with a single exception, refused to accept the arrangement?—They did.

15,068. (*Chairman.*) Do you think the principles of the bill that was introduced by the Duke of Argyll in 1857 offered the best remedy that can be found for the grievances which in your opinion the Post Office have to complain of?—No; I do not think they would have provided the best remedy for those grievances, because, as I mentioned, many of the provisions originally intended were struck out at the last moment, in order to disarm the opposition of the railway companies. There is no doubt that that bill, as it was proposed to Parliament, would have afforded a material improvement as regards the law between the Post Office and the companies, but it would not have afforded all the improvement desired, because it provided still for continuing the ordinary arbitrations unrestricted.

15,069. (*Sir R. Hill.*) Do you think there would be any difficulty in framing a tariff which should be applicable to all possible contingencies?—I have never myself thought that it would be quite fair, either to the Post Office or to the railway companies, to provide for the payment of every description of service by a tariff. I have always considered, that as regards mail trains under notice, it would be far more satisfactory to define the principle upon which the arbitrators and umpire shall proceed in making their calculations; but as regards ordinary train service, the service which is in no way controlled by the Post Office, I can see no reason whatever why a tariff of charge should not be fixed, the same as it is fixed for the conveyance of troops or the conveyance of police, that tariff being of course regulated with reference to the weight of mails conveyed.

15,070. There being tariffs for the conveyance of ordinary passengers, for the conveyance of parcels, for the conveyance of goods, and so forth?—Yes; but in the case of parcels and goods, I believe a maximum is fixed, and in the case of the Post Office, I do not see why an absolute rate should not be fixed.

15,071. The Post Office, I presume, would be very glad to pay even at the highest rate required for goods, would it not?—The Post Office would be only too glad to make any payment to the companies, based upon such an estimate as that.

15,072. (*Chairman.*) Do you find that railway companies generally base their claims as to their rate of payment on the fact of the Post Office carrying book post?—That does not generally come out at the time of negotiating with the railway companies; that argument has usually been made use of at the time when the case is being laid before the umpire. The companies know it is useless to plead that in negotiating with the Post Office; but when they have to lay their case before an umpire, his mind may possibly be influenced by the argument, and companies usually endeavour to turn it to the best account.

15,073. (*Mr. Horsfall.*) It is a very legitimate argument, is it not, on behalf of railway companies?—It appears to me to be the most unjustifiable argument that I have ever heard of.

15,074. In what way?—In the first place, I know no reason why railway companies have any special claim to the conveyance of any packets or parcels which the Post Office is able to carry, seeing that the greater number of lines were made long after the introduction of penny postage.

15,075. (*Capt. Galton.*) Have not railway companies always provided for the carriage of parcels in all their Acts of Parliament?—I am not quite conversant with that subject. I have always understood that certain maximum rates were fixed for the conveyance of parcels.

15,076. Therefore that would imply that Parliament intended they should convey parcels?—Clearly; but it does not imply that the Post Office shall not convey parcels also.

15,077. (*Sir R. Hill.*) It does not imply that companies have any monopoly in the conveyance of parcels, does it?—It appears to me that no argument of that kind can be deduced from it at all.

15,078. Do not the Railway Companies Acts fix the maximum and minimum charges for passengers and goods?—Certainly.

15,079. Do the Railway Companies claim the exclusive privilege of carrying passengers and goods?—I believe that even railway companies have never gone to that extent.

15,080. (*Capt. Galton.*) Is that quite a case in point; is it not the fact that the Post Office calls upon railway companies to carry parcels for them, and the railway companies carry those parcels as packed parcels at a very low rate, upon which the Post Office levy a much higher rate when they come to their destination?—The railway companies convey whatever is in the mail bag, so-called parcels included, as a portion of the mail; but inasmuch as the payment made by the Post Office for the conveyance of the mail very far exceeds the rates of payment charged by the companies for newspapers, parcels, or packed parcels, there is no doubt they get a higher payment for carrying them as part of the mail than they would get for carrying them as part of a packed parcel.

15,081. Are you not aware that many railway companies refuse to carry packed parcels?—I have seen from the public press that great disputes have arisen upon that point, but I have heard that the final decision has been against the companies, and in favour of the packed parcels carriers.

15,082. They can charge a much higher rate for their packed parcels than they charge for their goods?—I believe on those packed parcels they can charge the maximum rates allowed for any description of parcels; but the payments made by the Post Office for the mail very far exceed that maximum rate. Therefore I should argue, that the companies get an advantage by carrying the so-called parcels as part of the mail, instead of carrying them as packed parcels.

15,083. Do the railway companies obtain a sum according to the weight of the mail?—There is no doubt that the weight forms a very important element of consideration in fixing the payment. Of course the weight is not the only thing taken into account when an additional mail train is required.

15,084. But when the Post Office runs a mail train it can put any amount of weight it likes into the mail?—The Post Office in that case pays for running a train, and for a certain amount of accommodation in that train. Whatever space is provided, and has been arbitrated upon, that space may be filled with the mail if necessary, but it very seldom is filled.

15,085. (*Sir R. Hill.*) Does not the Post Office in your opinion pay an excessive sum in consequence of that necessarily indefinite advantage that it requires of sending any amount of mail that can be placed within the prescribed limits?—I have no doubt we do practically pay for a much larger space than we use.

15,086. Would not the Post Office be very glad to enter into arrangements with the companies for the conveyance of letters, and letters only, and then pay in addition to that the same charges that the companies make to booksellers and others for the conveyance of their packages and books?—I should think that the Post Office would be very glad to proceed on such a principle as that.

15,087. Would it not in all probability save many thousands a year if you could so arrange matters?—I have no doubt that if our payments were calculated upon such a principle, they would be very largely reduced, probably to the extent of many thousands a year.

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15,088. (*Capt. Galton.*) Has such a proposal ever been made to the railway companies?—In our negotiations we have always endeavoured to induce the companies to put us on the same footing as the public at large, but as I have mentioned before, we have never made any definite proposal to the railway companies generally for the conveyance of parcels separate from mails.

15,089. (*Mr. Gower.*) How do you account for the companies exacting more from the Post Office than they do from private traders?—Because they find that in practice they can succeed in extracting more from us. We are to a great extent at their mercy; the public service must be performed, and if we cannot get it performed by agreement at rates which we consider fair, we must have the service performed and trust to the mercies of an umpire. But it is well known, at least it is fully believed, at the Post Office, that the arbitrations in most cases go against the department, therefore it is not at all to be wondered at that the railway companies try to force the Post Office into ordering the service, leaving it to be paid for by arbitration.

15,090. (*Capt. Galton.*) Where there is more than one route between different towns, why cannot the Post Office resort to the same means which traders resort to, and make a special agreement with one railway company as against the others?—Because those two routes are not competitive, except so far as regards the terminal point. In most cases the Post Office has to serve the intermediate district also. Take the case of the mail from London to Dover, it goes through the centre of Kent; our mails conveyed on that line are distributed by branch carts in a sort of fish bone fashion on both sides of the line, but if we were to transfer our mail to the London, Chatham, and Dover line, we could, it is true, send the Dover bags by that line, but we should still have to employ the South-eastern line for all the intermediate district, so that practically the Post Office gets no advantage except as regards the bags for a few terminal points at which the competing lines join.

15,091. (*Mr. Horsfall.*) From what you have said it would appear that you are of opinion that the umpires do not decide fairly?—On the contrary, I believe every gentleman who has acted as umpire for us has given a perfectly honest, and in intention at least, fair decision. What I have stated goes to this extent, that the view taken by umpires as to what constitutes "reasonable remuneration" differs materially. I have never for one moment doubted that every umpire who has been called upon to act for us has given a perfectly honest and conscientious decision.

15,092. Then the other inference is that the Post Office were expecting to have the work done upon too low terms?—No, I think there is a third alternative, and that is that the umpire has not taken a dishonest but a mistaken view, and that we have suffered in consequence of that.

15,093. You think in most cases he has taken a mistaken view?—Decidedly.

15,094. (*Lord Stanley.*) Have you not at different times made a great number of different persons umpires in these questions?—A large number of different umpires have acted for us.

15,095. Do you lay down as a general rule, that the umpires are unfavourable to the Post Office?—I think the general leaning of the umpire is towards the railway companies, but we have succeeded in many instances in having cases referred to umpires who have given rates with which the Post Office has been perfectly satisfied.

15,096. Do you think that this alleged bearing against the Post Office goes further than this, that they think you ought to pay liberally for a service which is compulsory, and which is necessarily attended with some inconvenience to the railway companies?—I think that their expectations go beyond that. They expect the Post Office to pay rates very much higher than would be paid for corresponding service by the public, therefore I should say that their expectations are not merely for liberal payment, but for extravagant payment.

15,097. (*Sir R. Hill.*) The system of arbitration is disliked not only by the Post Office, but by the companies, is it not?—I believe it is not at all liked by the companies, not only on account of its uncertainty, but also on account of its dilatoriness.

15,098. There have been instances, have there not, of companies waiting for years for the award of umpires?—Sometimes companies have been kept out of their money, much against our inclination, for many years.

15,099. (*Capt. Galton.*) Is not that a hardship upon the company?—I do not think it is a hardship upon the company, because the delay has in many cases been more their fault than ours, at any rate, as much their fault as ours. The delay has chiefly arisen from the inability of the arbitrators to agree on an umpire.

15,100. Does not the Post Office pay on account in such cases?—Paying on account in some cases would act as an inducement to the companies not to bring the matter to a settlement, but wherever a fair representation has been made to the Post Office, it has been usual for the department to pay a sum of money on account.

15,101. Were not the Great Western Company for several years kept out of their money?—They were.

15,102. To the amount of several hundred thousand pounds?—I believe the amount eventually paid them was as much as 150,000*l.*

15,103. (*Sir R. Hill.*) Did not that delay arise from the neglect of their own arbitrator?—The delay arose, if I recollect rightly, not so much from the neglect of their own arbitrator, as from his unwillingness to agree upon an umpire, notwithstanding that a large variety of names were submitted to him by the Post Office arbitrator. But the case occurred many years ago, and I am speaking from memory.

15,104. Has it not been offered by the Post Office, under such circumstances, that some one of high character, as one of the judges, for instance, should be asked to nominate an umpire?—That has often been proposed, and often been rejected. I may mention that one of the objects of the bill that I have referred to, the Duke of Argyll's bill, was to provide a means of selecting an umpire in cases where the arbitrators were themselves unable to agree.

15,105. (*Chairman.*) When you have not made a contract for a term of years with a railway company, may you have the charges referred to arbitration at frequent intervals?—The Post Office has no right at any time to claim a fresh reference to arbitration unless the service has undergone a change. If the service remained the same for 10 or 20 years, the Post Office could not claim a fresh arbitration, but where the service changes a fresh arbitration can be claimed by either party. On the other hand, the railway company can at the expiration of three years claim a fresh arbitration, even although the service remains perfectly unchanged.

15,106. (*Sir R. Hill.*) There is a reason, I think, for that; it is an equitable arrangement, is it not? Perhaps you will explain why that is so?—The power of opening the award at the end of three years given to the railway company is no doubt given because, practically, the Post Office, having it in its power to change the service whenever it likes, can open the award at any time; but every Postmaster-General that I have known has scrupulously avoided exercising that power for the mere sake of getting rid of a heavy award.

15,107. (*Chairman.*) Do I understand you to say that in your opinion the Post Office has to pay more for its book post than the railway company would be able to charge to individuals for carrying those as separate parcels?—What I said amounted to this, that the railway companies benefited rather than not by the book packets forming part of the mail, because the rates received for them as part of the mail were greatly in excess of the rates they would receive for them if they were sent as booksellers parcels.

15,108. Do you know whether book packets are

carried to a very great extent upon railways ?—I have no knowledge at all upon that subject.

15,109. I think you suggested, that if a parcel post were established, it might be of use to form regulations for dividing the total income into certain proportions between the railway companies and the Post Office ?—I think that if the persons representing the interests of the railway companies and the persons representing the interests of the Post Office were to meet, they would find no great difficulty in putting the proposed arrangement on a basis perfectly satisfactory to both parties.

15,110. Then you think that an arrangement of that kind might be made for ordinary letters and for the book post also ?—No, I do not think that railway companies have anything to do with the conveyance of ordinary letters.

15,111. Do you think the payment of the railway companies might be established on a footing of that kind, that is to say, a certain proportion of the gross sum received by the Post Office ?—I do not think the Post Office would be disposed to negotiate upon such a basis as that.

15,112. (*Sir R. Hill.*) The Post Office has a monopoly by law of the conveyance of letters ?—It has.

15,113. But no monopoly for the conveyance of parcels ?—No.

15,114. (*Chairman.*) It might apply to the book post as well as to the parcel post ?—The book post service at present is performed at a loss by the Post Office.

15,115. Have you the means of distinguishing that separately ?—A very careful inquiry was made a short time ago, at the time when the Postmaster-General was desirous of affording facilities for the transmission of patterns by post, and it was then ascertained, after a somewhat elaborate inquiry, that the newspaper and book post was performed at a loss.

15,116. (*Sir R. Hill.*) Was not that owing mainly to the high charges made by the railway companies ?—It was owing partly to that.

15,117. I believe you have a general knowledge of the arrangements of the clearing house ?—I have not any knowledge of what those arrangements are, but I know the object of them.

15,118. You know that the several companies have an arrangement for the division among one another of the receipts for the conveyance of goods and parcels which pass over a succession of lines ?—I do.

15,119. Probably some extension of that system might be applied to the parcel post ?—I should think that the facility for carrying out a small parcel post, on the basis I have described, would be very materially aided by the arrangements of the clearing house.

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15,120. Have you not in the Post Office now existing an arrangement with certain companies by which the varying weight of the bags sent by ordinary trains is ascertained roughly, but in a manner sufficiently accurate to satisfy all parties ?—With one of the Companies who have been induced to convey the bags at parcel rates, a composition arrangement has been entered into, by which the average weight of a bag is ascertained at a certain period, and a sum is paid on the assumption that the weight will usually be about the same ; but either party can, at any time it has reason to think that the weight has decreased or increased, claim a reconsideration of the weight which formed the basis of that composition.

15,121. Are you aware of the arrangement which exists between the British Post Office and several foreign countries for dividing the postage of letters passing between this country and such foreign countries ?—I have understood, although it is out of my department, that arrangements have been made by which the necessity for weighing each separate letter has been altogether got rid of ; and an equitable basis formed, by which the postage has been divided between the respective governments, based on certain proportions of weight taken at specific periods.

15,122. Although the rate to be divided is very high, being in some instances at least 1*s.* an ounce on the gross weight of the letters, still the arrangement has proved satisfactory to all parties interested ?—I have heard it stated that the arrangement has worked exceedingly well, but as it is beyond my department, I am not able to speak decidedly upon that point.

Before I leave, I wish again to mention what I stated just now, that in any opinion which I have expressed I have only given my own, and that I wish to guard myself against in any way pledging the Postmaster-General or the Secretary of the Post Office to a concurrence in my views.

15,123. (*Chairman.*) Do you recollect whether the bill that you have referred to met with general approbation from the railway interests ?—There was, I believe, a sort of combination among the railway companies to defeat it, if possible.

15,124. Was it introduced in the House of Lords or the House of Commons ?—It was introduced in the House of Commons.

15,125. Did it pass the second reading ?—It did not. It was withdrawn.

The witness withdrew.

Adjourned till Thursday next at 12 o'clock.

Thursday, 22nd March 1866.

PRESENT :

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

THOMAS ELLIOT HARRISON, ESQ., examined.

T.E. Harrison, Esq.

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15,126. (*Chairman.*) You are a civil engineer in extensive practice ?—That is my profession, but circumstances have placed me in the position of also being really a manager of railways for several years.

15,127. What railways have you been the manager of ?—In the year 1834 I constructed almost the first line of railway in the County of Durham. That was the Stanhope and Tyne. Of that I was manager for many years, and afterwards in the year 1848, when the Committee of Investigation broke up the entire system of the York, Newcastle and Berwick Railway, I undertook, for a period of five years, the entire management of that system. I may state that I have been consulted more or less upon matters of policy as affecting Bills before Parliament, as well as engineering, by almost every railway company in the kingdom.

15,128. Are you immediately connected at present with any of the larger railway companies ?—I am engineer-in-chief of the North-eastern Railway Company, and I am also consulting engineer to the London and South-western, but that is confined more to parliamentary practice than anything else.

15,129. Have you been general manager of other railways besides the small railway to which you have alluded ?—To the North-eastern. In fact it was during the period of the difficulties in which they were all

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placed that I became their general manager, and I continued to be their general manager, as well as their engineer, until the time of the amalgamation of the whole of that system which now forms the North-eastern railway.

15,130. The first point upon which I will ask you to give your opinion is with respect to the equality or difference of charges. Do you agree as to the expediency of the rule that charges should be equal under similar circumstances?—In the abstract, most undoubtedly, but in my experience of it there is great difficulty in defining what is strictly meant by "under "similar circumstances." The experience which I have had is that the rule is one which ought not to be read too stringently; and, provided you place all traders and manufacturers upon the same footing, and do not give an advantage to one over the other, I think that the rule requires, if anything, further relaxing instead of being made more stringent.

15,131. Can you give any illustrations of what you mean by traders being placed altogether upon the same footing?—I will take the case of a number of collieries that are situated at different distances upon a line of railway. If you adhere to the stringent rule of making a mileage rate applicable to all, you may, undoubtedly, shut out of the market the more distant collieries; and I think, in a case like that, instead of adopting the rule of a fixed rate per mile, or even a graduated scale per mile diminished according to distances, to give all the advantages to the traders, a little infringement of the rule under "*similar circumstances*" may be necessary. The result of adopting one rate per mile to collieries situated within 10 miles of a shipping port and 20 miles of a shipping port, practically is to shut up the whole of the distant collieries, and I have advised the adoption of a graduated scale, making it higher for those nearer the port of shipment and diminishing as you went farther, still making the gross charge higher for the more distant collieries. Although in adopting that principle we reduced the rates to the nearer collieries, and, on the whole, made a large reduction, yet the result of it was to bring more distant collieries into the market, and as a railway company we derived a much larger benefit from the reduced rate than we before did from the uniform mileage rate, which practically excluded the more distant collieries. One of the points, which was a great deal debated, was, whether within the strict meaning of the words "under similar circumstances," assuming that those collieries were passing for a portion of the distance over the same line of railway, this principle could be adopted. We have adopted it, and the benefit has been so great that we have not had it called in question, but it was suggested that we were transgressing the strict letter of the law.

15,132. I think it appears from some evidence which has been given before us that all railway companies now consider the rule as to equal charges as not to apply to different distances on the same line?—Yes; I think that is what it practically comes to.

15,133. Is your gross charge in all cases higher for longer distances than short distances?—The gross charge in all cases up to a certain point is, but we find by experience that collieries situated at a distance that would make the rate of charge amount to more than 2*s.* per ton would practically be excluded from the market taking coals for shipment. Therefore, with the exception of some few which are at a very long distance, we have adopted 2*s.* per ton as the maximum charge. A colliery which is situated perhaps 20 miles from the port of shipment would be charged 2*s.*, and a colliery situated at 30 miles from the port of shipment would be still charged the same. That can hardly be said within the strict letter of the law, which says "under similar circumstances," to be exactly the same thing; but, in practice, I am quite sure that it is a most beneficial rule to adopt, and that is one of the reasons why I suggest that the rigidity of the rule, if anything, ought to be relaxed rather than otherwise.

15,134. Practically that rule of equal mileage rates, if it ever was compulsory, has been relaxed long ago by the railway companies?—It has often been the subject of threat.

15,135. Have the owners of the collieries that are near the port ever raised the question in a court of law?—They have not raised the question in a court of law, but they frequently have raised the question as one in which they have thought we have treated them unfairly. I believe that is a most legitimate mode of dealing with it. With reference to the North-eastern system, there are some collieries which have three ports open to them, the nearest port, perhaps, may be 50 per cent. in distance nearer to the colliery than the more distant one; but we give the option of going to either port, taking the lowest rate, or the rate upon the shortest distance to the nearest port, as the basis. Having established the basis, we say, Now if you choose to go to any of the other ports you can do so; we give you the option of going to which you like.

15,136. Do those collieries which may consider themselves to be injured by the application of the rate to one port derive a compensating advantage from the opportunity afforded them of shipping their coals at other ports?—Not in all cases; in some cases their situation is such that they cannot avail themselves of it by any possibility.

15,137. What is your rate with respect to coals taken inland?—With regard to coals taken inland, it is a varying rate entirely with the circumstances. Coals to London will bear a limited amount of charge only, or they do not go at all, and the question becomes purely a commercial question. You arrive at the maximum amount which they can pay; having ascertained that amount, then the question arises whether it is worth while, as a question of profit, to carry them at a lower rate. We may make this comparison: take coals which go to London and pass over a certain distance by way of York, they are in all probability charged at a rate per mile 50 per cent. less than coals would be charged going to York, and there stopping. That is exactly similar to the case of a passenger going from London to Edinburgh. The charge from London to Edinburgh is within 2*s.* 6*d.* of the sum charged if you go on to Perth or Aberdeen. There is a limit to the amount which the traffic will bear; and that is much more the question to be decided than the question of any rigid rule as to any rate per mile.

15,138. I presume the railway companies have adopted that system because they thought it the most profitable one to themselves?—Undoubtedly; but I also believe it is the system which is most conducive to promoting the traffic of the country. The basis of establishing a rate is often influenced by matters I may say, totally irrespective of questions of mileage rate. That has been my experience, and I quote as an instance of that a matter which lately came under my consideration. Take the case of a large iron producing district, you have there certain elements for the production of iron; you have coal, coke, ironstone, limestone, and all at hand; but a particular class of ironstone is wanted to enable you to inprove the quality of the iron which you are producing in the district. In the case to which I refer it almost required that, to bring a particular class of hematite stone a very long distance it should be carried at prime cost. I am quite prepared to say that the case might arise in which a railway company would be entirely justified, irrespective of other matters, in carrying that ironstone at the prime cost. I have so advised them, and it became a necessity, for this reason, that looking at it purely as a commercial question, everything that you can do to promote the improvement of the quality brings to the railway indirectly large advantages. If you look at it simply as a question of carrying this iron ore over the line itself it is quite obvious it would not pay, but having all the other raw materials at your command, the advice which I gave in that case was, that if the iron ore were carried at prime cost it might be worth the while of the company to do so in order to promote the interest of an immense producing district. That is

one of the views, which I think is purely a commercial view, which railway companies are under the necessity of taking.

15,139. (*Lord Stanley.*) That is to say you are content to do one business at a losing rate, or at a rate without profit, in order to develop another ?—Clearly.

15,140. (*Sir R. Hill.*) And also in order to promote the interests of the railway company ?—And also the interests of the district, because the interests of the district will be promoted by that course being adopted. Suppose in the first place that by improving the quality of your product you enable the merchants to increase their manufacture and also to increase their sale, every ton of iron that you manufacture indirectly brings with it to the railway company a large traffic in various ways, you increase the population, you increase the consumption of that population, you increase your travelling, and therefore the point that I wish to place before the Commission is that this sort of case often arises, and must be decided on a broad commercial view, and not upon the mere simple question of whether or not the thing will pay.

15,141. Still it would appear that you would arrive at the same result if you altogether disregarded the public interests and thought of the interests of the railway only ?—Clearly so ; but my experience of it is that wherever you improve the manufacture of a district you increase the traffic on the railway. It is equally obvious that in doing so you would confer a public benefit. Railway companies cannot promote their own interests without at the same time, according to my experience, promoting the interests of the district. Then, as to the question of differential rates. There are different qualities of this particular ore used for entirely different purposes. There is the ore which is used in furnaces for smelting ; there is another class of the same ore used for the puddling furnaces ; and the question immediately arose whether under the words "like circumstances" if you reduced the rate of one you must not reduce the rate of the other, the two being carried in the proportion of 20 to 1. There was no necessity for reducing the rate on one. That is a case in which I think that, although it might strictly, according to the letter of the law, be held that if you reduced the rate on one you must also reduce the rate on the other, is one of those cases in which you ought not to act too stringently in determining that question.

15,142. (*Capt. Galton.*) Then you think it undesirable to have a rule as to there being the same rate under similar circumstances ?—I have stated that I think the rule is good, provided it is applied to all traders alike, I think they ought to be placed upon the same footing ; but if you find that under the same name there is iron ore used for one purpose and iron ore used for another purpose, thus varying the circumstances of those two different ores by there being different applications of them, then that is sufficient to justify you in putting a different rate upon it.

15,143. But they are different sorts of ores ?—They are different qualities of the same ore ; but still that is a very small distinction to draw. It is on that ground that I say cases arise in which I think you ought not to read that rule too rigidly, provided you place all manufacturers on an equal footing.

15,144. Whatever the quantities they take ?—That again goes to another point. If you are deciding that the rate for any particular ore of a particular class should be 5*s.* a ton that rate ought to be made applicable to all consumers ; but if there are different variations of the quality of it which could afford to pay 10*s.* per ton, I say that that particular quality ought to pay 10*s.* per ton, provided you make that rate applicable to all consumers.

15,145. Supposing the same ore is to be put to a different use, would you then allow a different charge to be made ?—I think the rule ought not to be held too stringent in that case.

15,146. (*Mr. Horsfall.*) The principle you have laid down is the principle now adopted by railways generally, of a classification of their goods, is it not ?—It is exactly the same. You classify different sorts of goods ; but it is a nice distinction to draw in such a question as is now put. I think a distinct rate should have application to special circumstances.

15,147. (*Chairman.*) Is it your opinion that any alteration of the law respecting equal charges is required, or do you think that railway companies under the present state of the law are at liberty to construe it, if they think fit, sufficiently ?—I am not aware that the question in such a case as I am putting, has been actually raised. Until it has been found to be deficient, I should not suggest any alteration of the law. We have often had the question raised by correspondence, but it has never been actually brought before any court. I certainly think if you are going to alter the law at all, to make it more stringent would be going in the wrong direction.

15,148. Do you think the right policy for railway companies to pursue is to get any traffic they can, if it pays the prime cost of conveying that traffic ?—I doubt that very much.

15,149. Not under all circumstances ?—No. Without there is some further object I should not recommend any one to carry traffic merely at prime cost, but if indirectly it brings a large accession to the traffic of the railway, then, as in the case I have mentioned, I should say at once, carry it at prime cost, if necessary, because for every ton of manufactured iron about seven tons of raw material are carried, and that adds a large amount indirectly to every branch of the service, if you can improve the manufacture and extend it.

15,150. Does it frequently happen that you refuse traffic which you could obtain by carrying it at a very low rate ?—Occasionally ; but I do not think frequently. I have known cases in which they have been obliged to refuse it, as being entirely unremunerative without any ulterior object ; but I think that is quite an exceptional case where it has arisen.

15,151. Do you hold the same opinion with regard to the traffic in goods ?—Clearly. With regard to goods, cases constantly arise whether from the quantity which is offered it may be well worth while to get a traffic which you would not otherwise get by relaxing what may be the regular rate of the day, and the more readily that can be done the more you can develop the traffic. If any rigid law were laid down of an equal mileage rate which you could not relax, there would be constantly cases arise in which the traffic would be entirely stopped.

15,152. (*Mr. Horsfall.*) Still you would put all traders upon the same footing ?—Yes. I think if a man came to me and said, I have got a vessel coming in with a large cargo, which I want taken to a particular place, and instead of sending it round by sea, I will send it by your rail if you will take it at a reduced rate, I say, I agree to that at once ; but if a second man came to me to take another cargo on the same terms, I should hold myself bound to agree to the same course.

15,153. (*Capt. Galton.*) How could that be secured to the public if there was not a law that you were to carry at the same charges under similar circumstances ?—That is the law now. I think that is the case under similar circumstances.

15,154. Would you compel a railway company to publish the charges which they were giving to an individual trader, so as to enable the rest of the district to know them ?—I think in cases of the sort I have mentioned it is an impossibility that you should do so. If you were to publish your charges, and were strictly to adhere to them, you would be prohibited from giving those advantages which constantly arise to the public from making a relaxation in them.

15,155. How are the other traders, who are carrying on the same trade, to know that these charges are being made under certain special circumstances ?—There are cases which arise on the spur of the moment, from the force of circumstances, which are quite exceptional cases, they are not the rule. I think you must adopt the rule ; and there is no rule without its exceptions, and treat these as exceptional cases.

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15,156. But still you admit that any one who was going to carry traffic under the same exceptional circumstances ought to have the same rate?—Beyond all question.

15,157. How would you let such a man know that those rates had been given to other parties?—I think that is the great difficulty which arises, because those are quite exceptional circumstances to the fixed rates which are charged, and in all probability you might not have two cases of that sort which were exactly similar in a year.

15,158. What security has the public that they would be treated alike unless you publish the rates?—I do not think you could publish the circumstances of such a case as that.

15,159. Then, in fact, the public could have no security?—Yes, I beg your pardon in that. It is a matter of the greatest difficulty to publish what your rates are, because the rates amount to several millions in number, all different. Rates to all the stations in the kingdom, from different stations, amount to some millions in number. I do not see how you can possibly publish the rates, but taking the large questions, the coal traffic, for instance, there is never any difficulty at all about the whole of the public knowing what the rates are with regard to coal, but they are not published. If you take a large district of collieries, every coal owner knows, as well as we do ourselves, what his neighbour is charged. The rates are thoroughly well known.

15,160. Are the rates kept in books then?—Yes; the manager's rate book is not one volume, there are some dozens of volumes of them.

15,161. Would there be any objection to having such books accessible to the public at certain places?—Not the slightest; but as to any good which would be effected by it, that is another question. I should say there is not the slightest objection to the public referring to the books in which the regular rates are entered as much as possible.

15,162. Are there any exceptional rates published in such a book?—There is always the amount when a special rate is made, but it is under special circumstances.

15,163. (*Sir R. Hill.*) Would there be any objection to an entry being made of the special circumstances, and consequently of the special rates in this book?—I see none whatever.

15,164. And you see no objection to making it accessible to all?—No; of course the only object that the railway company has to care about is to get traffic under particular circumstances, and in a particular state of things, and if they found it to be to their interest to do it in one case they would only be too glad to do it in every case. There can be no possible reason why they should not do it.

15,165. (*Chairman.*) Are what you call special cases of frequent occurrence?—They are not of frequent occurrence.

15,166. What sort of cases are of the most frequent occurrence?—I have known cases where special rates have been made of this kind. A large cargo of iron has to be delivered at a certain place, and it might be a question whether it was wanted at a particular time, and whether they would make a certain reduction in the rate which would enable it to be sent by a particular route instead of by some other route, time being perhaps an object. Knowing that if you did not get it it might go by the other route, the question you have to consider is, whether it is worth your while to take it a great deal below the regular rates of carriage. The question in that case rests a great deal upon the quantity. In the same way when very low rates are given for the carriage of coal, it is usual to make a stipulation that it shall be sent in full train loads, so that you do not have all the labour of sorting out waggons, which is a large expense. That again is a departure from the ordinary course of traffic.

15,167. You have stated it to be the rule with respect to coal that you allow the colliery owner to send his coal to any of your ports at the charge fixed to the nearest port?—Yes.

15,168. Is the same rule applicable to goods?—We make the same rule applicable to all goods for shipment.

15,169. Is Hull included amongst those ports?—Yes; Hull, in point of fact, being the nearest, regulates the charge. That rule resulted partly from myself at the time when I happened to be the manager of the North-eastern railway. We proposed at that time an amalgamation with the Leeds Northern railway, which had an independent line of its own to Hartlepool, and on our amalgamation I felt very strongly that, as we were carrying at the time for exactly the same rate to Hartlepool that we were carrying for to Hull, unless we made a provision that they were to be upon the same rate as then existing rate, which was an equal rate, that it might be doing great injustice to the port of Hartlepool. We were quite prepared to adhere to that, and not only so, but to extend it to the more distant ports of Sunderland, Shields, and the Tyne. We have acted upon it ever since, and the result of it is simply this, that a merchant may find at any one of those ports a vessel more convenient as to time than he could do in another at exactly the same cost to him, and therefore he has a larger selection of ports of shipment, and a larger number of vessels by which he may have the opportunity of sending his traffic. As far as the railway companies themselves are concerned, their largest profit clearly results from the nearest port, because the charge is the same. There is a great advantage to the public in it, and I think the principle is entirely sound.

15,170. Are the North-eastern Railway Company interested in any docks?—In all the docks except Hull. Our interest in the docks at Sunderland is merely through being the holders of a certain amount of shares at a fixed rate of interest. The commissioners of the river are the owners of the docks, but we make the same rate in all cases.

15,171. Are there any other docks in which the North-eastern have a large interest?—We have large docks on the river Tyne, which are chiefly used for the purpose of shipping coal. We have a dock of our own at Monkwearmouth, which is entirely used for the shipment of coal. We have docks also at Old Hartlepool and West Hartlepool, and we have also small docks on the Tees at Middlesborough.

15,172. Has the company large sums of money invested in those docks?—A very large sum of money.

15,173. Might it not be for their interest to increase the traffic of those ports in preference to Hull?—We have no power at all over the traffic. What we do is simply to fix the rate and make it equal. We have not one agent in any one of the manufacturing towns for the purpose of soliciting traffic for any one of our ports.

15,174. (*Capt. Galton.*) Would not the rate draw traffic?—The rate is equal; it is an equal gross sum.

15,175. Wherever the goods go to?—Wherever the goods go to; if you take goods from Manchester the same gross rate applies to all the ports.

15,176. (*Earl of Belmore.*) Is the West Hartlepool Dock and Railway Company amalgamated with the North-eastern?—They were amalgamated by a Bill of last year.

15,177. (*Capt. Galton.*) I suppose the company consider themselves fully entitled to charge what dock dues they like, in order to attract vessels to particular docks; I presume that would be a legitimate mode of attracting vessels?—Yes. In the case of the whole of the docks which we have the rates are all low, but the maximum charge is made throughout. They are all low in the original Act of Parliament, and the same maximum rate is charged in every case.

15,178. As a fact, are the rates higher at West Hartlepool than at Hull?—The maximum rates at West Hartlepool under the Act of Parliament are lower than the Hull Dock rates, and the Hull people are charged the maximum rates. We cannot alter the rates at all.

15,179. (*Mr. Horsfall.*) Goods going by way of Hull would have to pay a higher rate, including dock

dues, than goods going by way of West Hartlepool, would they not?—That is so; as far as the shipping is concerned, the vessel pays somewhat higher rates at Hull than it does at any other of the ports.

15,180. Do they not have to pay dock dues at the other ports?—No; the whole of the equal rate is for putting the goods on board ship. There is no difference in regard in that, but when they come to the actual charges upon the shipping, then the rates at Hull are higher than the rates at West Hartlepool.

15,181. Do you mean to say there are no dock dues charged upon the goods shipped?—No; the gross rate includes everything, it is a charge for putting them on board the ship.

15,182. (*Chairman.*) I suppose there is some limit to the rule of equal charge to all points, and that points in the immediate vicinity are not charged as much as distant points?—No. If the rate were based originally upon a distance of 10 miles, of course it would be impossible to apply it to a distance of 100 miles, but the cases to which we do apply that rate certainly do not vary to the amount of more than 20 per cent. for the increased distance, taking the rate to the nearest point.

15,183. Has this system been adopted for several years?—Yes, since the year 1853.

15,184. So far as you can judge do the public generally in your district approve of the system as it is now in force?—I think there cannot be any doubt about that. I may state that by various amalgamations we have become the largest amalgamated company in the kingdom as regards the number of lines amalgamated, being composed of 25 different lines of railway. We last year amalgamated with the last existing company in the district, namely, the West Hartlepool, and we received a petition in favour of that amalgamation signed by every ironmaster in the district, and by every coal owner, with the exception of two, in the district affected by it, and that petition was signed by traders who were paying the North-eastern Company 700,000*l.* a year in tolls, and they unanimously signed a petition in favour of an amalgamation. That was as strong an indication of the general feeling of the district as anything could be.

15,185. I believe you have frequent complaints from Hull as to the operation of your system, have you not?—There is a great difference of opinion in Hull upon the question; but I think for several years there has hardly occurred a session in Parliament in which Hull merchants have not appeared to enforce the principle of an equal mileage rate throughout. We have always seen the same gentlemen appearing before committees. If you want to stop the whole of the commerce of the country, I am quite satisfied you could not do it more effectually than by adopting such a principle. The whole of the traffic of the railways depends upon differential rates, but to lay down any sort of uniform mileage would literally be to stop nine-tenths of the traffic of the country. I express that opinion from actual experience of it.

15,186. (*Earl of Belmore.*) You stated just now that up to a certain limit you charge 2*s.* per ton?—Yes.

15,187. Beyond that limit you still charge 2*s.* per ton?—We charge a very low rate.

15,188. Do persons who pay 2*s.* at the limit you fix complain that you do not charge more to people beyond that limit, or that you do not reduce the charge to them?—No, they do not.

15,189. (*Chairman.*) Have you any acquaintance with the system pursued on foreign railways?—Nothing more than travelling over them. I have no practical knowledge of them.

15,190. You do not know whether their system is to adopt an equal mileage rate?—I am quite aware that that was their system. Some gentlemen were sent to this country by the French government some time ago, who came to me for information upon this very subject. I do not know what the result of their report was, but their views as expressed to me were clearly in favour of the system that is adopted in England. I am not at all aware of the result of their report.

15,191. (*Lord Stanley.*) The system that you defend, as I understand it, applies to the inequality of charge between places at different distances?—Yes; it may be the same rate, as is practically the case with goods and passengers for a long distance from Scotland, that the same rate, with the exception of half-a-crown, is applicable to a passenger who goes to Edinburgh, and one who goes to Perth, and one who goes to Aberdeen from London. You only pay half-a-crown more if you go to Aberdeen than you do if you stop at Edinburgh. If the charge were raised to Aberdeen the passenger would look twice before he paid the larger sum; and if you adopt the same mileage rate to Aberdeen, which is the principle that these gentlemen have advocated, it is quite clear that the Aberdeen man would be charged something like 60 per cent. more, and it would be a most onerous charge, and he would not travel at all.

15,192. (*Capt. Galton.*) Or else he would come by steamer?—He would very likely come by steamer; but still it would reduce the amount of travelling very much.

15,193. You would only get the traffic by charging the lower rate?—Yes.

15,194. (*Mr. Horsfall.*) I understand you to say that, assuming that you charged a shilling for 10 miles, you would charge 2*s.* for 20 miles, and the same rate for 30 miles?—I had not in my mind the exact figures, but perhaps the rate if it were 10 miles would be more than the mileage rate as compared with the 20 miles. The 10 miles would be 1*s.* 3*d.*, and on the 20 miles, if that were the distance, it would be 2*s.*, and would become the maximum, and if it were 30 miles 2*s.* would be the maximum still.

15,195. Would you extend that principle further and say that 2*s.* should be the rate for 40 miles or even 50 miles?—No. There is a limit to that, because you get to a point where, if you are to carry 60 miles for the same rate that you carry for 20, namely, 2*s.*, it would in all probability absorb the whole of the profit. Therefore you cannot apply that example of the limit which I have stated, beyond all probability something like 30 or 40 per cent. on what is a fair paying distance.

15,196. (*Earl of Belmore.*) The way in which the public would suffer if you absorbed the whole of the profit would be that they would not be accommodated at all?—If you had no profit you could not go on working the line.

15,197. (*Chairman.*) Are your local rates equal over your whole system with respect to passenger fares?—They are not; they vary. I think they always must vary, in the first place, with the extent of population, and then from the nature of the population. At the time that I became, from peculiar circumstances, manager of the lines in that district, the Committee of Investigation thought that all the rates ought to be revised. There were two or three cases which became so patent upon the face of them as to the effects of the revision that they were altered; and one happened to be at the station to which I was in the habit of going every morning. They raised the fare from 3*d.* to 4*d.*

15,198. (*Sir R. Hill.*) What was the distance?—The distance was about four miles. I think the lower fare was from 2*d.* to 3*d.* for the same distance. I am taking merely the second and third class fares. The effect was absolutely to annihilate the traffic, although the difference in the charge was so small. I made special inquiry into it at the time, and I found that the difference enabled the people to walk, and that the turnpike road was actually carrying the traffic instead of the railway. The second case was this: that a special train had been established as a market train on Saturday; that train at the time consisted of from 16 to 20 carriages every Saturday morning. I do not recollect the exact figures, but I think the fare was 9*d.* for a return ticket, and it was raised to 1*s.*; the consequence was, that in three or four weeks that train came in with only four carriages. I think we are at the present

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moment in our infancy as to our knowledge of what really will produce the largest amount of traffic, and at the same time be a remunerative one. That is a thing we can only learn step by step. Those two cases so convinced me of the small amount which will create a traffic or destroy it, that I am of opinion that with regard to an alteration of fares we can only proceed step by step as we go on.

15,199. I presume part of the difficulty results from the necessity of allowing a considerable time before you can ascertain the effects of a change?—You can only ascertain the effects of a change by having the most complete statistics of the result of it.

15,200. (*Capt. Galton.*) I suppose the change of reducing fares would not make itself felt so rapidly as the change you have alluded to of the increase of fares?—Certainly not. When you make a reduction in the fares it takes a considerable time before you find out the result of it, either one way or the other.

15,201. People have to learn it?—Exactly; but the moment you alter a fare by raising it, as in this case, it is known at once; the change is most sensible. In fact, when they altered the fare back again it was some months before they got back the number of passengers they had before.

15,202. (*Mr. Horsfall.*) Have you tried the effect of any material reduction, such as 25 or 20 per cent.?—At the present moment, in the case of the North-eastern, we have been gradually reducing the fares. That reduction will be fully 25 per cent. in the course of another year; we are doing it by degrees, and my own view is, that the result will be that the company will sustain no loss whatever by it. I have advocated the question of a gradual reduction of fares, and I am not at all prepared to say that eventually, where you have a large population, for instance, two large towns, that a lowering of the fares to a very small amount will not largely increase the number of passengers and also the amount of profit. Of course, where you have a thin population all you can do will not increase the amount of your traffic. That is a question of experience in which, I think, railway companies can only go on from step to step to ascertain how it works.

15,203. Take, for instance, two towns like Manchester and Liverpool, where there are half a million of people at each end, do you not suppose a reduction of 25 per cent. would prove to be a material benefit to the railway companies?—I think it would; but as far as my experience goes it is not a small reduction that affects the question; it is not a question of mileage reduction; but parties look to the gross amount that they have to pay. You have to give them something which will induce them to travel. I think it is a thing which requires to be gone into with great caution. Nothing is more difficult than to raise a fare, but when you have once reduced it, and found it not successful, it always brings such a large amount of discredit on the company to raise it again that it compels them to be very cautious how they do it, and that renders it necessary that they should feel their way.

15,204. (*Sir R. Hill.*) That is your reason for proceeding gradually?—Yes.

15,205. When you say that the effect produced by a small reduction is not marked, I presume you mean that the effect is in proportion to the reduction, whether large or small, is not that so?—Clearly. I believe that many of the rates in the district with which I have been more particularly connected are, perhaps, lower than on almost any railway in the kingdom. I believe that a low rate is exceedingly beneficial both to the company and to the public. The question of the amount of the rate does not affect a purely agricultural district so much as a manufacturing district, because the agriculturists have not time to travel, and they generally take advantage of cheap trains. Where you have a large population, I believe, even if we look forward to 10 or 20 years, that we shall see the rates a good deal below those which exist at the present time.

15,206. (*Chairman.*) When you spoke of a gradual reduction of rates, did you mean that the system has been gradually introduced upon different portions of your lines, or that the rates have been reduced step by step?—The mode of dealing with it is a question of some difficulty. The directors came to the resolution of making a large reduction, and as the amount on the face of it would be considerable, they have adopted the plan of doing it by districts.

15,207. Have you made the whole reduction at once in those particular districts?—Yes; the public would not thank you for making the reduction in driblets, and placing the whole amount of reduction over three or four half years, but if you take a district and make the whole reduction, they feel it; I believe, as far as my experience goes, that the railway company in the end will benefit by it.

15,208. (*Lord Stanley.*) I infer from what you said as to a reduction having been effected between large towns that if it were desired to try an experiment upon a large scale, as has been suggested, at the cost of Government, the place to try that experiment would be either between Liverpool and Manchester or between London and Birmingham, or some stations of that kind, and not an agricultural country like Ireland?—Clearly. With regard to Ireland, my knowledge of the traffic of Ireland is so limited that I would hardly venture to offer an opinion upon that, but I think there can be no doubt that if such an experiment were to be made, it ought to be made between large towns where people would really have an inducement to travel.

15,209. It ought not to be made in a district which is purely agricultural?—Certainly not.

15,210. (*Earl of Belmore.*) Do you think it would be attended with a certain loss?—I have no doubt that in the agricultural districts a large reduction would be attended with a loss.

15,211. (*Sir R. Hill.*) Is not proximity, within certain limits, a point to be considered?—It is.

15,212. You would not expect so great an increase in passenger traffic by lowering the fares between Birmingham and London as between Liverpool and Manchester?—Certainly not. You must have some object for the travelling population. If the fares were exceedingly low to London, there is an enormous inducement for all the people of Manchester to come to London to see what is to be seen; but still that has its limit. They might come up for cheap trips, but if you want to try the experiment upon a permanent basis for anything hereafter, then I say take such towns as Liverpool and Manchester.

15,213. Towns within a very moderate distance of each other?—Yes.

15,214. (*Mr. Gower.*) Do you find the rates of wages in any particular district has an influence upon the fares to be charged for the third class?—Yes, it has a large influence upon the amount of the travelling population; where wages are good and the trade of the district is prosperous the travelling is very largely increased.

15,215. Is it diminished again when wages are low?—It is diminished again beyond all question when wages are low. I went into that question as a matter of curiosity when I had an opportunity of doing so nearly 30 years ago, as between Newcastle and Sunderland, at a period when the shipbuilding trade had been bad, and I found that it made an immense difference in the amount of travelling between those two places.

15,216. (*Sir R. Hill.*) You have had strikes occasionally?—Yes.

15,217. Have those strikes affected the amount of the passenger traffic?—Undoubtedly.

15,218. Materially?—Yes, very materially.

15,219. (*Mr. Horsfall.*) When you were speaking just now of agricultural districts, you were referring to the traffic in passengers?—I was.

15,220. What do you think would be the effect of a reduction in the charge for cattle?—I do not know whether it would alter the question at all of the present traffic either in cattle or in agricultural produce. The lean cattle would be driven, as they are now. I may take the case of traffic coming to the north of England

from Scotland, where you see them travelling a certain distance in large droves. They can drive the lean cattle without doing them any harm, but they will always prefer sending fat cattle by railway. The rates for cattle are, I should think, the least complained of of any. You cannot add to the agricultural produce, and unless there is anything which will increase the produce of the district, I should not recommend a reduction of the rates for agricultural produce.

15,221. (*Earl of Belmore.*) In fact agricultural produce which has to go out of the district must go by rail?—In nine cases out of ten it does, and the result has been to enable the agricultural produce to find much more extensive markets than it has done before.

15,222. (*Chairman.*) Have you any extensive agricultural districts on the North-eastern railway?—The whole district of the York and Newcastle line, going through Northumberland to Kelso, is purely agricultural.

15,223. Has the reduction of fares which you speak of been introduced into those districts?—It has not.

15,224. Has it been introduced into any other agricultural district, such as the East Riding of Yorkshire?—The East Riding of Yorkshire is not yet within the limits; they reduce all within the neighbourhood of the manufacturing districts first, such as Leeds, and so on.

15,225. You are not able to speak from actual experience of the effect of a reduction of fares in purely agricultural districts?—I hardly am, although some alterations were made some years ago which rather led me to the conclusion that I have expressed, but I have not the actual statistics of it.

15,226. Do you know whether first-class passengers bear a greater proportion to the second and third class in the agricultural districts than they do in the manufacturing districts?—They do.

15,227. Are they much larger?—They are very much larger in proportion. In all the manufacturing districts the great bulk of the travelling population are third-class passengers.

15,228. (*Mr. Gower.*) Do you consider, as a general rule, that the effect of a reduction of fares is greater in a district where the wages are high than in a district where the wages are low?—That I am not able to say, but I do know that when wages are good the public travel a great deal more than when they are bad, but whether the effect of a reduction of fares would increase the proportion more where wages are high or where wages are low, I cannot say.

15,229. (*Mr. Horsfall.*) What is the rate of charge for coal on your railway?—It varies from 1*d.* per ton per mile on coal for shipment to three-eighths of a penny per ton per mile on coal sent to London. For short distances on coal for land sale the maximum rate is 2*d.* per ton per mile; that is for very short distances.

15,230. Do you consider that there is any room for a reduction of the rates generally charged?—Generally I think the rates are exceedingly moderate. There are cases where we are going on constantly reducing them. I think the result of our reductions on the coal rates for shipment one way or another within the last five or six years varies from 10 to 20 per cent., and I am bound to say that in some special cases where we have made that reduction, particularly referring to the question of a differential rate for longer distances, that the increased amount received from coals for the longer distances compensated us for the reduction on shorter distances.

15,231. (*Sir R. Hill.*) Do the rates you have named include the use of waggons?—Yes, except in the case of three-eighths of a penny per ton per mile to London, where the waggons are found by the Great Northern Company; but in the other cases they include everything.

15,232. (*Mr. Horsfall.*) Do they include the terminal charge?—They do not include the terminal charge.

15,233. What is the terminal charge?—I think it is about 1*s.* 6*d.* a ton, but I cannot recollect at the moment.

15,234. (*Chairman.*) Have you any observations to make with reference to the rates from Wales and Cleveland?—One of the most grievous complaints that we have from a large producing district is that Cleveland, being a less distance than the Welsh producing iron district, cannot get the same gross rate to Liverpool that is charged to Wales. Of course in the one case the system is entirely in the hands of one railway company, who make a low rate from Wales to Liverpool. It is one of the largest shipping ports for manufactured iron. The rate is 50 per cent. more from the Cleveland district than from Wales, as far as we are concerned, we have done all we can without the power of giving an equal rate. I should like to see in all cases of that sort that the same principle is adopted between railway companies that any individual railway company would adopt if the line were their own.

15,235. (*Capt. Galton.*) Is it not also the case that between Cleveland and London there is a very low rate given, and that between Staffordshire and London there is a higher rate?—I am not aware of that; but as between Staffordshire and London, if it is so, that would be a question which concerns railways of which I have no knowledge. I think the greater part of the iron from Cleveland to London would go by sea.

15,236. In fact your rate between Cleveland and London is limited by the rates charged by the shipping?—Yes. I should think the rate for any iron to be sent to London really would be inoperative, because they could take it so much more cheaply by sea.

15,237. (*Mr. Gower.*) Have you always adhered to the reduction of fares when you have once reduced them, and not raised them again?—With one exception, which I stated last year, in the case of an Amalgamation Bill, where we made an agreement for 15 years for a considerable reduction of rate. We do contemplate raising that again. That is the rate upon coals on the West Hartlepool Railway. We reduced the rate at the time upon the representation that certain things would be done which have not taken place, and at the expiration of that term we intend to have some addition to the rate; but otherwise, as a rule, I should say decidedly that where once a rate is established nothing could be more impolitic than for a railway company to raise it. It causes more popular abuse, if I may say so, than anything else.

15,238. (*Chairman.*) Now we will go to the question of terminal charges. Will you state what you understand by the designation terminal charges?—I take that to mean all the duties which a railway company have to perform after they have conveyed the traffic between two given points. Taking the original intentions of the Legislature when railways were first sanctioned, the object then clearly was that they should be treated as turnpike roads, and it was not the custom within my early experience ever to go into any calculation at all in making an estimate for a line of railway, for providing either stations, or any accommodations incident to stations. Circumstances have obliged railway companies to become carriers, and the terminal charge is literally that which is applied to the duties of carriers independently of the question of tolls. I had occasion some years ago, with reference to the question of coal, to take out the actual cost of all the coal depôts on the North-eastern system. I had the means then of ascertaining the total cost of them, and I also got the actual expenses of the railway company attending their working. I charged for the first outlay 5 per cent., and I found this to be the result, dividing those expenses so arrived at by the number of tons of coal sold at each individual place, I found that in places where there is a large sale, the cost being the lowest in any case amounted to 4*d.* per ton, and that varied at all rates up to 2*s.*, and in one or two cases it was 2*s.* 6*d.* per ton upon the coals sold at those depôts, and in some cases the actual cost added to what was charged for the con-

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veyance of the coals was more than the company got, even including tolls and everything else. Therefore it is a variable rate, and I do not know any other principle that you can adopt than that of regulating it as circumstances may require. You must fix a maximum. I believe our lowest rate of charge is down to 4*d.* In some cases we charge 1*s.* 6*d.*, and even higher for anything I know, but the actual cost in those depôts varied from 4*d.* to 2*s.* 6*d.* per ton.

15,239. (*Earl of Belmore.*) Do I understand you to say that in many cases you found you had actually been carrying coal at a loss?—Yes, in some cases, where the depôts were large in proportion to the amount sold, we were carrying them at an actual loss. I mean coals which were carried for a short distance.

15,240. (*Capt. Galton.*) Did that estimate of cost include interest upon the capital?—It was the cost of the depôts alone.

15,241. I presume there was a profit on the actual cost of the train without reference to the working expenses of the line?—There was no profit at all. There was a charge of 2*s.* 6*d.* per ton, which included terminals. I found in that case that the actual interest upon the outlay for the depôt came to 2*s.* 6*d.* per ton, and in addition to that there was the cost of haulage; but that was not so large an amount as to be worth making any alteration for. As a positive fact, that was so in some cases.

15,242. (*Chairman.*) Those rates only apply to some small country places I presume?—Yes.

15,243. If that were generally the case you would of course raise your charges?—My object in going into that at the time was to see whether the rates charged for terminals were too high or not. I am now speaking of about the year 1848.

15,244. (*Earl of Belmore.*) In those few cases there was a loss not only upon the terminals, but also upon the haulage?—There was an absolute loss upon the whole.

15,245. (*Sir R. Hill.*) I assume you now to include the charges at both ends of the line?—We have no charges at the other end; they are all merged into one. There is no separate charge on coals.

15,246. (*Chairman.*) Are you at present adding much to your sidings on the North-eastern system?—We are adding largely to our sidings. I do not know that there is any part of the old railways that has more additions now made to it than in sidings. In the case of the North-eastern Railway we have now about 1,200 miles of line working, of which a great deal is single line, and we have 705 miles of sidings (to which we are always adding), that is, exceeding three quarters of a mile for every mile of main line of railway; and taking our mineral districts, we have very nearly a mile of single line of sidings for each mile of main line. That is a large element in the cost of works. There is nothing that is more important than having a complete system of sidings to get the trains sorted, and when you consider how traffic is increasing, as it is in all parts of the country, the necessity for having those sidings becomes more apparent day by day.

15,247. Has there ever been any question as to whether your Acts of Parliament authorize you to consider all these elements as forming a part of the terminal charge?—There is no Act which distinctly refers to it, or which gives the railway company any distinct power to charge a particular sum. There is no maximum established in any Act of Parliament. In different Acts the wording as to terminals varies; I think it generally is "a reasonable amount." Of course that question of reasonable amount is left open to very wide construction.

15,248. Are not the charges authorized by your Acts of Parliament generally said to include every expense except that of loading and unloading?—I think some of the Acts go a great deal beyond that.

15,249. Do they generally include the cost of stations?—No.

15,240. Or interest upon the cost of stations?—There is nothing provided in any Act of Parliament with respect to that.

15,251. Who is to decide what is a reasonable charge?—I do not know that there is any one to decide that except the Court of Common Pleas. As the law exists at the present moment I do not know any one else who is to decide it.

15,252. Is there not generally in every Act some clause to this effect:—"It shall not be lawful for the "company to charge in respect of the several articles, "matters, and things, and of the several descriptions of "animals, herein-after mentioned, conveyed on the rail-"way, any greater sum, including the charges for the "use of carriages, waggons, or trucks, and for locomo-"tive power, and all other charges incidental to such "conveyance (except a reasonable charge for the ex-"penses of loading aad unloading, where such service "is performed by the company), than the several sums "herein-after mentioned (that is to say)." Do you think under those terms that you can charge for all the expenses that you have incurred?—For all the expenses which are incidental to the loading and unloading. You have a large station to build, and you cannot load or unload any perishable goods except under cover, and the cost of that building to enable you to do the work is in my opinion clearly one of the charges that are incidental to the loading and unloading. What has always appeared to me to be a fair mode of testing the question as to what is a reasonable amount for loading and unloading is to consider that when a locomotive engine brought a train and placed it in a siding, the work for which you earned the toll was done, and if carriers were doing the work which the railway company now does, they will commence their work for which they would be entitled to make a charge from the moment the locomotive engine deposited the train in the siding. Then everything that becomes afterwards a charge clearly comes, in my view of it, under the denomination of charges for loading and unloading, and not, as I believe some parties have occasionally stated it to be, for the simple labour of loading and unloading; in fact it could not be carried on, perishable goods could not by any possibility be loaded in the open air; there must be shed room for that, and the expenses of those buildings are great. I am at the present moment going to let the contract for a new station for the additional goods traffic of Newcastle, which station, with the necessary sidings attached to it, will cost 150,000*l.* These are matters totally irrespective of any questions of mere toll.

15,253. Have there been any cases in which the public have disputed your right to include interest for station accommodation in terminal charges?—I do not know that the question has ever been decided by any court of law, and taking the generality of cases, the maximum rate of charge of toll is so seldom charged, the terminal being merged in the through rate, that the question does not often arise.

15,254. In many cases the whole charge, including the terminal, is less than the maximum you are authorized to charge from station to station?—That is so in most cases, but there are some instances in which the terminal charge is no doubt charged, such as the conveyance of furniture, and things of that sort, which are quite exceptional cases, and in which, no doubt, the terminal charge appears to be a heavy one.

15,255. And occasionally on other goods for short distances?—Yes; in many cases unless a terminal charge were made, it would never be worth the while of a company to put stations at all at small places; in some cases the simple interest upon the outlay on goods stations and sidings unless a terminal charge were made would come to far more than the whole amount of the receipts from the traffic.

15,256. (*Mr. Horsfall.*) Do you not think it would be desirable to have a maximum toll fixed which would include all terminal charges?—I think you would find a great difficulty in that, because such a toll would be quite inapplicable to the case of long distances. I think the plan now adopted of making one rate of toll upon a line of railway and a separate charge for terminals is infinitely the best. If you take the case of a short-distance rate, and make it at all remunerative

so as to induce the company to carry the traffic at all, if you combine the two in one, you must make the maximum toll exceedingly high. Supposing the distance to be only six miles and the terminal charge was 2*s.* 6*d.*, and the charge by rail was 1*s.*, that, divided into a mileage rate of six miles, would make it 7*d.* per mile—a rate inapplicable for a long distance.

15,257. Do you see any objection to a fixed terminal charge?—None whatever; but the difficulty there again is that in all cases the maximum must be fixed with reference to the extreme case, otherwise you would inflict injustice. No doubt there is great difficulty in dong it, because without a maximum which would apply to all cases I do not think you would succeed in it.

15,258. That would be preferable to having cases taken to the Court of Common Pleas?—Of course that would be the only alternative; but taking the case of a terminal for London, we make a special exception in that case in fixing the maximum terminal rate, because it is quite clear that the terminal charge for London must of necessity be much higher than it would be in the country.

15,259. The railway companies having at present the power of deciding what is a reasonable charge, do you see any objection, if the parties sending the goods consider that the charge made is unreasonable, to their applying to the Board of Trade to appoint an arbitrator who shall decide whether it was or was not reasonable?—The difficulty would arise of getting an arbitrator who would understand all the questions. It is something like establishing a Court of Appeal. I do not know where the arbitrator is to be found who would be quite competent to go into all those questions unless you laid down some principle on which they are to be based.

15,260. But assuming such an arbitrator could be found, do you see any objection to that plan being adopted?—I hardly think that an arbitrator appointed by the Board of Trade would be able to settle those questions. If you could have any court (which does not exist, and I see great difficulty in framing the organization of such a court,) with a legal judge and assessors who understand the points, it might be done; but merely to leave such a question to be decided by an arbitrator to be appointed by the Board of Trade, would not be satisfactory, because I think the decisions would be various and not based upon any sound reasoning without you laid down some principle which was to govern them. You leave that question to an individual. I doubt whether that would be at all a politic thing to do.

15,261. Seeing that it is now left in the hands of railway companies to decide what is or what is not reasonable, do you think it is just to the public that they should have some appeal without the necessity of contesting it in the Court of Common Pleas, which is a very expensive process?—If the tribunal were one in which all parties could have confidence, then I should think so. But the difficulty I see is in the tribunal itself. If such a tribunal could be established, based upon the principle of a judge and two assessors who understood the nature of the questions which might be referred to them, it might be practicable. That would be something like what the Court of Common Pleas is now; but I doubt very much if that were the case whether the expense would be less than going to the Court of Common Pleas. I happen myself to be standing arbitrator in a great number of cases between railway companies for settling their disputes, and I never recommend arbitration in any case where it can be avoided.

15,262. But the case to which you allude of an arbitrator between different railway companies would involve much more extensive questions than the question to be decided, whether a specific charge was or was not reasonable, would it not?—I do not know that. I think many of the questions between railway companies are quite as easily settled as a question of that sort. I think that that would open a wide door for the examination of witnesses. It is a very difficult question to settle. I am not opposed to the tribunal, if I can see that it would be really an efficient one, and one in which all parties would have confidence.

15,263. And less costly?—I doubt exceedingly about the fact of its being less costly.

15,264. (*Capt. Galton.*) You would have such a tribunal, then, to decide all questions between the public and the railway companies?—Yes, I think if it could be so constituted; but I do not know whether any suggestion had been made of an efficient tribunal for that purpose. I do not think the questions between the public and the railway companies on those matters are often arising. If they do, they generally embrace some large question of principle, on which I believe, as at present constituted, the courts of law would be the best courts to submit them to.

15,265. (*Chairman.*) You see no objection to terminal charges being fixed if the maximum is sufficiently high?—None at all.

15,266. Do you think it would have very little effect?—Very little indeed, because you must fix a maximum which really would, in 99 cases out of 100, be more than the actual rate which is in practice charged. And whenever the companies are not charging their maximum rates the terminal question to the public becomes a very small matter. The general rates and the terminals are merged in the general charge.

15,267. (*Capt. Galton.*) Do you think the public would suffer by having a maximum fixed?—I do not think it would make the slightest alteration as regards the charges made by the railway companies.

15,268. (*Lord Stanley.*) You do not object to a maximum being fixed except in this way, you think it would be quite useless, because it would have to be put so high as to be inoperative?—Clearly.

15,269. (*Mr. Horsfall.*) Why do you think, in 99 cases out of 100, that it must necessarily be fixed at a higher rate?—Because, if you are going to fix a maximum, you must fix the terminal charge at such a rate as would meet all cases; to begin with, I take the question of a terminal for London. Supposing the maximum rate of the terminal in London was to be fixed, it would be double the amount that is now charged all through the country. The maximum gross rate which is charged particularly for long distances is in 99 cases out of 100 composed of a toll which is greatly within the maximum authorized by Parliament, and therefore the public really do not suffer by it now. In those cases the question is simply one as between railway companies when they come to divide the amount of their gross receipts.

15,270. (*Capt. Galton.*) Could you not fix the amount to be charged for London by the maximum amount for the country?—No; you must fix the maximum for the country. If you do separate them, and fix a maximum for the country, you must take into consideration those cases, of which there are a great number, which really demand the fullest amount. Supposing we were to fix it at 4*s.* or 3*s.* 6*d.*, which is what is now charged, this in innumerable instances is an amount which actually, taking the principle that I am suggesting, would be unremunerative on the actual capital expended. Taking the case of agricultural districts, where you have to provide accommodation for a small amount of traffic, (and you are to base your calculations upon that,) you must get the maximum amount which is now charged. I do not see that the public would gain anything at all by that.

15,271. (*Mr. Horsfall.*) But assuming that in some cases it was necessary to charge the maximum, it would not necessarily follow that the railway companies should always charge it?—Clearly not, therefore the public would gain no benefit from it. Where you fix a maximum charge I do not see that the public would really derive any benefit from it, because you must take an amount which would meet all cases.

15,272. (*Sir R. Hill.*) Might you not propose the ordinary maximum with specified exceptions?—You would find that a very complicated system.

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15,273. The exceptions being specified in the Act?—That is a general question, but the exceptions I am afraid would be legion, because it varies very much.

15,274. (*Chairman.*) Why should the terminal charges in London be so much higher, because you do not properly include under the terminal charges delivery?—No; but the cost of land is considered to be so immensely in excess of anything in the country, and the cost of providing accommodation in London being more than double what it would be in the country, it has been generally allowed amongst railway companies that they are entitled to it.

15,275. With respect to an interchange of traffic between different railways, has the tendency been latterly to give greater facilities to one another than they formerly did?—I think it has. There are no doubt exceptions, but the view of railway companies as to giving interchange of facilities is, I think, within the last five or six years completely changed. Many agreements have been entered into between railway companies which allow one company to have its own agents at the town of another, and to cart its own traffic, and also through booking and interchange of traffic. That I think may be stated to be a very vast improvement within the last 15 or 16 years.

15,276. (*Capt. Galton.*) Do you think any improvement could be made by legislative enactment in promoting an interchange of traffic and facilities?—I am afraid that when you attempt to drive a company there is no more difficult task. The agreements to which I have referred were made upon the basis of an interchange of traffic and other facilities one with the other.

15,277. Do you think a compulsory arbitration could be resorted to in such a case as that?—I do not think that would be found to work well in practice. I think the tendency decidedly is to go on increasing those facilities. Several cases have occurred to me in which I think the public have derived great advantage from them. Where running powers are granted by agreement between two railway companies, one running over the line of another, the general principle has been to exclude from that arrangement all questions of the conveyance of local traffic. That has been in some cases extended, and the convenience to the public of having the option of going by the trains of another company travelling over their system is exceedingly great, and although it was objected to strongly by companies formerly, I believe we are gradually getting to the point that they will not hesitate to do it. I believe the North-eastern were almost the first to adopt that plan. The North British Company, running over the North-eastern line from Hexham to Newcastle, could not by the agreement carry passengers from Hexham to Newcastle, although they stopped there, and although their trains were perhaps the best that were running, because they ran directly through. It was, however, such an obvious convenience to the public to travel by these trains that they have been allowed to do it, and not only that, but to stop at an intermediate station if they liked. That is an instance of the tendency to increase the facilities, and this is really the principle on which running powers between companies ought to be based. There are cases again where, unless such an arrangement was made, I think the public might be greatly disadvantaged, for instance, the North-eastern in a few months are going to run their own trains from London through to Edinburgh. Strictly according to the terms of running powers, the North-eastern Company running their trains from Berwick to Edinburgh would deprive the local public of the advantage which they now possess of going by the trains of the North British Company, who now work the traffic. It is quite obvious that the exercise of running powers in that case would be a disadvantage to the public, because the North British Company would never run express trains except in connexion with those which came from London. I have no doubt that the North British Company will exchange the same facilities with the North-eastern Company, and allow the public to have the advantage of all trains, just as they do now, though it is not provided for by any agreements.

15,278. (*Sir R. Hill.*) Companies discover that it is for their advantage to afford the public all reasonable facilities?—I think that is obviously the interest of the companies.

15,279. Some companies are slower than others in making that discovery?—I should be exceedingly glad to see that the feeling between railway companies was even better than it is now. The other day I was going down to Hastings, and I found there the inconvenience of what I am stating; they have a station at Hastings which is common to the Brighton Company and to the South-eastern, and they have a station at St. Leonard's which is the sole property of the South-eastern, and then out of St. Leonard's to the westward there is another station, which is the property of the Brighton Company. The central station at St. Leonard's is infinitely the most convenient, but although they have running powers over that line into the Hastings station, the South-eastern will not allow the Brighton Company to stop at the St. Leonard's station and put down or pick up a passenger, because it would enable them to compete for traffic to London. In order to prevent that competition to London, they are actually putting the whole of the rest of the travelling public upon the Brighton line to the inconvenience of getting out at the station at the west end of St. Leonard's, which is a mile and a half away from the centre of the town.

15,280. If those two companies were amalgamated, of course that difficulty would come to an end?—It would come entirely to an end.

15,281. I presume that is one of the advantages of an extended amalgamation?—That is one of the advantages of an extended amalgamation.

15,282. (*Capt. Galton.*) You do not think that any advantage would result from a compulsory arbitration for such a purpose?—I think it would be exceedingly difficult to enforce an arbitration in a question of that sort. I come back to the old question of what the court is that could enforce it. Unless you can lay down some substantial rules to guide it, an arbitration would be exceedingly difficult.

15,283. (*Chairman.*) Are agreements for mutual running power upon the increase among railway companies?—I think they are, and I must say that where they have been granted it has generally been the case, with few exceptions, that they are not exercised.

15,284. Do you mean where they have been granted by Act of Parliament?—No, where they have been granted by agreement; because where parties come to a mutual agreement there are always a large number of other things included in the agreement, and they generally come to an understanding, and do not exercise those running powers.

15,285. Do you think a universal grant of running powers between railway companies would be attended with mischief?—Certainly. I do not think it would be a practicable thing. Take such an instance as a crowded part of the North-western line, you could not grant to another company power to use all their stations. I am myself an advocate for granting running powers in all cases where the public necessity and convenience require it, and where you see that it can be done without danger.

15,286. (*Mr. Horsfall.*) From what you state I collect that you do not think that the convenience which is given by the railway companies by through carriages is attended with any loss to the railway companies themselves?—Quite clearly not. My own conviction is, that the more railway companies lay their heads together to interchange traffic as between themselves, the more will they benefit themselves and benefit the public. I am quite satisfied that that is the result as far as I have seen it in operation.

15,287. (*Chairman.*) Is there any considerable delay in the transmission of goods from one part of the country to another, owing to imperfect arrangements between the companies for forwarding goods?—I do not think there is. I think the great difficulty

that has arisen during the last year or two in the conveyance of goods has been more from the rapid increase of the traffic coming upon railway companies without their really having the means of sufficient siding accommodation for it.

15,288. In your opinion has the cost of working railways a tendency to increase or decrease ?—I think it has decidedly a tendency to increase.

15,289. What are the causes which lead to that ?—I think, in the first place, that the public continually demand more accommodation which the railway companies see it to be their interest to afford. The improvement both in the quality and in the size of all the locomotive engines, making them much more perfect in themselves, adds a great deal to the cost. If we take the rolling stock of the railways generally, and compare the carriage or waggon which is now in use with that which was in common use not more than 10 or 15 years ago, there is no comparison between them ; they are infinitely better in every way, and considerably dearer. Then with regard to the permanent way, the importance of having that of the best possible construction causes a considerable additional outlay. The cost of the permanent way, as now laid down, is at least 50 per cent. more expensive than what it was a few years ago. I am perfectly satisfied that those who live 10 or 20 years hence will see a vast improvement in the permanent way beyond what we now have. The whole tendency in every way is to increase the cost, but it frequently happens that the increased returns go on in quite as rapid a ratio.

15,290. On the whole you think it to be to the interest of the companies to incur those expenses which add to the cost of working the line ?—Most decidedly. I think the more perfect you can make the system in every way, both as to the amount of its accommodation and the nature of the stock, the more inducement you give the public to travel.

15,291. Is the proportion of the expense of working a line to the gross receipts increasing ?—I do not think it is in proportion to the gross receipts. One per cent., which is a small amount, must be the extent to which it has gone ; but if you take the actual cost in every way, such as wages and men, it is largely increasing in every department. Within the last two years the wages which railway companies pay to their labourers, mechanics, enginemen, firemen, and indeed every class, have been largely increased, and they are increasing now. That cannot be avoided, because they cannot get the men without.

15,292. Do you see any mode in which greater economy in working the line can be effected as regards the actual working ?—I do not think you can at all diminish the expense of working. I believe that the tendency is to make it more perfect, and, in doing so, to add to the cost. I believe that the more you place a railway company in the position of finding it to be to its interest to lay out its capital for that purpose the better ; they will make a much more perfect machine.

15,293. Do you think it is possible to introduce a system of running fewer carriages, so as to make the number of carriages more nearly in proportion to the number of passengers than is the case at present ?—I do not think you can do that.

15,294. Do you find that is a point on which the public is very sensitive ?—I think any limitation of that sort would be going in the wrong direction ; the tendency rather is to improve the accommodation than otherwise.

15,295. You have generally a large number of partially empty carriages running in every train, have you not ?—Yes ; but in the case of families who are travelling a long distance to adopt the plan which is sometimes adopted in the stations of London of not allowing any one to get into an empty carriage until all the other carriages are full, would not be at all consistent with the feelings of a party of three or four who might wish to go a long distance in a carriage by themselves.

15,296. (*Lord Stanley.*) In point of fact, do not first-class travellers generally seem to consider that they have a right to two places instead of one ?—No doubt. I do not think that it is at all the policy of railway companies to attempt to limit the accommodation of the travelling public.

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15,297. (*Sir R. Hill.*) But is not such an amount of accommodation quite inconsistent with very low fares ?—The very low fares of course would apply only to excursion trains, which principally consist of second and third class passengers ; I believe in those cases the railway companies are not so particular, and they do not mind packing them rather closer together.

15,298. It has been stated in evidence that on the average only about one-third of the seats in the train are occupied by passengers, is that the case on your line ?—Certainly not ; I should rather think it is the other way, and that there are about one-third unoccupied and two-thirds occupied. It is rarely the case that in a compartment of six not more than two passengers are admitted.

15,299. You do not consider it necessary to give such facilities to the public as so large a proportion of unoccupied seats as two to one ?—Oh, dear, no !

15,300. (*Chairman.*) Do you think that that estimate is undesirable with regard to first-class passengers ?—Even with regard to first-class passengers, I think the estimate of one-third occupied to two-thirds unoccupied is in excess of what my experience proves. There are cases of this sort ; take, for instance, local traffic, such as that between Sunderland and Newcastle, where the same number of carriages, except on Saturday, are run all through the day ; at particular times, that is, the business hours, those compartments may be nearly full, and at other periods they will be nearly empty, but still you could not make any change in that ; you count upon the number that may come at a particular time, and therefore in that case you are obliged to provide for the maximum amount. At certain times of the day you may run empty carriages, but I do not see how you are to remedy it.

15,301. Do you think the cost of working has been much increased by the sanctioning of lines intended to compete with one another ?—I think in many cases undoubtedly, and the effect has always been this, that where a line is granted for the purpose of competition they eventually come to some arrangement, and it becomes the property of the parent line, and unless the district itself, on its own merits, demands it, I certainly do not think that a line granted for the purpose of competition has in its effects ever been successful.

15,302. (*Mr. Gower.*) The public benefits till they come to such an arrangement ?—For a period ; it is a short one. The fare is reduced to 2*s.* for a few months, and then they come to the conclusion that they had much better lay their heads together and enter into an arrangement. There is not a single instance at the present moment when a line has been granted upon the ground of affording competition that that competition exists.

15,303. (*Sir R. Hill.*) Then the ability to reduce the fares is lessened ?—Clearly ; it is spending two capitals to do the work of one. I am quite clear if you want a cheap work, that you will do that work cheaper by one line than you will be able to do it by two. Take any two towns where there is a moderate amount of traffic, if that traffic is split up into two you will not have it so well done as you would if it were carried by one line, assuming always there are no other circumstances to induce the formation of the other line. Of course I do not for one moment say if the country requires another line that it should not be made, because it indirectly introduces competition ; I say quite the reverse, I say that you must let it go upon its own merits ; but to make a line solely for the purpose of competition, in every instance in which it has been tried is a failure.

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15,304. (*Chairman.*) Does not the competing line in every case serve a different district from what the original line does?—Not in every case.

15,305. Can you mention any case in which it does not?—You may take such a case as two or three lines going to Liverpool, where, undoubtedly, you serve a different district, but I know many cases in which lines have been projected, and I have seen some lately, in which literally there is not a single town to be accommodated which is not accommodated now, and where the sole ground upon which they proceed is the question of competition. Those are cases in which I think it is a fallacy to assume that competition is a ground alone for passing the line, but, as in the cases which you suggest, if there is a population to be served in the district through which such a line goes, I should never say stop that line because it indirectly produces competition. I think that would be quite a mistake.

15,306. Can you mention any two lines by which two different districts are not accommodated?—At the present moment I cannot.

15,307. (*Earl of Belmore.*) Is there not a district of country between Buxton and Manchester in which those circumstances exist?—That is a line belonging to the North-western and one belonging to the Midland. The object of that was rather a wider view than the question of mere competition to which I refer. That was an instance of a line with many miles of railways, as in the case of the Midland, without any means of access to the district of Manchester, and the North-western refused to book passengers over their system. That was rather an extreme case. I think the case which may perhaps answer the question which you have to put to me was a case which occurred last year of a line projected into the district of the North-eastern railway. Throughout its course there was not a single town that it touched that was not accommodated, it did not go through a single place that was not accommodated by the North-eastern, and the consequence was that the line did not pass. But it was done professedly for the purpose of making a competing line between Leeds and Scarborough.

15,308. (*Mr. Gower.*) Do you think that the Midland extension to Carlisle is a case in point?—That is before Parliament now, but according to my view of it it is a great pity to spend the large amount of money which they propose to do, when the two companies, if they could only lay their heads together, might accomplish everything that is required without spending one single farthing. It is a simple question of convenience, for that line does not accommodate one single town throughout its whole length which is not already accommodated. I hold that to be a useless waste of money; at the same time they cannot agree, and it is a great pity that they cannot.

15,309. (*Lord Stanley.*) Who is to stop a line of that kind being made; do you think that a committee of Parliament ought to interfere, and say to the intending shareholders, "You are going to throw away your "money, and therefore we will not allow you to make "your line."—I think that the committee would perhaps look to the necessities of the case, and if they found that there was a large traffic dependent on it, and a large accommodation to be gained by it, that they would pass the Bill. Of course I cannot say what are the views which committees do take when these questions come before them.

15,310. (*Capt. Galton.*) Would you alter the system of Parliamentary legislation so as to prevent this competition?—Clearly not, I do not see that you could do that. Of course committees vary in their views; some committees think competition a good thing, and others do not; I should not at all wish to alter that tribunal.

15,311. Would you lay down any rules for the guidance of committees?—I do not think I should.

15,312. You think that every project should be decided according to its own special circumstances?—I do not think you could lay down any rule. A line which is projected for the sole purpose of competition, where the existing means of competition are sufficient for the public, clearly is not a sound reason in itself for passing the line. If you say there is a district which has not the accommodation which it requires, and by passing that line you give the means of competition, then I hold that that has nothing whatever to do with the case, and that you ought to accommodate the district, although it may produce competition.

15,313. (*Mr. Gower.*) Is it not the fact that money is forthcoming to make a new line frequently because the existing accommodation is inadequate?—I do not think that at all. The question which you put as to money being forthcoming is a matter which is not always investigated by committees. In the case of an extensive line of railway which was projected last year, I was called upon to advise as to the desirability of taking it up. The promoters were asked if any agreement existed, and an agreement was put into my hands to examine, being the first of the sort that I had ever seen. The nature of that agreement was simply this: in the first place, it set forth that the first contracting parties were the engineer and the solicitor, and the second contracting party was the contractor himself; the contractor agreed to provide the deposit, for which he was to be paid 5 per cent., and which was to be repaid to him within six months after the passing of the Act. He was then to construct the work according to a schedule of prices, which was based upon cash prices, which schedule of prices, when I looked through it, appeared to me to vary from 30 to 50 per cent. above the ordinary prices at which the work could be let. The next clause was that if he was called upon to take shares in the undertaking in payment that the schedule of prices was to be varied according to the rate at which the shares were sold in the market. Therefore, if the shares were at 50 per cent. discount, and he was to take those shares, of course he got something in addition for his money; then if he found this capital he was to nominate the directors of the company in proportion. It was so absurd that I fancied it was an agreement standing by itself. I said to the engineer, "This is a most extraordinary sort of a thing." He said, "I can assure you this is a model agreement on "which all these lines now come before Parliament." I have very little doubt that such is the case. Of course I said to the parties who consulted me, "All "you have got to do is to say, unless that agreement is "put into the fire we will not enter into any negotia "tion with you; you ought not to touch it upon any "terms." It has just this effect, that it is a speculation between the contractor, the engineer, and the solicitor, and ten to one when the Bill is passed if the line ever is made. I know several lines at this moment which have been got up on the same principle, and which have no cash to go on with.

15,314. (*Sir R. Hill.*) Is not that the case with most of the projects now before Parliament?—With a great number of them. There was a case which came before a committee of the House of Commons a few days ago in which one of the directors of the company was examined as a witness. The company applied for an extension of their time, two years having expired from the date when they obtained their Act, and also for an extension of their line. But when this director was examined it appeared that he did not know where the money came from originally for the deposit; that he never attended at a board meeting; that he did not know whether they had got a single penny to go on with; and that he did not know where the money was to come from; and the committee refused to grant either an extension of the time or an extension of the line. I know many cases in which Bills have been passed within the last year or two in which the companies are very much in the same position.

15,315. (*Capt. Galton.*) Is it not sometimes to the advantage of the shareholders of a great company whose shares are at a large premium to extend their lines?—I think when a company is in a prosperous condition that they are very much more disposed to extend their lines than when they are not, certainly.

15,316. How would you remedy the state of things which you described just now, so as to prevent that sort

of speculating in new lines?—I do not think you can remedy it except by a strict investigation when these matters come before the committees as to the real state of the case.

15,317. As to how the deposit was paid?—I do not think it is quite creditable to English commercial fame to have railways projected in that manner.

15,318. (*Mr. Horsfall.*) Had the Bill to which you referred just now passed the referees?—It had not been opposed before the referees, and it therefore came before the committee. The referees do not go into the question of the mode of raising money; they merely enter into the question of engineering details. This came before a committee of the House of Commons.

15,319. (*Lord Stanley.*) Do you not think this is a kind of evil which will work its own cure? Will there not be an end to the supply of dupes in time?—I do not know as to that; the dupes only come afterwards. The original application as it is made now does not require to have enlisted any dupes at all in it.

15,320. (*Chairman.*) Must not the failure of those speculative lines sooner or later put a stop to this system?—I think it will in the end. I know an instance in which they were obliged to apply to Parliament to get relieved from the difficulties consequent upon a similar case in which they had obtained an Act of Parliament and the money had been withdrawn. A gentleman had given the necessary bond for the withdrawal of the money, and it was found that, being as he was in consequence of that bond a debtor of the Government, he could not sell a single bit of his estate or property. We put a clause in one of our Acts to relieve him of that difficulty. I think in the next few years there will be many cases of a similar character.

15,321. (*Earl of Belmore.*) Are not a great many of these lines which are made in the way that you have described promoted in order to be sold to the large companies?—Yes. If the large companies buy them they generally buy them at an immense additional cost, far beyond what they could have made them at if they originally applied for them themselves.

15,322. (*Sir R. Hill.*) You think such lines are promoted for the most part in order that they may be bought by existing companies?—That is so.

15,323. Generally speaking, have they been able to frighten the larger companies into purchasing them?—In many cases they have. They are generally laid out with a great deal of care in order to have two strings to their bow, so that it will be a line which will suit either one or other of the railway companies; and then they put a very good premium upon them. It is no doubt a very profitable thing to the promoters in many cases.

15,324. (*Mr. Gower.*) Is not the disposition on the part of the great companies to purchase these small lines decreasing?—I think it is. I think the North-western have come to the resolution that they will not touch one of them.

15,325. (*Sir R. Hill.*) That is one of the good results of amalgamation, is it not?—Yes.

15,326. (*Mr. Horsfall.*) And one of the good results of past experience?—Many of them are not paying at all. I know a case at the present moment of a line near Hull. It is not a competing line at all with the North-eastern Company; it is got up much in the same way; we are asking for powers to amalgamate with it, but on this basis, that we do not take any of its share responsibilities. I have no doubt the original shareholders will not get one single sixpence of their money back again.

15,327. (*Chairman.*) Do you think that fares now would in any cases be lower than they are if Parliament had not sanctioned competing lines?—In many cases I think they would. I think that the effect upon a railway company is this, the moment a company has got to be in a prosperous condition (and I can speak from positive experience of it), all questions as to a reduction of fares are treated by directors in a totally different view to what they are when a line is not paying. I happen to have been connected, as engineer and manager, with lines in all their different phases. In the case of a line that was not paying anything, I have always felt the greatest difficulty in getting what was almost an absolute necessity when questions arose as to the state of the rolling stock and the permanent way. I recollect some years ago having to apply for the relaying of a line of railway which I did not consider to be in a safe state. I had it urged upon me whether I could not say that it might not go on as it was for three months longer. That is just drawing the line to the nicest possible degree. I felt great responsibility in having to do it, but I was asked the question whether it would not be possible to defer it. Even with reference to the simple question of painting the carriages, and having them in a better state, it is always deferred when you come to a line which is in a bad condition to the very last moment. I suffered from that to an extent which it is almost impossible to describe, having been engineer and also manager of a line of railway some years ago in that condition. Then when you get to the next stage, viz., of a line improving, everything looks up, and every application you make is treated in a totally different manner. When you come to the ultimate stage, viz., of a line paying a good dividend (as I am happy to say is the case with the line for which I now act as engineer-in-chief), every application involving an outlay of money which comes before the directors is met in a totally different spirit. If it be a question of making the carriages of the best possible form in which they can be made you find no difficulty or objection to it; if it is a question of providing additional station accommodation they are always ready to meet it; if it is a question of fares, experience has shown me in the case I refer to that they have agreed to a very large reduction of fares, which for several years they have always said they could not afford to entertain. It is just the difference between being able to afford to do a thing and not being able to afford to do it. Therefore I hold very strongly to the opinion that if unnecessary lines are kept out of the field so as not to spend large capital, which in many cases is entirely unproductive, the tendency would be that which I have experienced myself, to reduce the fares, to give larger accommodation, and ultimately I believe to make a considerable reduction in the fares of every department of the railway.

15,328. (*Sir R. Hill.*) That is a reduction in the charges to the public generally?—Yes.

15,329. (*Mr. Gower.*) Are the rates on the Great Eastern higher than they are on the North-western?—They are.

15,330. Considerably?—They are considerably higher. The passenger fares are considerably higher. One cannot help seeing, although perhaps it is invidious to mention any particular railway company, that the Great Eastern itself is not a specimen which any one would like to take of a railway. I will go even further and take the Great Western; if you compare the present accommodation of the Great Western railway with what it was 10 or 15 years ago, it is most remarkable; take the condition of all their carriages, stations, and the punctuality with which their trains are worked, and compare that with what it was 10 or 15 years ago; it will be seen that they have been gradually going down hill, and getting worse and worse. I believe that is owing to the rigid economy which they are of necessity obliged to enforce in every department from the real necessities of their case.

15,331. (*Chairman.*) Does not the fear of competing lines receiving the sanction of Parliament often induce railway companies to reduce their fares;—I am not aware that it has. The only case in which I know of a positive reduction in railway fares being made, was in the case of the South-eastern when the London, Chatham, and Dover introduced their Bill. The London, Chatham, and Dover agreed that if they got their Bill, they would make some reduction in their fares, and that obliged the South-eastern to reduce theirs. But I do not know otherwise that it is so.

15,332. Did not the London and Brighton, a few years ago, offer to reduce their fares as an inducement to the Committee to throw out a projecting line, com-

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peting with them?—I do not know that they offered that to the committee; I know that they did reduce them. They consulted me upon it. My strong advice to them was to reduce their fares, and the result has been, that for the first two or three years they suffered considerably, but they have recouped themselves entirely, and I believe they are unanimously of opinion that it was the right course to take.

15,333. Was the reduction very considerable in that case?—I think it was nearly 30 per cent. It made a considerable change in their dividend for the time being.

15,334. (*Sir R. Hill.*) In that particular case the willingness of the company to reduce their fares, although it warded off competition for a time, has not prevented its reappearing, has it?—No, it has not.

15,335. A competing line is now before Parliament?—It is.

15,336. (*Chairman.*) Can you state any other causes which are leading in your opinion to an increased cost of working?—I think that to a certain extent the state of excitement, which exists with reference to all these new railway schemes, has undoubtedly been one of the causes which tends to raise the price of money. As far as all railway companies are concerned, the rate of interest at which they are borrowing money is increasing from year to year, and that helps to add to the cost; at the same time I am not aware that it can be avoided.

15,337. You have stated already that there has been a great change in public opinion with respect to amalgamation, and that the recent amalgamations have not been opposed?—They have not.

15,338. Do you think amalgamations have generally been to the advantage both of the public and the railway companies themselves?—I am quite satisfied that they have been of great advantage, as is proved from the development of traffic resulting from the large amalgamations. I particularly refer to that of our own district, the effect of which, beyond any question, has been to develop the traffic to an immense extent. Take the case of that most important district of Cleveland. We have been enabled to introduce coals into that district from three separate districts which before were all, when unamalgamated, acting entirely for their own interests. The coals from the three districts were taken to separate places, only one going to the Cleveland district; but now the whole three are open, and go there. I suggested the first amalgamation of the North-eastern Company in 1848, which was opposed at that time by every individual director of the three companies. I stood alone for a long time, until I got them by degrees to take the view I did; and from that time we have gone on amalgamating with other lines, and every fresh amalgamation has added to the development of our traffic. We have improved from being a non-paying line to paying six per cent. I am quite satisfied now, after several years' experience, of the benefit of amalgamation.

15,339. Have you generally found that the boards of management of the smaller railway companies are influenced by narrower views than those of the larger companies?—Beyond all question. Their minds are of course limited to their own immediate district, and they of necessity take quite a limited view of it.

15,340. Do you expect that amalgamations will proceed much further than they have hitherto done, and that any of the larger companies will amalgamate with one another?—I think so. I see some cases where amalgamations will be most beneficial to the railway companies and to the public. They are matters with which I am only concerned as a looker-on.

15,341. Do you see any limit at which it is desirable that amalgamations should be fixed?—I think that the districts would limit that. I do not think you can have much larger amalgamations. In the case of the North-eastern, which is perhaps one of the largest results of amalgamation that there is, I do not see that we can by any possibility extend it, that is, beneficially extend it. We have always adopted this principle, to improve all our internal communications as much as possible, and spend money in our own district whenever it is required; but on no account to extend ourselves into any other person's territory. We have acted upon that principle, I believe, most beneficially.

15,342. You do not think these large companies ever neglect the smaller branches of their system, as being comparatively unimportant?—I do not think they do.

15,343. (*Sir R. Hill.*) Is it not one of the advantages of amalgamation, that the amalgamated companies can employ officers of superior talent and experience?—No doubt; I do not think there is any point in railway management that admits of more improvement than the quality of the officers in the lower grades. I think that if railway companies were paying better than they have been paying, that we should introduce throughout the whole of our system a better class of men than we have at present; I refer to station masters and men of that sort; I think it is a great defect in many of our railways.

15,344. One advantage which the public would derive from the improved management of railways, consequent upon the extension of the principle of amalgamation, would be greater safety in travelling, would it not?—Yes; I think there is nothing more conducive to the safety of the railway than the perfection of all its parts. Whether you take it as a question of permanent way, of its rolling stock, or the extent of accommodation which you provide (and which involves a large amount of capital); all those are essential features in producing safety in railway travelling, and the more you can bear that in mind as a railway company the better.

15,345. What are the causes that have generally influenced companies in amalgamating with one another?—I think, in some cases, undoubtedly to avoid ruinous competition; and, in many cases, one great object has been the real question of an interchange of traffic, for the purpose of developing the resources of the district. I have mentioned already the case of a petition being signed in favour of an amalgamation by parties paying about 700,000*l.* in dues annually. The sole point on which they supported that amalgamation was, that when the companies were amalgamated they would be able to get coal and other things from districts which they were entirely shut out from, and the result has been to develop the traffic of the district considerably.

15,346. You are aware that amalgamation has proceeded to a comparatively small extent in Ireland; have you at all considered what have been the reasons which have prevented amalgamation in Ireland?—I have not. I have been over several of the Irish railways, but I can hardly give any opinion upon them. I see no reason whatever why the same principle which has worked so beneficially in England should not be applied to those lines in Ireland.

15,347. (*Lord Stanley.*) Do you see any natural obstacle to amalgamations taking place in Ireland, by the voluntary acts of the companies themselves, in the same way as the companies in England?—I do not know that there is any reason why they should not so amalgamate by voluntary arrangement. There are, generally, difficulties to deal with between the companies, and I have been called in to settle the points in dispute between them. I have found them, generally, pretty determined to fight it out to the last. I see no reason at all why they should not amalgamate in Ireland as they have done in England.

15,348. (*Chairman.*) Would you, under any circumstances, recommend compulsory amalgamation?—I do not think you could force an amalgamation. Generally between the companies the question is as to the terms; they admit that it is a good thing, but they generally break off upon some question of terms.

15,349. In those cases where you have been called in in Ireland, has failure often arisen from local interests rather than the companies'?—They were not questions of amalgamation, but questions as to joint stations, one being as to the station at Limerick. In the north of Ireland some questions arose as to working traffic over each other's line, which were settled by arbitration.

15,350. Have you found any difficulty from one set

of directors being interested in one route and another set of directors being interested in another route?—Cases of that kind have not arisen.

15,351. You are aware that it has been recommended in some quarters that railways should be purchased by the Government; have you taken that question into your consideration?—Yes, I have; but I think the answer to that is simply this, that if the Government were to manage the railways they must do it upon some fixed rule. It would be next to impossible for the Government to settle such questions as fixing rates and fares, that is to say, that the varying rates and the commercial views which must be taken of them would be quite incompatible with any system which Government could lay down. They would more tend to the French system of having a rigid mileage rate, which I am quite sure would be destructive of all the railway traffic. I do not see how it is possible for Government to carry on such business, which is getting more and more to be of a commercial character.

15,352. (*Lord Stanley.*) Putting aside the question of the actual purchase of railways by the State, do you think that any arrangement of this kind would be practicable, that Government should lend money to a railway company on lower terms than it could be obtained in the market, say at $3\frac{3}{4}$ per cent., or some such rate as that, making in return for the loan, a condition that the fares by that company shall be lowered to the extent of the temporary loss which would countervail the advantages derived from the loan?—I conceive there is no railway company that would not most readily accede to such a proposition. I think they would do so at once. That it should be a condition to the loan being made that the railway company should make such a reduction of fares as might be considered by the Government an equivalent grant, I think is a condition which no railway company would at all hesitate to accept.

15,353. The intention of such a loan being that the benefit should not accrue to the company directly, but that the company should be the means of distributing it to the public?—Clearly. I think such a proposition would meet with the universal approval of railway companies.

15,354. (*Earl of Belmore.*) How would you meet the difficulty that might arise if the reduction that you made caused an actual loss?—As I understood the proposition, it was this, that if you pay now 100,000*l.* a year for your borrowed money and the Government were to lend it to you for 75,000*l.*, you would have to make a reduction in the fares equivalent to the 25,000*l.* Of course doing it in that way the railway companies are recouped by the saving in interest.

15,355. But if you found that the effect of the reduction of fares was that you lost more than 25,000*l.*, would you not be obliged to raise the fares again?—I think that the proposition of the noble Lord is, that the two should be made to tally. There would be no difficulty at all in making a reduction which should be equivalent to the amount saved; but the question would really be whether the company would not by the additional traffic be recouped a portion of it.

15,356. (*Lord Stanley.*) Supposing such an offer were made for a limited term, say seven or ten years, do you think it not impossible that the company might regain at the expiration of that term all that it had lost by the reduction of fares irrespective of the saving upon the loan, and therefore it might be fair at the expiration of such term to terminate the bargain and the reduced fares might still continue?—Perhaps financially it would be attended with considerable difficulty, because many companies are borrowing to the extent of several millions; and if Government were to withdraw a large loan, and the companies were thrown upon the market to borrow that money it might put them into a position of considerable difficulty. But, as regards the principle, my views are that the companies will recoup themselves any reduction of fares within a given number of years, the difficulty always being this, that you cannot tell the extent to which that increase would have gone on irrespective of the reduction. With reference to population, we have been increasing at the rate of from 3 to $3\frac{1}{2}$ per cent. in the northern district. There may be some little difficulty in it, but otherwise I quite think the noble Lord's suggestion is one that will be at any rate gladly entertained, if not adopted, by the railway companies.

15,357. (*Mr. Gower.*) Would not the Government in that case have to consider what the reduction should be upon the different railways, and whether it should not vary according to the circumstances of each railway?—Clearly so. Supposing that you are going to reduce your fares to the extent of 25,000*l.* a year, there is no difficulty at all in taking the number of passengers that you are now conveying and seeing what reduction of fares would be equivalent to that. That would be a simple matter of calculation, and I think it would be perfectly easy to arrive at it.

15,358. (*Lord Stanley.*) Do you think that that might be made a progressive operation in this way: Supposing that the bargain was originally made for seven or ten years, and that at the end of that time the temporary loss had been recovered, would it be practicable for the Government to say, Now we will continue this loan to you for another period of ten years, but inasmuch as you have recovered from the effect of your former reduction of fares, we shall require you to make a further reduction?—In principle I should say that is quite correct; but it would be accompanied by a great deal of difficulty in ascertaining what the proportion was. In principle I think it is sound enough.

15,359. (*Chairman.*) If an advance such as has been suggested were made to the Great Eastern or the Great Western, which are not in a very prosperous state, upon the condition of lowering their fares, would it not indirectly compel all the other large companies to reduce their fares without having received any benefit?—In all cases in which they are going to competing places it would, undoubtedly.

15,360. If much lower fares than are now adopted were enforced on the Great Eastern or the Great Western, would not gradually all the railway companies feel the effect of that, and be obliged to reduce their fares?—Certainly. I understand the proposition to be, that if that were adopted as a principle, if it be open to one company Government would make it open to any which might require the boon.

15,361. The prosperous companies are able to borrow at present upon such terms that it would be hardly worth their while to accept any assistance from the Government, are they not?—I do not know that; the difference between $3\frac{3}{4}$ per cent. and $4\frac{3}{4}$ per cent. comes to a very large amount.

15,362. You think if the offer is made at all that it should be made to all the companies?—I think you can hardly pick out a particular company to make a reduction of their fares in return for a loan, because it might act as a great obstacle to some of the other companies.

15,363. (*Sir R. Hill.*) Should not one condition be that the company to whom the loan is granted is in such a state as to make the repayment secure? If so the probability is that the prosperous companies would be the first to avail themselves of the offer?—Yes; I think if Government were going to lend money that they would take care that they had abundant security before doing so.

15,364. (*Lord Stanley.*) I presume we may take it to be the case with regard to any large company in England, the security of the capital invested is sufficient to guarantee the interest upon such a loan as would be required?—Of course it depends upon the nature of the securities. I am not prepared to say that with regard to every individual company I should go the length of saying that it was perfectly secure; but, as a rule, making certain exceptions to it, I think it would be perfectly secure.

15,365. At any rate there would be no great difficulty in referring that matter to some authority, not directly connected with the Treasury, who could decide whether the security was sufficient?—There

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would be no difficulty in ascertaining the value of the security.

15,366. (*Earl of Belmore.*) If the Government were to advance money to any great extent, as has been suggested, of course if they have not got the money they would have to borrow it: do you think they would be able to borrow the large sum of money which would be necessary to pay all the debts of all the companies in the way suggested by Lord Stanley?—I do not think they would. If the Government had to borrow the large sum necessary for all the railway companies it would have the effect of raising the rate of interest to the Government.

15,367. (*Sir R. Hill.*) If Government advanced money to any company, the money so advanced would be employed in paying off debentures and so forth, would it not?—Clearly.

15,368. Then that would not increase the demand for money in the market?—It would increase the demand for cheap money, because if the Government are lending the money cheaply, they must borrow it cheaply.

15,369. (*Chairman.*) Do you think that the North-eastern, if they had an opportunity of borrowing from the Government at $3\frac{3}{4}$ per cent., would avail themselves of that, it being understood that they reduced their fares in proportion?—I should say certainly, that would be my view of it.

15,370. (*Mr. Gower.*) Would you cause them to reduce their fares proportionately to the advantage that they gained from the loan of the Government?—It is part of the suggestion that Lord Stanley has made, that there should be a calculation made of an equivalent reduction.

15,371. (*Sir R. Hill.*) The companies, I presume, would be willing to engage to make such a reduction of their fares as would not produce a loss exceeding the savings effected by the Government loans?—That is the proposition.

15,372. Seeing that there is a tendency wherever a reduction of fares is made to recoup the company by an increase of traffic, if for any reason the North-eastern were willing to make such a reduction as would lessen their net revenue, say to the extent of 25,000*l.* a year, the reduction made would be more than in proportion to the saving effected, would it not?—I understand the proposition to be that it is to be in proportion to the saving effected.

15,373. Would not the companies be able and willing to make a reduction which would, in proportion, be greater than that of the saving in interest?—I think the two points to consider would be the period for which the money was lent, and the company would then have to assume this, that at the expiration of that period they could not raise their fares again permanently, and they would also have to consider that at the end of that period they would have to borrow the money at a higher rate of interest. Therefore, the question would depend upon the fixed period for which the Government lent it. Ten years might possibly be rather a short period, because it would make a permanent reduction of the rates and fares; but, generally, the principle is one that might be worked out advantageously.

15,374. (*Earl of Belmore.*) If the Government were to lend money in that manner, and at such a rate of interest as has been suggested, do you not think it would be proper for the companies to provide a sinking fund for a given number of years?—Yes; I think it would.

15,375. (*Sir R. Hill.*) If the principle were adopted there would be no great difficulty in arranging the details, so as to secure Government on the one hand, and some advantages to the public on the other?—I do not think the details would be a matter of difficulty if the principle were adopted.

15,376. (*Chairman.*) You do not think having to provide a sinking fund would deter the railway companies from accepting such assistance?—I do not know that it would. Of course the saving would be so much less in that case because the reduction would be less.

15,377. (*Sir R. Hill.*) The effect would be that the company must then issue debentures from time to time?—Yes.

15,378. (*Mr. Gower.*) Would you propose that Government should lend to new projects in the same way?—No; I do not see that at all. I do not think they should lend to new projects, because they are clearly speculative, and the Government could not be at all secure that they would have any dividend for their outlay.

15,379. Supposing the Goverment were satisfied that the new project was a well founded project, do you see any objection to their lending money in such a case?—If they could satisfy themselves I should not. But if you apply the principle in one case you must apply it in all. I think it is a difficult thing in the case of new projects to know what the result will be. At the present time I am engineer to many lines which we have before Parliament as a large company. We are projecting them, because we believe there is a demand for them, and having regard to the benefit of the public we are justified and called upon to do so; but I am quite satisfied that several of those projects which we have this year will not directly pay to us more than from 2 to $2\frac{1}{2}$ per cent. I believe indirectly they may pay 4 per cent., but directly I am quite satisfied that they will not pay more than from 2 to $2\frac{1}{2}$ per cent, but with regard to those lines which are in the hands of independent companies it is quite impossible to say that there would be any security for the loan.

15,380. (*Sir R. Hill.*) Have you considered the question of how much the value of the property of the country has been increased by the construction of railways?—I cannot give any calculation of the increased value of it, but as a matter of fact, particularly in all cases where you are near a station in large towns, the value of property increases to an immense extent, and to agricultural lands the convenience is very great, but I am not able to say to what extent an actual increase in the value has taken place.

15,381. Can you give it within certain limits?—I am afraid I hardly can. I know many cases in which near railway stations land has more than doubled in value. That would not be a rule applicable in all cases.

15,382. That would be building land, I presume?—Land which has become building land in consequence. If a railway is taken through a large district, having regard to the facilities that it affords for the establishment of manufactories, it increases immensely the value of land.

15,383. You cannot give us any information as to the increased value of agricultural land by the construction of railways?—I have no data on which I could give anything that would fairly represent the value; it would be nothing but opinion, which, of course, is of no use.

15,384. Can you give the Commission any information as to the economy or otherwise of constructing very narrow gauge lines in districts where the traffic is small?—I have seen the most perfect narrow gauge line in Wales, the one which runs up to the slate quarries. I travelled on it two years ago with Lord Palmerston. It was last September twelvemonth. It is a narrow-gauge line from his own slate quarries.

15,385. What is the width?—It is only about 2 feet 6 inches wide.

15,386. Do they carry passengers on it as well as slate?—Yes; you sit back to back, and are strapped on so that you cannot fall off. It is not a kind of line that would be applicable generally. There is this difficulty that a transhipping is required when you come to change the gauge. It goes direct down to Port Maddock, where the slates are shipped. I do not think that a system of cheap lines like that could be made applicable to the country generally. The subject was debated at the Institution of Civil Engineers, and I think the general conclusion was, that it was a system which could not be generally adopted.

15,387. Is the cost of construction much less than

that of the ordinary gauge?—It is less, but not so much less as some people would think.

15,388. May there not be districts where the traffic would support one and not the other?—Yes, certainly, but I think they are quite exceptional.

15,389. In such a district it would be better, probably, to have a very narrow gauge line than none at all?—Yes; I am afraid that in those districts the difference between the two would hardly make the one a paying line and the other not. In that particular case it was a paying line before when it was worked by horses; but since it has been worked by these little locomotive engines, carrying passengers, I believe it has turned out to be a non-paying line.

15,390. Are you aware what has been done in some parts of our Indian empire in the construction of narrow gauge lines?—Yes.

15,391. They are reported to have been made at a very low cost, do you know how far those reports are correct?—I believe they are quite correct. They are called the Tramway Railway Company of India.

15,392. The company is a prosperous one, is it not?—Yes.

15,393. Narrow-gauge lines have also been made in some parts of Australia, I think?—That is not at all unlikely.

15,394. And with success, according to report?—One of the great expenses that would be applicable to all lines of railway according to the present regulations, is that they do not allow them, unless in quite exceptional cases, to cross over the public highways upon a level. That would be just as applicable to that little narrow-gauge line as to any other. If you really want a cheap line of the nature that you describe, they ought in the first place to get rid of that prejudice in such cases of crossing roads upon a level. They might run as nearly as possible upon the surface, adopting steeper gradients, and then the mere difference between the broad and the narrow gauge is not so large an expense as you imagine.

15,395. Of course, the narrower the gauge the sharper the curve?—We can make curves now as sharp as we like. One of the improvements which has been effected in connexion with locomotive steam engines is the radial axle box, an invention of Mr. Adams. They are now running locomotive engines on the Great Northern railway, which run from Hitchin over the Metropolitan line into the city; they will travel with perfect safety round curves of three chains' radius, and the carriages are constructed in a similar manner.

15,396. Have those engines eight wheels?—Six wheels, or four wheels, or some have eight wheels. It is a very ingenious arrangement.

15,397. Is the speed kept up?—Yes, with perfect safety.

15,398. Then it is not necessary to have a very narrow gauge in order to enable an engine to pass sharp curves?—No.

15,399. Is anything gained as regards the gradients? Are gradients more manageable with a very narrow gauge than with the ordinary gauge?—No; I should say, if anything, steep gradients would be better overcome by the broad than the extreme narrow gauge, but with regard to such a line as you are suggesting, the question of the gradient would be comparatively unimportant, because it might be in the first place a line of small traffic, or else it would justify a larger expenditure not having a small traffic, but the locomotive engines are so constructed that we can work them over gradients of 1 in 50 with perfect ease, and even less in many cases, and with sharper curves.

15,400. Suppose the object be to construct a very inexpensive line, say in an agricultural district, I understand you to say that considerable economy would result if the line crossed the roads on a level?—Yes.

15,401. Would you by that means avoid the construction of bridges?—Yes. If lines could be made at 4,000*l.* a mile, or a little more than that, I think there are many cases in which for a small traffic they would pay well.

15,402. Do you think that lines might be made with the ordinary gauge at 4,000*l.* per mile?—The cheapest line I ever constructed was one from Thirsk to Malton under favourable circumstances. Before the construction of it all the landowners, with two or three exceptions, agreed to give their land at 60*l.* an acre, including tenants' damages and everything, and the cost of that line when completed, its length being $22\frac{1}{2}$ miles, was under 100,000*l.* The stations and everything else were done very cheaply.

15,403. Did that include engines and carriages?—No, that was the mere cost of the line itself ready for working. In that case the whole of the roads were crossed on the level. I do not think there are more than three bridges throughout the whole length.

15,404. Did the sum you name include engineering, Parliamentary expenses, and so on?—It included everything; it was completed for that. It was a line in which the late Earl of Carlisle took a great interest. He was mainly instrumental in getting all the landowners (he setting the example) to take a low rate per acre for their land. That was the actual cost of that line, and having cost the sum which I have mentioned, it now pays about 4 per cent., not more.

15,405. Can you tell what would be the further cost of the necessary rolling stock of a line for small traffic?—I can give you a rule for that. The result of the experience of a great number of railways in the kingdom is simply this, that the cost of rolling stock for working the line is just equal to the gross annual amount of the traffic. Suppose a line is earning 300,000*l.* a year, you must have rolling stock equal to 300,000*l.*

15,406. You must expend one year's gross revenue in rolling stock?—Yes; that has been pretty well established by a comparison of the experience of all the railways.

15,407. That applies to a line of very small traffic?—I do not think that any line of such small traffic could afford to find its own rolling stock. We must assume that such a line would have to be worked by the parent line that it joined.

15,408. The probability is, that such lines would be parts of an extended system, and, therefore, might be worked by some extension of the stock of the parent company?—Yes.

15,409. Would your rule apply to such an arrangement as that?—I think it would.

15,410. (*Chairman.*) Does your rule apply to mineral traffic as well as passenger and goods traffic? I take the line generally. It applies to the whole system of the North-eastern Company. I took out that information some time ago for nearly all the large railways.

15,411. A great deal must depend, must it not, on whether the railway companies find their own waggons for the mineral traffic, or not?—Of course, that is assuming that they found the whole.

15,412. The general rule, is not to find waggons for mineral traffic, I believe?—That is the general rule. In the case of the North-eastern we find waggons for everything. The Great Northern find the bulk of their waggons for their mineral traffic. The Midland do not, and the North-western do not.

The witness withdrew.

Adjourned till Friday, 13th of April, at 12 o'clock.

Friday, 13th April 1866.

PRESENT:

The Hon. E. F. Leveson Gower, M.P.	Capt. Douglas Galton, R.E., C.B., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq., M.P.
T. B. Horsfall, Esq., M.P.	J. R. M'Clean, Esq., Pres. Inst. C.E.
Geo. Carr Glyn, Esq., M.P.	William Pole, F.R.S., *Secretary.*

The Right Hon. THE EARL OF BELMORE in the Chair.

Mr. F. Wragge.

13 April 1866.

Mr. Frederick Wragge examined.

15,413. (*Chairman.*) I believe you are commercial manager of Earl Granville's Shelton collieries and iron works in North Staffordshire, chairman of the North Staffordshire Coal and Iron Masters' Association, and formerly a manager of goods and mineral traffic on one of the great English railways?—Yes.

15,414. What railway were you the manager of?—I was formerly one of the managers of the goods and mineral traffic on the Midland Railway.

15,415. Will you favour the Commission with your opinions and the result of your experience with regard to the charges which railway companies may legally make in respect of the conveyance of goods and mineral traffic?—I wish to state, in the first place, that in my opinion the charges which railway companies may legally make are not defined with anything like sufficient exactitude and clearness. Of course, in saying that I do not presume to define to the members of the Commission to what extent those charges are clearly made out in their Acts of Parliament; but what I wish to state is that in practice the trader finds it very difficult indeed to ascertain what the legal charges are. The charges which many of the great railway companies claim to have a right to make are authorized by various Acts of Parliament, and it would involve an examination of all those Acts to ascertain what their legal charges are. In addition to that the railway companies claim to interpret those clauses of their Acts which relate to tolls and other charges according to their own view of the case. I can give an instance in illustration of that which I know to have occurred. The railway company were entitled by their Act of Parliament to charge for a class of goods which includes iron ore, pig iron, ironstone, and bricks for toll $\frac{3}{4}d.$ per ton per mile; for the use of waggons to convey the traffic, $\frac{1}{2}d.$ per ton per mile; and for locomotive power, $1d.$ per ton per mile; making a total of $2\frac{1}{4}d.$ per ton per mile. But there is a clause in their Act of Parliament to the effect that the maximum charge which shall be made by the company in cases where they find waggons and also locomotive power, and which charge shall include every expense incidental to the conveyance of the traffic, except loading and unloading, shall not exceed for this same traffic $1\frac{1}{4}d.$ per ton per mile. The railway company in making their charge claim to add together the three separate charges, making $2\frac{1}{4}d.$ per ton per mile; and they say that they are not bound by what is called the maximum clause, which would only entitle them to charge $1\frac{1}{4}d.$ per ton per mile. In addition to charging $2\frac{1}{4}d.$ per ton per mile they claimed to charge what they called a terminal charge, but in this case they perform no service such as loading or unloading. The point where the traffic arose being a place from which they expected to have traffic, they formed of course a siding or side road on which the waggons might stand to be loaded; and the place of destination of the traffic being a place where they also expected to have traffic, they formed a siding there on which waggons might stand for the purpose of being unloaded; they also convey the traffic from the one point to the other, but they make the trader a charge for siding dues. When they are asked to explain that, they say that it is for the use of their sidings; but the trader replies that he does not want their sidings; he merely wishes to have the traffic conveyed to its place of destination in order that he may unload it, and take it away. Then they say they cannot leave it on the main line to be unloaded, but they must place it on a siding, because it would not be safe for them to block up their line and leave a truck of goods until the trader unloads it; but the trader rejoins, and I think we have reason on our side, that it is not for the trader's accommodation that this waggon is put on a siding. It would be a matter of indifference to him where it stood when he unloaded it; but it is essential to the act of conveying the traffic from one point to another that they should at its place of destination put it off their main line. That is a case in which a railway company took upon themselves to interpret the powers of their Act of Parliament as to charges in a manner which seems to the traders of the district unreasonable; and in this particular case the trader consulted his solicitor as to whether the charge was legal, and whether he could resist it; but he was advised that the state of the law with regard to the charges which a railway company could or could not legally make was so uncertain that it was not desirable for him to resort to a court of law upon the subject, and that he had better make the best terms he could with the company and pay their charge. That is a case which actually arose. Then with regard to the charge of terminals by railway companies in particular, I wish to be allowed to mention that those charges are constantly made where the company in point of fact perform no service whatever beyond the conveyance of the traffic. They do nothing but what the Legislature must have contemplated that they would have to do when they fixed the charges which they were entitled to make, because the services which they perform are essential to the act of conveyance. They could not convey the traffic from A. to B. without performing those services. It seems to me and those whom I represent, that in cases of that kind, where no service is performed, it would be just as reasonable for a railway company to claim to make a terminal charge on passengers (for they really perform no greater service in the one case than they do in the other), and instead of calling it siding dues, I suppose they would call it platform dues. It is a fact which I know, having been a railway manager myself, that railway companies do make charges for traffic without special reference to the powers which they have by Act of Parliament. They consider that it is improbable that the charges they make will be called in question, and that it is very unlikely that any man will come forward as the champion of the trade to fight a railway company in a court of law, and they have it in their power to deter him from taking any hostile step against them, and in point of fact, in the few instances in which the charges they make are seriously called in question, they generally manage to arrange that it shall not come into a court of law.

15,416. (*Mr. Horsfall.*) Are you speaking of railway companies in general, or of any special railway company?—I am speaking of the railway companies whose practice I am acquainted with. I do not wish to specify them. I am not making any complaint against any particular railway company; but I believe the practice which I am alluding to fairly represents the general practice of railway companies.

15,417. (*Mr. Glyn.*) Then I understand your view to be that they charge more than they are legally entitled to charge?—I believe they do.

15,418. Do you know an instance of that yourself?—Yes; the case I have quoted seems to me to be a charge of that character. In that case I was, as I

have said, advised that the law was in so uncertain a state that it would be very undesirable to contest it.

15,419. (*Mr. Hamilton.*) What railway company did that apply to?—I do not wish to be considered as making a complaint against any particular railway company, but merely as giving an instance in illustration of what I mean, and therefore I would rather not give the name of the railway company.

15,420. (*Mr. L. Gower.*) You merely adduced that as an illustration of what you meant?—Precisely.

15,421. (*Mr. Glyn.*) If I collect rightly, the lawyer with whom you advised did not say that the charge was illegal, but he only said that the law was in a doubtful state?—He said that the law was in so uncertain a state with regard to the charges which railway companies generally make, that he would not advise the matter to be contested.

15,422. Without going into the particulars, can you mention whether it was for a long distance or for a short distance?—This particular case was on a short distance, three-quarters of a mile, which they charged as six miles.

15,423. Under their six mile clause?—Yes; adding together the three charges, without reference at all to the maximum clause.

15,424. (*Mr. Horsfall.*) They made a siding charge for which they rendered no service?—They did.

15,425. (*Mr. Glyn.*) What do you refer to when you state that they added together the three charges?—The toll, the charge for the waggons, and the charge for the locomotive power; and then there was the terminal, making the fourth charge.

15,426. (*Sir R. Hill.*) Perhaps you would like to modify your statement; as it stands it is in effect a charge that the generality of railway companies act illegally?—I think I said that I used it as an illustration of what I meant when I made the general allegation that the railway companies did charge more than they were authorized to do by their Acts of Parliament, and the traders find it very difficult indeed, even with legal assistance, to ascertain whether they would be likely to succeed in contesting those charges.

15,427. (*Mr. Glyn.*) Can you give the exact figures of this charge without mentioning any names?—The distance was three-quarters of a mile. They charged six miles at $\frac{3}{4}d.$ for toll, six miles at $\frac{1}{2}d.$ for carriages, and six miles at $1d.$ for locomotive power, which made $1s.$ $1\frac{1}{2}d.$

15,428. Was that for the conveyance of iron?—No; it was for the conveyance of bricks. Then they added $2\frac{1}{2}d.$ for siding dues, making $1s.$ $4d.$ per ton for the conveyance of bricks for three-quarters of a mile.

15,429. (*Chairman.*) Is not the maximum charge for each of these services fixed by Act of Parliament, supposing them to be severally performed, that is to say, where haulage is provided, where locomotive power is provided, and where there are sidings?—The maximum rates for toll, carriages, and locomotive power are fixed by Act of Parliament in what is called the maximum clause; but the company contended that they were not bound by that clause in cases where they were not common carriers.

15,430. Then it is contended that in this particular case they were not common carriers?—Just so.

15,431. (*Mr. Glyn.*) According to your statement and figures they appear to have charged more than the short distance clause?—They added $2\frac{1}{2}d.$ to make it even money.

15,432. (*Mr. Hamilton.*) How much did they exceed their maximum legal charge?—They exceeded their maximum legal charge according to the Act of Parliament by $8\frac{1}{2}d.$ per ton, being more than double.

15,433. Under what heads did the excess occur?—It occurred by adding together the separate charges for toll, carriages, and locomotive power, instead of charging the maximum rate which the Act of Parliament says they may charge for everything, including all the expenses incidental to conveyance, excepting loading and unloading; and as they did not load or unload, I take the rate in the maximum clause to be the rate which they ought to have charged.

15,434. (*Capt. Galton.*) You do not contend that they were not entitled to charge six miles?—No, I do not intend that for a moment.

15,435. (*Chairman.*) But if they were not entitled to charge for all of these things separately, what was the object of putting these charges for these services separately in the Bill?—Because in some cases traders find their own carriages, and I have no doubt when these toll clauses were framed it was contemplated by the Legislature that some traders might find their own locomotive power; therefore the items were put separately where they perform only one or two of those services; but there is a general clause afterwards, that when they perform the whole of those services they shall not charge for the whole more than so much.

15,436. (*Mr. Hamilton.*) Will you read those words?—"Provided always, and be it enacted, that "the maximum rate of charge to be made by the "company for the conveyance of passengers upon the "said railway, including the tolls for the use of the "railway, and of carriages and locomotive power, and "every other expense incidental to such conveyance "shall not exceed," and then follows a list of rates for passengers. "And with respect to the conveyance of "goods the maximum rates of charge, including the "tolls for the use of the railway, and of waggons or "trucks and locomotive power, and every expense "incidental to such conveyance, except loading and "unloading, shall not exceed the sums following; "For all coals, clay, bricks, ironstone, pig iron, the "sum of one penny farthing per ton per mile."

15,437. (*Mr. Glyn.*) When you represented that to the company did they not at once admit that they had no power to exceed that charge?—They stated that the maximum clause did not govern them in cases where they were not common carriers, and they thought proper to say that they were not common carriers, although on the other hand, in some cases, they say they are common carriers.

15,438. How was it settled eventually; did you pay the full charge, or did you pay the charge which you contend is the proper charge?—We paid something between the two; there was a compromise; they took something off; but we still paid more than we thought they had a right to charge.

15,439. (*Chairman.*) This is rather a question of the construction of an Act of Parliament than of the charges which may legally be made being settled by legislation or otherwise?—Yes. I am not complaining of the charges which they might legally make; but I wish to illustrate the difficulty which the trader finds in ascertaining what charges a railway company may legally make.

15,440. (*Mr. Hamilton.*) From the wording of the clause it was open to them to contend that they would either act as common carriers or as mere railway toll takers?—Precisely; and they elect to do one or the other just as it answers their purpose best for the sake of the argument in hand. Sometimes they say we are common carriers, and at other times they say we are not common carriers.

15,441. Your complaint arises out of the uncertainty of the words of the Act of Parliament?—Yes, or rather from their interpretation of the Act of Parliament.

15,442. (*Mr. Glyn.*) Do you apply the observation generally, that it has been done by other companies, or do you restrict it to one particular company?—I believe it is done by all companies.

15,443. Do you believe that they sometimes say that they are not common carriers?—Yes, to the best of my knowledge, speaking from the experience which I have had of other companies. I am not prepared to give instances; but for the purpose of giving the Commission the best information I can from the traders' point of view upon this question,

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I believe that it is done regularly and generally by all railway companies.

15,444. (*Mr. Horsfall.*) Do you think that the case would in some degree be met by the publication of the maximum tolls and terminal charges at each station?—I do not think it would be met by that. I think that the remedy would be to have the charges which railway companies may legally make more clearly defined by General Act of Parliament. It is a great hindrance and delay to traders not to be able, by referring to some Act of Parliament or some public document, to ascertain what a company or companies may legally charge them as their maximum rate for traffic between two given points. If a customer comes to me to ask the price of iron delivered at such and such a station, I cannot tell him until I have opened communications with the railway companies, and until a delay has occurred, which perhaps loses me the customer. I cannot by referring to any public document ascertain what is the highest charge they can make. If I could do that I could then quote a price for iron, which would make me safe. If I could get it done for less by agreement with the company well and good; but I cannot at present ascertain the maximum charge which may be made by railway companies for the conveyance of coal or iron between any two given places or to any station where I wish to sell it delivered. I think that if the charges which railway companies may legally make were more clearly defined, say by a General Act of Parliament, and if the cases in which they may charge terminals were also defined, and what were the maximum charges which they might make for terminals under the circumstances which occur, three or four variations of circumstances would meet the whole case. I think it would also be very desirable that the charges which railway companies may legally make should be made uniformly. I do not see why there should be a different toll clause for every separate railway. The maximum charges which all railway companies in England may make should be in point of fact under a General Act of Parliament. It would be very much more simple; it would enable every one more easily to ascertain what charges they were subject to on any railway in the whole country, and I think both in the interests of the railway companies and of the public that it would be a very great improvement.

15,445. Do you think that a company whose railway costs 50,000*l.* a mile to construct should not have power to charge higher rates than a company whose railway costs only from 5,000*l.* to 10,000*l.* a mile to construct?—I think not in the public interest. I think that they ought not to have that power. Of course they would know before they undertook the construction of the railway what was the law.

15,446. Does it not appear clear to you that in that case the railway which is very cheaply constructed must derive a very large profit, or the railway which has cost the larger sum in constructing must be losing money by their traffic?—Yes, I admit that. I wish it to be understood distinctly that I am speaking from the traders' point of view and from the public point of view. I am not speaking from the companies' point of view. They might argue in that way, but, speaking from the traders' point of view, I believe that the balance of the public advantage and the public convenience would be on the side of having uniform charges on all the railways of the country.

15,447. (*Mr. Hamilton.*) That is assuming that the public get the same amount of railway communication that they get now?—Yes, I am speaking of the railways which are already in existence.

15,448. If you imposed a condition on railway companies which would prevent them from carrying their traffic at a profitable rate, do you think it likely that railways would be made?—I should not think there would be any difficulty arising out of that, but of course that is mere opinion.

15,449. (*Sir R. Hill.*) Does not the success of a railway depend quite as much upon the amount of traffic as upon the charge per ton per mile?—More. I should say that railways which are worked most profitably are those which, as a rule, carry the largest quantities at the most reasonable rates.

15,450. Are not those as a rule the expensive lines?—I believe they are in many cases.

15,451. Supposing the Government were to grant a higher maximum as regards the more costly lines, is it not highly probable that it would not be to the interest of the companies holding those lines to charge the maximum rates?—I think it is highly probable.

15,452. Do you know any company that does ordinarily charge its maximum rates?—I know cases in which companies, in order to develop the traffic which they are well laid out to secure, charge less than their maximum rates, and find it profitable to do so.

15,453. Does a company take into consideration the cost of the line in the determining their charges?—I think not.

15,454. Would it not be a mistake if they did take into consideration the cost of their line in determining their charges?—Yes, I think it would, because the amount of traffic they get depends upon the charges they make.

15,455. The cost of the line is a very important point for consideration before the line is made, is it not?—Certainly.

15,456. But not after?—I think not after.

15,457. (*Mr. Hamilton.*) But they take into consideration, do they not, whether a small traffic at a high charge or a large traffic at a small charge is most profitable to the company?—The best managed railways in the kingdom take that into consideration, and give moderate charges and facilities for large quantities of traffic to the traders and to the public.

15,458. Do you go the length of expressing it as your opinion that a uniform mileage rate throughout the kingdom would be desirable?—Yes, I do.

15,459. (*Sir R. Hill.*) You mean a uniform maximum mileage rate?—Yes, a uniform maximum mileage rate would not prevent railway companies by agreement from carrying for less in order to develop or encourage traffic. I believe a uniform maximum charge to be highly desirable.

15,460. (*Mr. Glyn.*) Is there any great variation between the charges of the different railways throughout the country? I am aware that there are some, but are the instances numerous?—I believe they are very numerous, but I am not prepared to say whether they are great.

15,461. (*Chairman.*) To go back for a moment to the case you mentioned just now, I understood you to say that you could not ascertain the highest charge that could possibly be made to you in any given case. What prevents you from ascertaining that highest charge I understand is, that you cannot tell whether the company intend to act as toll takers or as common carriers; is not that so?—Yes.

15,462. That being so, is not what you want rather that the law should be altered in such a way as to enable you to know at once if possible whether the company could in any particular case exercise the option of acting as common carriers or not?—Yes, you have correctly stated what I mean; but in addition to that a difficulty arises from the fact that companies claim to make customers "reasonable charges," the authority for which is not to be found in their Acts of Parliament to the best of my belief, and as I have been advised, and what I want is to have the charges defined which a company may make for performing all the services which they are called upon to perform for the public.

15,463. (*Mr. Glyn.*) Does not the term "reasonable "charges" apply only to the question of terminals?—To the question of terminals, in addition to whether they are common carriers or not.

15,464. And not to any other of their charges?—No.

15,465. (*Chairman.*) You do not mean to infer that any company claims to make a higher charge than its

maximum rate as laid down in its Act of Parliament, for haulage for instance?—No, I do not mean to say that.

15,466. (*Mr. Horsfall.*) You object to its being left so far as regards terminals, to the option of railway companies to charge whatever they consider reasonable?—I do.

15,467. You think that in case of difference arising there ought to be some appeal without the necessity of going to a court of law?—I think there ought to be a tribunal to which a trader may appeal; it is a very serious undertaking, particularly for a small trader; and although I am concerned for a large trader, still I do not consider that small traders should be at all swamped or crushed. I say that in the case of a small trader it is almost impossible for him to bring a great railway company to book in a court of law, and that there ought to be some tribunal or department to which he can appeal. I give as an illustration the action of the Poor Law Board as a check on the administration of the Poor Law. I have been an elected guardian of the poor for 10 years, and if it were not for the easy appeal which boards of guardians on the one hand, or the poor on the other hand, or even any parishioners have, to the Poor Law Board, there would be an immense amount of quarrelling and litigation. Of course, some of the functions of the Poor Law Board are judicial, they can make orders for the government of the proceedings of the boards of guardians, but I should think a very large portion of their duties is that of deciding points for parties who appeal to them; they do not give a judicial decision, but they have got the cases all before them; they know what has arisen upon the subject before, and they give advice, and armed with that advice or with that decision the parties are then prepared, if necessary, to appeal to the law. It is the same thing with regard to the Committee of Council on Education. If you were to take away, in the one instance, the President of the Poor Law Board, and in the other the Vice President of the Committee of Council, it seems to me that the affairs of those two departments of the country would be thrown into confusion.

15,468. (*Mr. Glyn.*) In the case you have given of the Poor Law, you say after that decision they can appeal to a court of law; this would appear to introduce a new tribunal, which only leads to further expense, and at last you have to resort to a court of law; what is the advantage in that to the public or to the traders?—In the case we are speaking of, I think it would be a very great advantage. I believe that the existence of a functionary or tribunal, to which any person aggrieved by the railway charges might appeal, would be a great check on the companies, it would prevent many disputes arising, and then the decision or report by way of opinion upon a case which a trader might get from that tribunal would strengthen him very much if he had to appeal to a court of law.

15,469. (*Mr. Hamilton.*) Then you do not propose to give the judgment of that tribunal the effect of a legal judgment as binding upon the parties?—I would give it the effect of a legal judgment, but I think it would only be fair to the railway companies that they should have an appeal from that to a higher court.

15,470. (*Mr. Horsfall.*) Which would always be exercised, would it not?—I should think not, because it would be a very strong presumption against them if the decision of the department were adverse.

15,471. (*Mr. Hamilton.*) Do you propose that every trader in the case of a grievance against a railway company should have a right to appeal to this tribunal without paying for it?—The question of paying I have not thought of.

15,472. If people are able to litigate claims without paying for it, would there not be a great number of them?—I should think no claims would be made which were not sustainable. It would be taking trouble for nothing, because the decision would be sure to go against the party who made the complaint.

15,473. (*Mr. Horsfall.*) Do you not think that an appeal to the Board of Trade might be based upon this footing, for instance, if a difference arose between a forwarder of goods and a railway company, as to what the terminal charge ought to be, which is now merely defined as "reasonable," that there might be an appeal made to the Board of Trade to appoint an arbitrator, who should say whether the charge was or was not reasonable, and if, on the one hand, the arbitrator decided that the charge was reasonable, then the party complaining should pay the expenses of that arbitration; and if, on the other hand, it was decided that it was not reasonable, then the railway company should, as is usual in cases of arbitration, pay the expenses of it?—I quite agree with that, with one exception, instead of the word "reasonable" I should substitute "legal," always supposing that the legal charges had been first defined.

15,474. I am going upon the law as it now stands. In railway companies' Acts it is generally defined that they should have the power of making a reasonable charge for terminals, that is, as the law stands now in most of the railway companies' Acts, assuming that to remain, do you not think that there should be a power of appeal to the Board of Trade upon the principle which I have just stated to you?—Assuming the law to remain in that vague state it would be desirable, but I think it would be merely perpetuating a very imperfect state of the law.

15,475. You would prefer a maximum terminal charge being defined?—Yes, charges under various circumstances, where the company find accommodation of certain kinds and where they do not.

15,476. (*Capt. Galton.*) Do you think such an appeal to arbitration as that would be less expensive than an appeal to a court of law?—I should think it would under those circumstances.

15,477. In most cases cannot an appeal be now made to a county court?—Yes, but the difficulty is very great in getting a satisfactory decision in a county court. In cases which have been carried into the county court, the judges themselves have stated that the law was uncertain, and not defined as to what railway companies might charge for terminal services, and that it resolved itself, after all, into a question of what was reasonable, and they in some cases, which I have read, qualified their decisions by saying, that they gave the best decision they could in the unsatisfactory condition of the law.

15,478. Then your argument resolves itself into this, that what you want is to enunciate more clearly what railway companies are entitled to charge?—Yes, and to appoint some authority to say what are the legal charges.

15,479. Do you mean some authority with technical knowledge?—Yes, some functionary of the State, some president of a railway board, or a person in that position, who would have all these Acts of Parliament before him.

15,480. Do you think there would be some safeguard for both parties in that way, because in having appeals to a court of law might not the functionary take strong views on the one side or on the other, and so give all his decisions one way?—For that reason I say it would be fairer to allow an appeal to one of the superior courts. We do not want an arbitrator to decide what is reasonable, we want to know what is legal.

15,481. (*Chairman.*) Does not the Act of Parliament in every case show what are the legal charges?—Certainly it does; but although they are printed in black and white, according to the practice of railway companies you cannot tell what they will charge. If you go to your solicitor he cannot tell you what are the legal charges which a railway company can make.

15,482. That is because he cannot pronounce whether in any given case the company is bound to act as common carriers or not?—And what charges they might make for what are called terminals, which means anything in practice.

15,483. (*Capt. Galton.*) Then you would have a fixed terminal charge laid down as a maximum?—Fixed terminal charges under different circumstances.

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15,484. Do you mean different charges at different stations?—No; according to the services which they perform; in some cases they load or unload goods.

15,485. (*Mr. Hamilton.*) Of course you would make a difference between the terminal charges in London and the terminal charges in the country, taking into consideration the different cost of rendering those services?—If it included delivery of goods; that is the only point, I think.

15,486. (*Chairman.*) In fact, the duty of the court which you propose would be twofold; first of all to deal with the question of terminals, and secondly, to determine whether in any given case a company was bound to act as a common carrier or not?—Yes, and to decide for services which they actually render what they had a right to charge. Of course it may appear to be anomalous, but as traders our difficulty is not so much that we are overcharged as that we do not know what we are liable to be charged.

15,487. (*Mr. Glyn.*) What did you allude to when you used the expression of "services rendered?"—The loading and unloading of goods.

15,488. That comes within terminals?—Yes. I did not mean to speak of it as distinct from terminals; they charge what they call terminals where they do nothing at all.

15,489. (*Mr. Horsfall.*) But the maximum tolls and rates of charge are all defined in every Act of Parliament, are they not?—Yes, I believe they are all defined in all Acts of Parliament.

15,490. But that is not the case with regard to terminals?—That is not the case with regard to terminals.

15,491. And that is what you want to have defined?—Yes; I also argue very strongly in favour of an uniform maximum charge, as applicable to all railway companies alike. I think maximum charges for similar services should be applicable to all railway companies, because a trader who has to deliver goods at a place 50 or 100 miles off may have to pass over three or four railways. In our own case, situated as we are on a short line of railway in North Staffordshire, to get to a place which is distant 50 or 60 or 100 miles, we sometimes have to go over two or three and even four railways. If each of them make a different charge according to their special Acts of Parliament, it becomes a most complicated affair to ascertain what the total charge will be.

15,492. (*Mr. Glyn.*) But practically, do not the North Staffordshire settle the through rate?—Yes; they "quote the rate," as we say in railway parlance, they say what they will do it for.

15,493. Then, as you have nothing to do with the other companies, what difficulty is there?—The difficulty is in ascertaining what they have a right to charge us. They tell us what they will take the traffic for.

15,494. That is generally below their maximum, is it not?—Not in all cases; not in the majority of cases.

15,495. It is in all cases of long distance?—No.

15,496. On what articles is the charge higher than the maximum?—It is higher on iron in many cases.

15,497. For long distances?—Yes. When I say long distances, I mean distances of from 50 to 100 miles.

15,498. Do you mean that they charge more than the maximum, putting the terminal charge out of the question, or when you add the terminal charge to the haulage charge?—In practice what they do is this; they say that from one point to the other our rate is so much; they do not give any particulars, and you cannot make out by reference to their Act of Parliament how they make up that rate. If you say it is more than they are entitled to charge, or more than you can afford to pay, they say that is the lowest they will do it for.

15,499. (*Mr. Hamilton.*) I do not suppose that you are prepared to say that they actually break the law by charging more than they are legally entitled to do, but what you mean to say is, that they will not give the public any means of ascertaining whether they keep within the law?—I do not wish to make any grave charge unnecessarily, but I have a very strong opinion myself that they do break the law by making charges which they are not entitled to make; that is my own opinion.

15,500. (*Mr. Glyn.*) You mean that they exceed the maximum?—I mean that they do it under cover of the fact that it is so difficult to find out what the total of the charges which they are entitled to make amounts to.

15,501. (*Mr. Hamilton.*) You are not prepared to give the Commission any instance within your own experience to prove that charge?—No, I am not.

15,502. With reference to the point which you were speaking of just now, as to the interpretation of the words "reasonable charge" for terminals, what you propose is, that the meaning of that term "reasonable" should in all cases be determined upon the facts of the case?—Yes.

15,503. That each railway company should come before a tribunal to show what, under their peculiar circumstances, would be a reasonable charge for terminals, and that they should then be binding upon the public from thenceforward; does that statement meet your view?—I think not quite; what I mean is that the terminal charges which railway companies should be allowed to make, and which should be applicable to all cases, should be defined in a General Act of Parliament, and that the classes of services for which those terminals might be charged should be defined and terminals should be charged according to the nature of the service rendered. A table of three or four different classes of services would meet the case. For instance, one would be where the siding belonged to the company, another where the goods are delivered into the private siding of a trader, another where the company performs the service of loading or unloading, and another where companies collect or deliver goods. I am not speaking at this moment with exactness, there may be other classes of services which I have not referred to.

15,504. Then would you have it uniform throughout the country, without reference to the cost of rendering those services?—In the case of delivery and collection it may be according to the distance of the delivery.

15,505. (*Sir R. Hill.*) Probably you think it would be better to have these charges defined, even though they might not be strictly in accordance with the cost which the company might incur in respect of the terminal service?—I believe it would be better to have them defined, even although it might not be in strict accordance with the cost which the company might incur.

15,506. Some approximation to perfect fairness would be better than leaving it quite open, as it now is?—Yes; the advantage of uniformity and certainty would counterbalance many other disadvantages.

15,507. (*Chairman.*) Can you point out to the Commission the reasons why a trader who is aggrieved should not appeal to the law through its present tribunals?—Yes; one of the principal reasons is that in the case of a small trader the sum in question is often small, although to him it might be of consequence, and the risk and expense of going to law would be a greater evil to him than paying what the company think proper to demand. In the case of a large trader the difficulties which a company may throw in his way if he goes to law with them pending a decision by the court are immense, much greater than any one not connected with the management of a trade upon a large scale would imagine. If the owner of a large colliery or iron works which is served by one railway only was to bring an action against the company, they might practically place him in a state of seige, because he has no other way in or out of the works, by throwing difficulties in his way.

15,508. (*Mr. Glyn.*) Without asking for names, can you give any instance where that has been done?—Yes. I do know of an instance in which the proprietor

of a colliery and iron works took counsel's opinion as to whether a railway company could subject him to those annoyances.

15,509. What was the character of those annoyances?—The main one was, that for traffic for which they had always been accustomed to supply waggons, when he offended them they said it is not convenient for us to send you any waggons to day or the next day, and without refusing to supply the rolling stock, in practice they failed to do so.

15,510. (*Mr. Horsfall.*) Such a practice as that is not to the interest of railway companies, is it?—Of course it must injure their traffic, but the power that they possess of doing that deters traders from going to law with them.

15,511. (*Sir R. Hill.*) If they do so I presume they think it to their interest to do so?—I presume so.

15,512. (*Mr. Horsfall.*) Or else it probably arises from a little vindictive feeling on the part of the manager?—That may have something to do with it, but it is a poor remedy for the trader to be referred to, that there are the laws of the country, and that he can go to law with the railway company. If he actually comes to hostilities with them and gives them notice of an action at law, they have it in their power to cause him great loss and inconvenience. I can mention another case, if I am not called upon to give names, in which a trader disputed some charges, thereby offending the company; they threatened to make him pay down at the station for all his traffic as it went in and out, and to have a clerk there and pay over the money for every waggon of goods that went away.

15,513. (*Mr. Glyn.*) That is to say, they were inclined to refuse him credit for those charges?—Yes; but it was done more to give him a hint of the power which they had to cause him inconvenience.

15,514. (*Mr. Hamilton.*) Did he dispute the accounts?—He disputed some of the charges.

15,515. I suppose what the railway company did was to say that until that dispute was settled they would only carry his traffic for ready money?—Yes; that was of course what they said.

15,516. (*Mr. Horsfall.*) They have power under their Act of Parliament to refuse to take goods without receiving payment before the delivery of those goods?—I should think it is only under the common law if they have the power at all, not under any special Act of Parliament that I am aware of.

15,517. (*Mr. Hamilton.*) There is, I think, no Act to compel them to carry goods on credit?—No; I should say not. I apprehend that any carrier might demand the carriage before he moves goods.

15,518. (*Mr. Horsfall.*) You do not know any law to that effect?—I do not.

15,519. But there is a law giving a carrier a lien upon the goods before delivery for the carriage?—I believe the Carriers' Act does that.

15,520. (*Chairman.*) Will you give your third reason?—That is a reason which is common both to large and small traders, and which I have alluded to already, and that is the uncertainty of the result which would be obtained by an appeal to a court of law. The written law upon the subject is very uncertain and undefined, and I am told by lawyers that the precedents are very conflicting and uncertain.

15,521. Would not the want of precedents render it difficult to the new court to give satisfactory decisions?—No doubt at first it would, but then precedents would grow up.

15,522. In fact they would make their own precedents?—Yes.

15,523. (*Mr. L. Gower.*) If the law were clear should you still object to the present tribunal?—If the law were made clear that would certainly take away from the necessity for a new tribunal.

15,524. Is the county court tribunal at all competent to try these questions?—Yes, if it is put in the shape of an action for debt on one side or the other.

15,525. Could not every case be put in that shape if so brought within the limits of the county court?—I should think it might.

15,526. That is not an expensive mode of trying the question?—No; the county court is the most inexpensive court for recovery I suppose of debts that we have.

15,527. (*Mr. Horsfall.*) Do you think railway companies generally would be satisfied with the decision of a county court?—I should think not. I should think that in every case where they had a right of appeal they would most likely do so, because the county court judge is one of a large number, and each judge has no special knowledge of railway law, and his decision would be almost of course unsatisfactory to the party against whom it was given.

15,528. (*Mr. Glyn.*) If the amount of the maximum charge was defined, and not rendered, as it is, doubtful by the use of the word "reasonable" any longer, then I suppose you think a county court judge would have no difficulty in deciding the question?—He would then have very much less difficulty in deciding it, but I am not prepared to go the length of saying he would have no difficulty.

15,529. It would then be a very simple question, would it not, upon the interpretation of the Act of Parliament?—It would be a very much more simple question than it is now.

15,530. Do you think that the traders generally would agree to make the decision of a county court judge final if the railway companies would?—Provided the law was clearly defined, that is to say, provided the charges were clearly defined by law, I think they would.

15,531. (*Mr. Hamilton.*) In paragraph 2 of your preliminary statement you say that railway companies "consider how much they can probably 'get' out of the "trader, and defer to the occurrence of a future possible "but improbable dispute the items by which they make "up the amount of the charge." Is that a general allegation based upon some specific cases within your own knowledge?—That is a general allegation based upon my experience of dealings with railway companies. They quote you a rate without reference to the items of which it is composed, and entirely without reference to their Acts of Parliament, what they think, as the phrase is, the traffic will bear. I have said there "what they can get out of it." If you ask them for the items of which their total rate is composed, they consider the fact of being asked for particulars as an affront and an offence to begin with, and if you press them on the point, they will often, to make up the total, put in items which have no show of being legal. And in many cases they are obliged to make up the total by charging a general terminal of so much.

15,532. (*Mr. Glyn.*) Do I rightly understand you to say that in many cases the traffic managers, without referring to their Acts of Parliament to see what their maximum charge is, make a charge upon the traffic which is offered them as they see fit?—I do honestly believe that is so.

15,533. (*Chairman.*) Do I understand you to state that as the result of your own experience as a railway manager?—The Midland Railway Company at the time I was one of their managers had, I think, four goods managers, their line being divided for that purpose, and the rates we fixed for goods and minerals were fixed at meetings in conference with each other. I am quite sure we never troubled ourselves about Acts of Parliament or our legal powers at all. We simply considered how much we thought the traffic would bear, and what the public would pay for it without making a disturbance.

15,534. (*Mr. Hamilton.*) Do you know, of your own knowledge, any instance in which there has been a dispute as to the charge that the companies have been unable to state the items of that charge?—Yes, I do. I have had experience of cases in which that has been so; and the reason why I know that has been so is, that when they have been called upon to

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give the items of which the total charge was composed, those items have evidently been merely squared afterwards for the purpose of making up the total, and the total has been made up by the addition of so much under the head of terminals.

15,535. Is it within your knowledge that, on the other hand, railway companies have often very great difficulty in getting traders who are allowed to send on their traffic on credit to settle their accounts?—Yes, they have. I am not complaining of the amount of the railway companies' charges so much as of their not being clearly defined by law.

The witness withdrew.

Mr. J. Lancaster.

Mr. JOHN LANCASTER examined.

15,536. (*Chairman.*) I believe you are a coal and iron master?—I am.

15,537. You are connected, I believe, with the Wigan Coal and Iron Company?—Yes.

15,538. Will you favour the Commission with your opinion with regard to the question of terminal charges by railway companies?—I am speaking now with reference to the coal and iron trade more particularly. I do not wish to go into the question of terminals connected with cotton or any other products, but I am confining myself to coal, iron, and raw materials. I consider there ought to be no terminal charges beyond the toll where the owners provide their own premises or wharves to have the waggons shunted into, and that the toll and locomotive charge is the only charge which a railway company is entitled to.

15,539. Is it your opinion that a railway company should be bound to take the carriages and locomotive into an owner's private yard without charging for that portion of the service?—Only to clear their own premises. They should render no service beyond placing the waggons off the railway on to the owner's siding at the nearest point at which they can do so.

15,540. What is your opinion with regard to the necessity of having uniform terminal charges fixed?—There was a good deal of discussion some years ago with reference to an attempt by the Great Western to charge a very high terminal rate, and there was a compromise made with the North-western Railway and the Lancashire and Yorkshire Railway, which arrangement has been carried out satisfactorily now for some years; and the coal and iron trade in our district are anxious that it should become universal. It appears to me to be satisfactory to those railway companies, and we think it is one which the public should be satisfied with also.

15,541. You wish that arrangement which at present applies to the North-western and the Lancashire and Yorkshire should be applied to all the railways in the kingdom?—Yes, and legalised. At present it is only by arrangement.

15,542. Then your answer comes to this, that you wish to have a maximum terminal charge fixed, just as much as a maximum haulage charge is fixed?—Precisely.

15,543. (*Mr. Hamilton.*) And that the maximum should be uniform?—Yes, for the same class of work performed.

15,544. (*Chairman.*) You do not go so far as to say that the terminal charges in London should be the same as the terminal charges in the country?—Yes, I will go the length of saying that all the charges should be alike.

15,545. (*Sir R. Hill.*) Those charges do not include cartage?—No.

15,546. (*Capt. Galton.*) What service or work do you consider the terminal charges to cover?—The railway company provide a wharf with a siding upon it, for which, as a rent, 2*d.* per ton is agreed to be paid. That is where the railway find the accommodation which you would call wharf accommodation; in addition, when they weigh with their weighing machine the carts that come for the coal, they charge 1*d.* a ton. That is the only service which the railway company is called upon to perform.

15,547. (*Chairman.*) Do they not make an extra charge for that service, or is that included in their terminal charge?—That is included in their terminal charge.

15,548. What you complain of is, that the charge they make for terminals is too great when you consider the service that they render?—It is so indefinite. We find when we go to the Great Western and other companies and ask them for a rate, and compare it with the Acts of Parliament, that there is a large margin for something, and they will not tell us what the meaning of that is. It is under the general head of terminals.

15,549. (*Capt. Galton.*) The rate which they give you includes the rate per mile as well as the terminals?—Yes, they are mixed together.

15,550. Therefore if you take off from that rate what they are entitled to charge as their maximum rate you find a large margin for what are called terminals?—Yes.

15,551. You wish that to be defined?—Yes, and not only defined, but that it should be kept as a separate account, and that the accounts ought not to be mixed up.

15,552. Do you not think that if the maximum terminal charges which railway companies might levy were defined in an Act of Parliament, that you would have to lay down a much higher sum than 2*d.* per ton which you say is now charged?—I think for the services rendered that would be ample payment.

15,553. (*Sir R. Hill.*) That payment has been settled by agreement, as I understand?—Yes, and carried out for some years.

15,554. Therefore we must assume that it is satisfactory to the company as well as to the trader?—Yes.

15,555. (*Mr. Hamilton.*) How are you to assume that which will answer for the North-western and the Lancashire and Yorkshire without much pains and laborious investigation would be an adequate remuneration to other railways?—I should say, in confirmation of my opinion, at the amalgamation of the London and North-western Railway these terms were deliberately settled.

15,556. When you came into this arrangement with those two companies, was it based on previous rates?—In some cases they charged 6*d.*, in other cases 4*d.*, and so on. It was quite an irregular charge. Our object was to fix it permanently.

15,557. Your principal object was to get it fixed and defined?—Quite so.

15,558. You did not wish to have services performed at an unreasonable rate?—No.

15,559. (*Sir R. Hill.*) You desire to have the convenience of knowing exactly what the company is entitled to charge?—Precisely. It is a very important thing when we are asked to make a quotation, that we should know exactly what the cost of conveyance is to a certain point, including every expense.

15,560. (*Chairman.*) That is, you want to be able to see at the moment what the highest possible charge of the railway company to you would be?—Precisely.

15,561. But you do not mean to say that they shall not be at liberty to charge a lower sum if they think fit?—They may charge as little as they like; but we want to know what the maximum charge is.

15,562. You do not ask for a uniform mileage rate?—No; that is a very important part of the question, which I wish to allude to hereafter. We only ask that the maximum rate shall be defined, leaving the companies every latitude beyond that.

15,563. What is your opinion with regard to their being only one terminal charge?—I am of opinion that when the goods go upon two lines they should not have the power of charging for terminal expenses. I can state a case in point. We have had to petition

against the Great Western; this year they have several Acts passing through the House of Commons, and we have already petitioned against them. They charge us 1*s.* 2*d.* per ton for carrying over about a mile of railway in our own trucks, and they make up the charge simply in this way; 6*d.* for tolls, and 6*d.* for locomotives. They have a power under that particular Act to charge a short mileage for the locomotive. That I presume is not general, but is a novelty, so far as that is concerned. Then they charge 2*d.* for terminals, when they do not provide any terminals making 1*s.* 2*d.* altogether.

15,564. (*Mr. Hamilton.*) Where is this?—At Wolverhampton.

15,565. You say that the Great Western render you services over a mile of their system?—Yes; they convey our coals from the North-western railway to certain gasworks at Wolverhampton, the railway being a mile long, for which they charge us 1*s.* 2*d.* per ton.

15,566. The coal being delivered to them by the North-western, and they delivering it at the gasworks?—Yes, merely delivering it into a private siding.

15,567. For that they charge you 1*s.* 2*d.* per ton?—Yes.

15,568. Does that include shifting from narrow gauge waggons into broad gauge waggons?—No, it is narrow gauge all the way.

15,569. (*Capt. Galton.*) They simply take the waggons from the North-western and shunt them into the siding of the gas company?—Precisely.

15,570. They have a wharf at the end, I presume?—There is no wharf at all. It is private property. It is exactly like the case I put where we provide wharves, and there is no terminal service.

15,571. (*Mr. Hamilton.*) Does it not involve keeping accounts between the two companies?—No; we have a separate account with them. They do not charge through the North-western.

15,572. You pay the North-western up to the point at which the carriages are taken on by the Great Western?—Yes.

15,573. And then you pay 1*s.* 2*d.* per ton for carrying the waggons to the gasworks?—Yes; they have been giving us their rates in conjunction with the North-western, and we see, by mixing the two, that they have taken 2*d.* off, leaving it 1*s.*

15,574. You do not contend that that is an illegal charge?—Yes, the 2*d.* is illegal, and we have been trying it for the last two or three years. We have been bringing an action against them.

15,575. What is the result?—It is not yet concluded They are in Parliament, and we are petitioning against them.

15,576. Besides contending that it is illegal in part, you contend that it is unreasonable?—Yes.

15,577. (*Capt. Galton.*) Has it taken you two or three years to get this action tried?—We have been since 1863 partly negotiating and partly litigating.

15,578. Is it not a very usual thing for a very short distance to charge a certain longer distance?—I think they are fairly entitled to the benefit of the six miles clause.

15,579. What should you consider a fair charge for the services which they render you?—Sixpence.

15,580. Altogether?—Yes, that ought to cover the whole of it.

15,581. (*Mr. L. Gower.*) Before what tribunal is this question now pending?—It is not actually before any of the courts yet.

15,582. (*Capt. Galton.*) Supposing coals are conveyed in their waggons, what is the maximum they can then charge you?—In other parts of the country it is the universal practice of these two great railway systems for the owners to find their own trucks for coals and minerals, so that they are the coal owners' own trucks.

15,583. (*Chairman.*) You say that you consider 6*d.* would be a fair amount for the Great Western to charge?—Yes.

15,584. Do I understand you to say that they should charge nothing for terminals, and nothing for locomotive power, but merely 6*d.* for the haulage?—In the 6*d.* is included the locomotive power. Three farthings per ton per mile is the usual rate now fixed for tolls, and $\frac{1}{4}d.$ per ton per mile for locomotive power.

15,585. Then you think that the charge that they make is beyond their legal maximum rate?—Yes, in this case it is. They charge 1*d.* per ton per mile, whereas now the almost universal rate is $\frac{3}{4}d.$ per ton per mile, and in many cases $\frac{1}{4}d.$ for the engine, making 1*d.* per ton per mile.

15,586. (*Mr. Hamilton.*) But the $\frac{3}{4}d.$ is for a long distance?—Beyond 25 miles.

15,587. Would it be reasonable to expect a railway company to carry for six miles at the same rate that it would carry for 25 miles?—Yes, I think it is reasonable. Three farthings per ton per mile is fixed in almost every Act which has been passed for some years.

15,588. But for distances under 10 miles?—For all short distances.

15,589. That has been fixed as the maximum coal rate?—Yes.

15,590. (*Chairman.*) Then you contend that the Great Western in this instance are actually charging more than they are legally entitled to do?—The Acts are very difficult of interpretation. One counsel's opinion is that they can charge 9*d.* per ton, and another counsel's opinion is that they can charge 1*s.* per ton. It is one of those points which it is really very difficult to define.

15,591. (*Mr. Hamilton.*) Is there anything in the Acts of the North-western limiting them to a charge of $\frac{3}{4}d.$ per ton per mile for short distances?—Yes.

15,592. As the maximum rate?—Yes, distinctly.

15,593. Over the whole system?—Yes; the Lancashire and Yorkshire, and I think the Midland the same. The rate of toll is $\frac{3}{4}d.$ per ton per mile up to 50 miles; and in some of their Acts they have power to charge for four miles, but generally the short toll clause is for six miles.

15,594. At what rate?—At $\frac{3}{4}d.$ per ton per mile.

15,595. There is no higher rate for a short distance upon the North-western system?—No, decidedly not.

15,596. (*Sir R. Hill.*) Then if the coals were actually conveyed six miles that would be the total charge?—Six times three farthings, and a farthing for locomotive power, locomotive power being charged according to distance.

15,597. The total charge for six miles would be 6*d.*?—Yes.

15,598. (*Chairman.*) With respect to having one terminal charge, do you go so far as to say that if a a company takes up your coals at one point and puts them down at another point upon their own system, and performs service in the way of shunting at both those points, that they are only entitled to charge for one of them?—We do not consider shunting as any extra duty.

15,599. But they claim it as such?—There is no instance of the companies with which I am in connexion having sustained such a charge as that.

15,600. (*Mr. L. Gower.*) If there is no charge allowed where waggons are run into the yards of private owners, would it not indispose companies to afford accommodation to traders having private yards?—I think, in the first place, they are bound to clear their own line and put the traders' waggons upon some convenient point, but that point we must always choose for the discharge of those waggons.

15,601. (*Mr. Hamilton.*) But they are not bound to choose the traders' yard for clearing their own line?—I take it that it is always their interest to do so. There is no dispute that if a trader provides a yard that is generally in a convenient place agreed upon between him and the railway company. I think there is no difficulty on that point.

15,602. But there is a distinct service rendered to the trader by taking the waggons into his yard or siding?—We hold not.

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15,603. You say it is a service to the company because it clears its own line?—Yes.

15,604. (*Sir R. Hill.*) In fact it is a convenience to the company and also to the trader?—If we asked the railway company to take our trains half a mile from their premises it would clearly be a service rendered for which we ought to pay; but if it is done merely to clear their own line, then we say it is not a service rendered to us.

15,605. (*Chairman.*) Then, in point of fact, with regard to the coal and mineral traffic carried on under ordinary conditions, you do not admit there should be any charge for terminals at all?—No.

15,606. Will you give the Commission your opinion with regard to short distance rates?—I think I have touched upon that subject incidentally in answer to the questions which have already been put upon this point. We are quite satisfied with the ordinary short rates in the General Acts which have been passed in the last few years, that is the six mile clause and the four mile clause, as it may be. In this case the Great Western Company have a short mileage upon the tolls, the tolls being fixed.

15,607. Have not other companies, like the North-western and the Lancashire and Yorkshire, such a power?—No. When the amalgamation took place the traders watched them closely, in order to get all these things pretty well defined. I may say they have worked since very satisfactorily to the public, and to the railway companies as well, I think.

15,608. (*Mr. Hamilton.*) How is it that the Great Western have this exceptional power?—I suppose they have not been watched so closely by the traders.

15,609. But they came before Parliament a little while ago, and I should have thought the traders had then an opportunity of watching them?—It has evidently been overlooked. I should say there is an attempt at uniformity in the Acts of Parliament relating to railways, but they are most difficult to understand.

15,610. (*Chairman.*) Is not that caused by modifications which have taken place from time to time in the Acts of the different companies when they have been in Parliament?—That is so, no doubt.

15,611. Supposing that a General Act were to be now passed, making all charges uniform, as time went on further modifications would probably be made when companies came to Parliament for fresh powers, and they might, in the course of a few years, be very much in the same position as they are now?—Yes; but I think that railways are now better understood than they were formerly. You have arrived at a point when you know that certain rates will pay, and therefore you ought to fix by one General Act a maximum toll, and then give the railway companies every latitude beyond that.

15,612. (*Sir R. Hill.*) If that were done it would be unnecessary to state the charges in the particular Acts?—It would be attended with expense, unless they complied with the general conditions.

15,613. They might be omitted altogether, might they not?—Yes, they might.

15,614. If they were embodied in a General Act applicable to all railways then existing, or which might thenceforward be made, it would be unnecessary to recite the tolls and charges in each particular Act?—Yes, I think it would.

15,615. (*Chairman.*) If you were to make a general uniform rate in the way which you propose, would you not be obliged to base your rate on what would pay in the most thinly populated agricultural district in the country?—The rates I have mentioned would pay anywhere, on any railway in the kingdom.

15,616. (*Sir R. Hill.*) Your wish applies to maximum rates?—Maximum rates only. There is one point I wish to mention with regard to waggons. It is a sore grievance with traders who have to send waggons. We are not allowed to go over the railway premises, or send an inspector to examine or report from time to time on the state of our waggons as they are travelling along; we have no control over them; we want them to be placed under some organized system similar to the clearing house system.

15,617. (*Capt. Galton.*) Do railway companies detain your waggons unnecessarily long on the railway?—Very much so, indeed.

15,618. So that you cannot work the stock in an economical manner?—We suffer grievous loss in consequence of the detention.

15,619. Because of being obliged to keep so many more waggons than you otherwise would do?—We have had waggons lost for three months at a time, and it is only by sending messengers over the country that we can discover where those waggons have been detained. We say that is not a state of things which ought to exist.

15,620. (*Mr. Hamilton.*) You want, in fact, to make them liable to pay demurrage to you for the detention of your waggons?—I would give them a reasonable time to convey waggons from point to point; but after that time has expired I think they ought to be under a demurrage.

15,621. (*Capt. Galton.*) Your waggon goes to some private trader?—I will assume it goes to a private trader or to our own wharves.

15,622. If it goes to a private trader, the private trader might keep it?—I would first invoice the waggon, say from Wigan to London, 24 hours is ample time to deliver that; then it is re-consigned, after being emptied, from London to Wigan, and 24 hours is enough there again. I would adopt the same principle at every town and every station, having nothing to do with how the trader might detain it; it is merely a question of the time that the railway company have that waggon in their actual possession.

15,623. (*Mr. Hamilton.*) How is the railway company to control the time that a waggon is kept by the consignee?—I do not propose that they should deal with that part of the question; it is only as to the time the waggon leaves its first destination, and the time that it gets to the trader.

15,624. That is the journey out?—Yes. Then they shall not be subject to any detention by the trader, the trader re-consigns that waggon back again; if there is more than 24 hours' detention then our charge would be for that as well.

15,625. Then, admitting that there is a detention sometimes arising from the fault of the railway company, is it not to be accounted for from the great irregularity and inequality of the traffic, the traffic sometimes being very great and sometimes being very small?—No, I think it occurs more in this way, that there is traffic which they give the preference to when they have a rush of business; it is very natural that they should give a preference to that traffic, the delivery of which is probably more urgent and pays them better.

15,626. But if your system was adopted, and the railway company was to claim any demurrage for the detention of waggons, they might refuse to take your goods on consignment until they have already forwarded them outwards?—There is a clause in the Acts of Parliament that after a certain notice they are bound to take our cargoes.

15,627. Would they be liable to account to you if they did not do so?—They would be liable to an action for damages if they did not do so.

15,628. Even supposing that all their railway stock happens to be employed at the moment?—We find the stock.

15,629. They find locomotive power?—Yes.

15,630. Suppose that all their locomotive power happens to be at the time actually engaged?—They are bound under the existing Acts to forward, if we tender them 40 tons of coal, they are bound to take them on. I think the railway companies do not complain of that.

15,631. (*Chairman.*) You do not go so far as to ask that private owners should be admitted to the clearing house?—No, because I believe that is a private establishment not belonging to the railway com-

panies; they may join in it, but to all intents I believe it is a private establishment.

15,632. (*Capt. Galton.*) It has got an Act of Parliament?—I was not aware of that; then of course it is to that extent public.

15,633. You will not go the length of insisting that railway companies should provide all the stock?—No, I think that would not be to the interest of the trade I represent. I have studied that question, and I have consulted a great many parties upon it. The North-eastern do find the rolling stock. I am interested in some colliery operations there, and although the North-eastern have an enormous rolling stock, consisting of all classes of carriages, they are better enabled to do it perhaps better than any other company, but if the North-western, and the Lancashire and Yorkshire, or any of the other companies adopted that system, we should be left, so to speak, in the lurch.

15,634. It would require, would it not, a very much less quantity of stock altogether if the railway companies found the whole?—I think not.

15,635. You do not think that empty waggons, which have now to go to your colliery for instance, could be utilized if they were public property?—To some extent that is so. On the other hand our own agents and the people who have charge of them are more vigorous, perhaps, than they would be with railway companies' waggons. I think one thing compensates for the other.

15,636. At any rate it would involve less sorting of waggons?—Yes.

15,637. And less expense of locomotives and shunting?—Not much of that; you must have a separate class of waggons for minerals and coals generally.

15,638. As the waggons belong to different colliery proprietors, they must sort all those waggons out if they have got a train to make up; for instance, suppose waggons belong to six different collieries, they would have to sort them all out separately, so as to deliver them back to their own collieries?—Yes, each colliery would ask for half a dozen trucks.

15,639. But if they were railway property there would be no special trucks belonging to particular individuals?—No.

15,640. (*Mr. Hamilton.*) Are you satisfied if you get an equivalent number of trucks belonging to somebody else?—No. There are 3,000 trucks belonging to the concern I am connected with. The whole of the traders in this district find their own trucks.

15,641. Do you expect to have your own particular trucks sent back again?—Yes, we must have our own trucks, because we have to keep them in repair.

15,642. (*Capt. Galton.*) If your trucks went to somebody else they would not be so well repaired as they are by you?—No.

15,643. (*Chairman.*) Some of your neighbours would keep a short supply of trucks on the chance of getting some of yours?—I think it would create a great deal of jealousy. In the North-eastern district, where the railway companies find trucks, it is very often thought that one party is favoured over another, but if they have their own rolling stock, it is their own look out. I think we are very moderate in our wish in this matter, because we only want 1*s.* 6*d.* per day for every day a waggon is detained. The clearing-house system have charges varying from 1*s.* 6*d.* up to 3*s.* 6*d.* per day.

15,644. (*Capt. Galton.*) But you want a system of demurrage adopted?—Yes, we think that after 24 hours' delivery to a company if the coals are not delivered by the consignee, there ought to be a demurrage paid for the waggons.

15,645. You would make that demurrage irrespective of the distance which the coal had to travel?—Yes.

15,646. Which company would have to pay for it? For instance, supposing you were sending coal from Wigan to Plymouth, it would pass over the North-western, the Midland, and the Bristol and Exeter?—I would hold each company liable, not the three companies conjointly. I would give each company a day to perform the service, and they should report where the detention occurred. That should be compulsory. I would not make the North-western pay for demurrage on other lines when we are sending coals to Southampton. I would only make them responsible for their own, except the reporting.

15,647. You would make them responsible for reporting when the waggons leave their own line?—Yes.

15,648. You think each company should report when the waggons came on and when they left their own line?—Yes.

15,649. (*Chairman.*) Supposing you sent coal over the North-western system to be forwarded to Southampton and any delay or loss should arise, would not the North-western, supposing they were the first company upon whose line those coals went, be liable at law to the person who sent them?—I am afraid there is no remedy.

15,650. But that is the case, is it not?—Yes, that is where they are common carriers; but they are not common carriers in this case; they are the owners of a railway, and only carriers to a limited extent. I think that would apply to the case of common carriers only. The demurrage question is a question which we feel strongly upon. We have instances of a cargo of coals being detained for 14 days at once in going 24 miles, but we have no remedy.

15,651. (*Mr. Hamilton.*) What was the explanation given to you of the delay in that case?—They will not give any other explanation than general ones, such as that they cannot attend to it, and that they have too much traffic. They will not give any definite explanation.

15,652. Was it asked for in that particular case?—Yes, certainly; I tried to bring it before a Parliamentary Committee.

15,653. The instance you give is, that the trucks of a colliery were detained 14 days going 24 miles, and that you practically had no redress?—We had no redress whatever. We have sent coals from a colliery for a vessel waiting in the dock, and in 14 days they have not been delivered; and I say we have no remedy.

15,654. (*Capt. Galton.*) Could you not have recovered damages against the railway company?—Our legal advisers say not.

15,655. (*Mr. Hamilton.*) I presume that was a very exceptional case?—Upon looking over that same company's performances, I find that in loading vessels we can never get them laden under seven days.

15,656. The distance being 24 miles?—Yes, seven days was the minimum.

15,657. Have you ascertained that that was not the fault of the vessel, but was the fault of the railway?—The vessel was waiting, and charged us demurrage for the detention.

15,658. (*Capt. Galton.*) Was that at Liverpool?—Yes.

15,659. (*Mr. Hamilton.*) Do you think that if railway companies were compelled to pay demurrage detentions of that kind will not occur?—Certainly not. We should then have a remedy; we should charge them 1*s.* 6*d.* a day for each of the waggons, and unless Parliament gives us some control of that kind, I consider that we are entirely in the hands of railway companies.

15,660. (*Sir R. Hill.*) Do you happen to know what was the real cause of that detention of 14 days?—A crowding of the cotton trade. The cotton trade is a little irregular, and is a more valuable trade to the railway company than coals, and they consequently give a preference to that.

15,661. (*Mr. Hamilton.*) It was, in fact, then that the line was blocked up by other traffic?—Yes, and there was probably some defect of management at that particular point.

15,662. (*Sir R. Hill.*) Is not 1*s.* 6*d.* per waggon per

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day a high charge ?—It is the lowest rate that we have ever been charged by the clearing house system ; it is what the North Staffordshire charge people detaining their waggons, and I have taken that as the standard.

15,663. (*Chairman.*) The North Staffordshire company find waggons I presume ?—In some cases I believe they find waggons.

15,664. (*Mr. Hamilton.*) That is about 20*l.* a year ?—A good waggon is worth 14*l.* a year, but it is not the actual cost of the truck ; it is the inconvenience to our trade of not having trucks there.

15,665. (*Capt. Galton.*) They ought to pay more than the mere interest on the value of the waggons ?—Decidedly ; besides the inconvenience there is the loss of our trade, and I think we have been very moderate in fixing it at 1*s.* 6*d.* We have taken the very minimum.

15,666. (*Mr. Hamilton.*) I think you stated that railway companies were bound by law to forward goods ; take the case of coals ; they are bound to forward 20 tons of coal within 24 hours, are they not ?—They are to take it from our siding. We know nothing of it afterwards.

15,667. Is there any obligation upon them about delivery ?—I think not.

15,668. (*Chairman.*) They are not bound in any manner to deliver the coals within a reasonable time ?—They are to take them away within a specified time. I am afraid we have no remedy.

15,669. Does it ever happen that when your waggons have been detained for a very long time on account of some cause over which the railway companies have no control, such as an accident, they have ever given you a drawback ?—No. If it was purely through an accident I am sure no one would be so unreasonable as to ask for a drawback. It is merely in cases where a preference is being given that we feel a soreness. We do not think it fair that a railway company should give an undue preference to one class of traffic over the other. We say, let us have our fair share of the use of the line, and that is all we ask. I desire it to be distinctly understood that we do not wish to press railways for uniform rates all over the country. We have discussed that very fully. We do not wish the feeling to prevail that we want to compel railway companies to carry at one uniform rate. We only ask that the maximum tolls shall be at one fixed rate, giving them every latitude for special rates where they have great competition and where there are local circumstances demanding that.

15,670. (*Sir R. Hill.*) When you say maximum toll, what do you mean by "toll"?—A toll is for the use of the line, that is the general term. The toll is for the use of the way, the railway finding the waggons or rolling stock.

15,671. When you pay a toll the trader not only finds waggons but locomotive engines ?—That is a defined and separate charge, of which we have nothing to complain.

15,672. What you want is that a maximum shall be laid down for the total charge per mile ?—Yes.

15,673. (*Chairman.*) In fact you want to be able to know that if you wish to send coals from one part of England to another part of England you cannot be charged more than a certain sum ?—Exactly. They may charge whatever they like less. We have no objection to any smaller rates.

The witness withdrew.

Adjourned till Tuesday next at 12 o'clock.

Tuesday, 17th April 1866.

PRESENT :

The Right Hon. Lord Stanley, M.P., F.R.S.	Geo. Carr Glyn, Esq. M.P.
The Hon. E. F. Leveson Gower, M.P.	Capt. Douglas Galton, R.E., C.B., F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	William Pole, F.R.S., *Secretary.*
T. B. Horsfall, Esq., M.P.	

The Right Hon. THE EARL OF BELMORE in the Chair.

Mr. John Cosgrove examined.

Mr. J. Cosgrove.
17 April 1866.

15,674. (*Chairman.*) I understand you are the manager to Messrs. Bass and Co. brewers, of Burton-on-Trent ?—I am.

15,675. Do you appear here to represent other firms at Burton ?—I appear here to represent the trade generally.

15,676. I understand that you have some complaints to make against some of the railway companies with whom the brewers of Burton-on-Trent do business, to the effect that they give preferential rates to some of their customers ?—I have.

15,677. Will you be kind enough to state which companies you refer to, and all the particulars of those complaints ?—I refer to the three companies radiating from Burton, but more especially to the Midland Railway Company.

15,678. Can you state the names of those companies ?—The Midland, the North Staffordshire, and the London and North-western are the three companies which radiate from Burton. The former has had possession of the traffic for many years, and at the present time retains the greater share of it.

15,679. Have you a memorial from Burton-on-Trent to this Commission upon the subject ?—I have.

15,680. Will you be kind enough to hand it in ?—Yes.

The witness delivered in the same, which is as follows :

To the Royal Commissioners on Railways.

My Lords and Gentlemen,— Burton-on-Trent, 12th April 1866.

We, the undersigned brewers of Burton-on-Trent, beg permission to lay before you the appended detailed statements concerning the management of the railways radiating from Burton, viz. :—the Midland, the North Staffordshire, and the London and North-western, more especially of the first-named company, which until the recent introduction of the London and North-western line possessed nearly the whole of the traffic, and even at the present time retains by far the greatest share of the same.

We propose to exhibit the grievances and abuses of which we have to complain, under three heads, viz.:—1st. Favouring Rates; 2nd. Terminal Charges and their Abuses; 3rd. Unequal Rates.

1st.—Favouring Rates.

London and North-western Stations via Midland and North Staffordshire Railways.	Carted Rates paid by Trade prior to 1st June 1865.	Less 1*s.* 6*d.* for Cartage.	London and North-western Private Scale for Messrs. Allsopp & Sons, now Public Station to Station Rates.	Per Centage of former Rates over present Ones.
	£ *s.* *d.*	£ *s.* *d.*	£ *s.* *d.*	
Burton and Liverpool -	—	0 12 6	0 11 3	11
„ Manchester	0 12 6	0 11 0	0 9 2	20
„ Chester -	0 13 4	0 11 10	0 9 8	22¼
„ Bodorgan -	1 0 10	0 19 4	0 15 0	28¾
„ Tamworth -	0 5 10	0 4 4	0 3 4	30
„ Wolverhampton.	0 8 4	0 6 10	0 5 2	32¼
„ Rhyl -	0 17 6	0 16 0	0 12 0	33¼
„ Valley -	1 1 8	1 0 2	0 15 0	34½
„ Windermere	1 1 8	1 0 2	0 15 0	34½
„ Bradford -	0 17 6	0 16 0	0 11 8	37
„ Halifax -	0 17 6	0 16 0	0 11 5	40
„ Holyhead -	1 2 6	1 1 0	0 15 0	40
„ Whitmore -	0 11 8	0 10 2	0 7 0	45¼
„ Birkenhead	—	0 15 0	0 10 3	46¼
„ Carlisle -	1 6 8	1 5 2	0 16 10	49½
„ Penrith -	1 4 2	1 2 8	0 15 2	49½
„ Leeds -	0 17 4	0 15 10	0 10 6	50¾
„ St. Helens, Lancashire.	0 16 8	0 15 2	0 9 11	53
„ Bedford -	0 16 6	0 15 0	0 9 9	53¾
„ Peterboro'	0 17 4	0 15 10	0 10 2	55¾
„ Nuneaton -	0 8 4	0 6 10	0 4 4	57½
„ Stafford -	0 9 2	0 7 8	0 4 8	64½
„ Rugby -	0 10 10	0 9 4	0 5 3	77¾
„ Mirfield -	1 0 0	0 18 6	0 10 3	80½
„ Walsall -	0 8 4	0 6 10	0 3 8	86¼
„ Atherston -	0 8 4	0 6 10	0 3 6	95¼
„ Hammerwich	0 8 4	0 6 10	0 3 4	105
„ Lichfield -	0 8 4	0 6 10	0 3 4	105
„ Rugely -	0 8 4	0 6 10	0 3 4	105

Amounts claimed.				Totals.		
From Midland Company:				£	*s.*	*d.*
By Messrs. Bass & Co.,	£	*s.*	*d.*			
up to March 31, 1865	44,788	7	3			
Less for cartage	5,500	0	0			
	39,288	7	3			
Ditto up to Dec. 31, 1865	7,102	5	9			
	46,390	13	0			
Of the above 10,800*l.* (that is 12,800*l.* less 2,000*l.* of the above cartage amount) is for traffic conveyed over North Stafford Railway for London & North-western stations. Messrs. Bass & Co. claim the whole from Midland Company, as they consign all their traffic to them.				46,390	13	0
From London & North-western Company:						
By Messrs Bass & Co.,	£	*s.*	*d.*			
up to 30th June 1865	483	18	2			
Ditto up to December 31, 1865 - -	504	7	5			
	988	5	7	988	5	7
Claims tendered by other brewers to the companies,						
Midland - -	21,185	2	3			
North Staffordshire	10,405	8	3			
London and North-western - -	1,142	18	4			
	32,733	8	10			
Or say	-		-	30,000	0	0
				77,378	18	7

The above amounts have been claimed from the companies under the following circumstances:—

It having come to our knowledge that our neighbours, Messrs. Allsopp and Sons, were having their goods carried under an agreement, dated November 1859, with the London and North-western Railway Company, at the lower scale of rates to and from all that company's stations, and were also being allowed, from the period of laying down their private lines upon their own premises, 9*d.* per ton on all goods loaded into or unloaded from railway waggons by them; and in addition 4½*d.* per ton for haulage of the same by engine power to and from the railway stations; we have claimed from the Midland Company, (in virtue of agreements with some of our body, viz.: Messrs. Bass and Co., 1st January 1861; the Burton Brewery Company, 1st January 1861; Messrs. Hill and Sons, April 1st 1862; Mr. Evershed, August 1860; and Mr. Nunneley, August 1860; in which "they engage to place us on as favourable "terms in every respect as any other party trading in or "with Burton,") like reductions upon the rates charged to and from London and North-western stations, from November 1859 to June 1st, 1865, (when through the movement of Messrs. Bass and Co. in the matter the lower scale was openly brought into operation,) and from the opening upon our respective premises of our private lines communicating with the Midland Railway, viz.: Messrs. Bass and Co., October 20th, 1862; Messrs. Ind, Coope, and Co., March 6th, 1865; Messrs. Worthington and Co., October 1863; Messrs. Salt and Co., November 30th, 1861; and The Burton Brewery Company, February, 1863; the same allowances for loading and unloading the whole of our goods to or from any railway, such terminal services having previously been performed by the company themselves at their stations here. During the period claimed for, not only did we not receive a farthing, but were perfectly unaware that we had a right to payment for such performance; that our neighbours were having an allowance of any kind, or that the Midland Company were parties to making such allowances elsewhere. The rules, however, of the Midland Association (formed by the Midland, London and North-western, North-eastern, and other companies,) show that such allowances have for many years past been made by the railway companies to parties having sidings from their lines, *e.g.*, Messrs. Watts and Co., Soho, 7*d.* per ton; Messrs. Murcott and Wright, 1*s.* per ton; and W. Williams, Albion, 6*d.* per ton.

We have it on high authority that the Midland Company knew all along the scale of rates according to which Messrs. Allsopp and Sons were paying the London and North-western Railway Company. For nearly the first three years of the period the Midland Company performed the work of sending and invoicing Messrs. Allsopp and Sons' goods hence to London and North-western stations, (that company having then no station at Burton,) at precisely the same rates as ours; the London and North-western Company reducing them by subsequent monthly overcharge sheets to the private scale, and sending such sheets to their various stations, and to the Midland Company to check the correctness of the weights. (See examples of such sheets.) When afterwards the London and North-western Company established their line in the town the same system of private reductions from the public rate was carried on in favour of Messrs. Allsopp and Sons. We must not omit to remark that the North Staffordshire Company were also privy to this arrangement, regularly receiving the private reduction sheets upon that portion of the traffic which the Midland Company here had handed to them for passage over their line to Crewe, for the London and North-western stations lying northward of there.

In submitting the serious cases of injustice to which we have been subjected, we beg to express a well-founded hope that parliamentary intervention is at hand to render it impossible in the future that any railway company shall be able so far to exceed its proper functions, as to attempt by preferential rates to place the goods of any one trader at a cheaper cost, in the various ports and markets of the country, to the corresponding disadvantage of others en-

Mr. J. Cosgrove.

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gaged in the same town, and in the same department of enterprise.

We conceive that railways are legalized in the interest of the public as well as in that of the companies, that the Legislature could never have contemplated on the par of the few groups of individuals (who now have the monopoly of the carrying business,) such an unfair and dangerous interference with the freedom of trade, interference implying the assertion of a principle, which, if carried out, would place it in the power of the railway body to dictate the terms and conditions of the whole trade of the country.

2ND.—TERMINAL CHARGES AND THEIR ABUSES.

	£	s.	d.
By Messrs. Bass and Co. from Midland Railway up 30th June 1865, from 1st July 1862	8,704	18	9
Do. estimated similar claim for 4 years preceding - - - - - -	8,000	0	0
	16,704	18	9
Estimated claim of the whole trade at least -	14,000	0	0

Or say 30,000*l.* in all.

The above amounts represent a moderate estimate of the claims due to us as a drawback at 2*s.* 6*d.* per ton, difference between 4*s.* and 1*s.* 6*d.*, the station to station terminals. Messrs. Bass and Co., who have already sent to the Midland Company an account for part of the term, seven years, for which we intend claiming, have given that company notice they will pay no more carted rates, but demand station to station rates. We are about to follow a like course.

Rule 69 of the Railway Clearing House (to whose rules all the associated railways subscribe) states, "that an "allowance at the rate of 8*s.* 6*d.* per ton in London and 4*s.* "per ton in the country is made for the terminal expenses "on goods traffic when carted, and 1*s.* 6*d.* per ton, both in "London and the country, when not carted." For conveyance of our ales hence to stations on railways, beyond our local lines, we are paying, and have hitherto paid, what are termed carted rates. No carting has ever been done here by the company. Those of us who have no private lines in connexion with the railway cart the ale to the station ourselves. Under these circumstances we are surprised to learn that the Midland Company has for a number of years been receiving, in addition to their mileage proportion of the through rates paid by us and divided by the clearing house, the sum of 4*s.* per ton for their Burton terminal charges, precisely the same as the companies owning the destination stations where carting actually *is* performed. A glance at the tabulated statement under the head of Unequal Rates will show, on the other hand, that upon the division of the very few station to station rates we have, viz., at Glasgow, and on the London, Brighton and South Coast Railway, the company are content to receive the proper allowance of 1*s.* 6*d.* per ton for Burton terminals. The work performed by the companies at this end is precisely the same whether they obtain 4*s.* or 1*s.* 6*d.* We have heard of traders in other places claiming a drawback of 1*s.* 6*d.* per ton, indeed we have done so ourselves in the instances of hops arriving at delivery rates when the carting is saved to the company, but in the case of our ale the mischief is, that through the terminals being concealed in the gross charges, we were unaware that they included a carted terminal at Burton.

In calling your attention to the vague and unsatisfactory manner in which terminals are now levied, we earnestly beg that you will recommend that the railway companies shall for the future be compelled by legislative enactment to state in a fair and open manner, separately from the mileage rates, what are their terminal charges on the various classes of goods, and the particular service or services they include. May we also beg that you will cause the Secretary of the Railway Clearing House to be invited to give evidence on this branch of a subject so important to the trading interests of the country generally.

3RD.—UNEQUAL RATES (Section A.)

STATEMENT showing the Inequalities in the Rates for Ale from Burton-on-Trent to the following Stations viâ Midland Railway, divided according to Railway Clearing House Rule.

Stations. Between	Stations. And	Route.	Through Rates, including Delivery.	Nett Amount on deducting 4*s.* for Terminals at each End.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per-centage, showing Inequalities of Charges.
SCOTTISH NORTH-EASTERN RAILWAY.								
			s. *d.*	*s.* *d.*		*d.*	*s.* *d.*	Per cent. over Aberdeen.
Burton	Aberdeen - -	Lancaster, Carlisle, Greenhill, and Perth.	32 6	24 6	460	0·6	5 4	—
„	Stonehaven - -	„ „	35 0	27 0	444	0·7	6 1	14
„	Montrose - -	„ „	35 0	27 0	424	0·7	6 4	18¾
„	Forfar - -	„ „	35 0	27 0	402	0·8	6 8	25
„	Blairgowrie - -	„ „	35 0	27 0	391	0·8	6 11	29¾
Empty casks charged at same rate per ton as full.								
GLASGOW AND SOUTH-WESTERN RAILWAY.								
			s. *d.*	*s.* *d.*		*d.*	*s.* *d.*	Per cent. over Ardrossan.
Burton	Ardrossan - -	Lancaster and Carlisle -	30 0	22 0	325	0·8	6 9	—
„	Ayr - -	„ -	30 0	22 0	324	0·8	6 9	—
„	Troon Harbour -	„ -	30 0	22 0	320	0·8	6 10	1¼
„	Kilmarnock - -	„ -	30 0	22 0	309	0·8	7 1	5
„	Sanquhar - -	„ -	30 0	22 0	277	0·9	7 11	17¼
Empty casks charged at same rate per ton as full.								
SCOTTISH CENTRAL RAILWAY.								
			s. *d.*	*s.* *d.*		*d.*	*s.* *d.*	Per cent. over Dundee.
Burton	Dundee - -	Lancaster, Carlisle, Greenhill, and Perth.	32 6	24 6	391	0·7	6 3	—
„	Perth - -	„ „	35 0	27 0	370	0·8	7 4	17¼
„	Stirling - -	„ „	35 0	27 0	337	0·9	8 0	28
Empty casks charged at same rate per ton as full.								

3RD.—UNEQUAL RATES (Section A.)—*cont.*

Stations. Between	Stations. And	Route.	Through Rates, including Delivery.	Nett Amount on deducting 4*s.* for Terminals at each End.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per-centage, showing Inequalities of Charges.
CALEDONIAN RAILWAY.								
			s. d.	*s. d.*		*d.*	*s. d.*	Per cent. over Glasgow.
Burton	Glasgow - -	Lancaster and Carlisle -	23 4	20 4*	323	0·7	6 3	—
			s. to s.					
„	Edinboro' - -	„ -	30 0	22 0	319	0·8	6 11	10½
„	Coatbridge - -	„ -	30 0	22 0	313	0·8	7 0	12
„	Wishaw - -	„ -	30 0	22 0	304	0·9	7 3	16
„	Lanark - -	„ -	30 0	22 0	297	0·9	7 5	18½
„	Beattock - -	„ -	30 0	22 0	258	1·	8 6	36
„	Lockerbie - -	„ -	30 0	22 0	244	1·1	9 0	44
„	Ecclefechan - -	„ -	30 0	22 0	238	1·1	9 3	48

Empty casks charged at same rate per ton as full. * 3*s.* only off Glasgow, being station to station.

LONDON AND SOUTH-WESTERN RAILWAY.

			s. d.	*s. d.*		*d.*	*s. d.*	Per cent. over Weymouth.
Burton	Weymouth - -	St. Pancras, North London Railway, and N. and S.W. Junction Railway to Kew.	30 0	22 0*	274	0·8	7 1	—
„	Dorchester - -	„ „	30 0	22 0	267	0·8	7 4	3½
„	Gosport - -	„ „	26 8	18 8	209	0·9	7 9	9¼
„	Portsmouth - -	„ „	26 8	18 8	201	0·9	8 0	12¾
„	Winchester - -	„ „	26 8	18 8	194	1·	8 4	17½
„	Christ Church -	„ „	31 8	23 8	241	1·	8 9	23½
„	Semley - -	„ „	31 8	23 8	228	1·1	9 3	30½

Empty casks charged at same rate per ton as full. * 2*s.* 6*d.* to be deducted for tolls, St. Pancras to Kew Junction.

NORTH BRITISH RAILWAY.

			s. d.	*s. d.*		*d.*	*s. d.*	Per cent. over Peebles.
Burton	Peebles - -	Altofts and Berwick - -	30 0	22 0	328	0·8	6 8	—
„	Helensburgh - -	Ingleton, Carlisle, and Glasgow	30 0	22 0	325	0·8	6 9	1¼
„	Leith - -	Altofts and Berwick - -	30 0	22 0	306	0·8	7 2	7½
„	Dunbar - -	„ - -	30 0	22 0	277	0·9	7 11	18¾
„	Dunse - -	„ - -	30 0	22 0	269	1·	8 2	22½
„	Kelso - -	„ and Sprouston -	30 0	22 0	270	1·	8 2	22½
„	Newcastleton -	Ingleton and Carlisle - -	30 0	22 0	220	1·2	10 0	50
„	Canobie - -	„ - -	30 0	22 0	208	1·2	10 7	58¾

Empty casks charged at same rate per ton as full.

FURNESS RAILWAYS.

			s. d.	*s. d.*		*d.*	*s. d.*	Per cent. over Ulverstone.
Burton	Ulverstone - -	Lancaster and Carnforth -	20 0	12 0	174	0·8	6 11	—
„	Barrow - -	„ -	22 6	14 6	184	0·9	7 11	14½
„	Silverdale - -	„ -	23 4	15 4	159	1·1	9 8	39¾

Empty casks charged at same rate per ton as full.

LONDON, CHATHAM, AND DOVER RAILWAY.

			s. d.	*s. d.*		*d.*	*s. d.*	Per cent. over Ramsgate.
Burton	Ramsgate - -	St. Pancras, and carted across London to Blackfriars.	26 8	18 8*	204	1·	8 2	—
„	Chatham - -	„ „	23 4	15 4	159	1·	8 5	3
„	Canterbury - -	„ „	26 8	18 8	187	1·	8 11	9

Empty casks charged at same rate per ton as full. * 2*s.* per ton to be deducted for cartage across London.

LONDON, BRIGHTON, AND SOUTH COAST RAILWAY.

			s. d.	*s. d.*		*d.*	*s. d.*	Per cent. over Chichester.
Burton	Chichester - -	St. Pancras, and carted across London to Bricklayers' Arms.	21s. s. to s.	18 0	195	1·	8 2	—
„	Eastbourne - -	„ „	21 0	18 0	191	1·	8 4	2
„	Worthing - -	„ „	21 0	18 0	186	1·	8 7	5
„	Newhaven - -	„ „	21 0	18 0	182	1·	8 9	7
„	Brighton - -	„ „	21 0	18 0	176	1·1	9 1	11¼
„	Horsham - -	„ „	21 0	18 0	163	1·2	9 10	20¼
„	East Grinstead -	„ „	21 0	18 0	161	1·2	9 11	21¼

Empty casks charged at same rate per ton as full. * 2*s.* per ton to be deducted for cartage across London. These rates being station to station, 3*s.* only for terminals is deducted.

Mr. J. Cosgrove.

17 April 1866.

3RD.—UNEQUAL RATES (Section A.)—*cont.*

Stations. Between	Stations. And	Route.	Through Rates, including Delivery.	Nett Amount on deducting 4s. for Terminals at each End.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per-centage, showing Inequalities of Charges.
			s. d.	s. d.		d.	s. d.	Per cent. over Maryport.
MARYPORT AND CARLISLE.								
Burton	Maryport	Ingleton and Carlisle	26 8	18 8	223	1·	8 4	—
„	Wigton	„	26 8	18 8	207	1·1	9 0	8
„	Dalston	„	26 8	18 8	199	1·1	9 5	13
Empty casks charged at same rate per ton as full.								
SOUTH-EASTERN RAILWAY.								
			s. d.	s. d.		d.	s. d.	Per cent. over Dover.
Burton	Dover	St. Pancras, and carted across London, to Bricklayer's Arms.	28 4*	20 4	213	1·0	8 7	—
„	Folkestone	„ „	28 9	20 9	207	1·1	9 1	$5\frac{3}{4}$
„	Tunbridge Wells	„ „	26 8	18 8	171	1·2	9 9	$13\frac{1}{2}$
Empty casks charged at same rate per ton as full. * 2s. per ton to be deducted for cartage across London.								
WHITEHAVEN AND FURNESS RAILWAY.								
			s. d.	s. d.		d.	s. d.	Per cent. over Whitehaven.
Burton	Whitehaven	Lancaster and Carnforth	27 6	19 6	221	1·0	8 10	—
„	Silecroft	„	27 6	19 6	196	1·2	9 11	$12\frac{1}{4}$
Empty casks charged at same rate as full.								
NORTH DEVON RAILWAY.								
			s. d.	s. d.		d.	s. d.	Per cent. over Bideford.
Burton	Bideford	Bristol and Exeter	30 10	22 10	245	1·1	9 4	—
„	Barnstaple	„	30 10	22 10	236	1·2	9 8	$3\frac{1}{2}$
„	Copplestone	„	30 10	22 10	210	1·3	10 10	16
Empty casks charged at same rate per ton as full.								
GREAT WESTERN RAILWAY.								
			s. d.	s. d.		d.	s. d.	Per cent. over Haverfordwest
Burton	Haverfordwest	Gloucester	30 0	22 0	253	1·0	8 8	—
„	Carmarthen	„	27 6	19 6	223	1·0	8 9	1
„	Bath	Bordesley	23 4	15 4	169	1·1	9 1	$4\frac{3}{4}$
„	Cardiff	Gloucester	21 8	13 8	147	1·1	9 3	$6\frac{3}{4}$
„	Windsor	Bordesley	21 8	13 8	144	1·1	9 6	$9\frac{1}{2}$
„	Newport, Mon.	Gloucester	21 8	13 8	136	1·2	10 0	$15\frac{1}{4}$
„	Farringdon Road	Bordesley	23 4	15 4	126	1·4	12 2	$40\frac{1}{4}$
„	Newbury	„	27 6	19 6	149	1·6	13 1	51
„	Reading	„	25 0	17 0	124	1·6	13 8	$57\frac{1}{2}$
Empty casks charged at same rate per ton as full.								
NORTH-EASTERN RAILWAY.								
			s. d.	s. d.		d.	s. d.	Per cent. over Alnwick.
Burton	Alnwick	Altofts Junction (Normanton)	27 6	19 6	220	1·0	8 10	—
„	Sunderland	„ „	25 0	17 0	181	1·1	9 5	$6\frac{1}{2}$
„	South Shields	„ „	25 0	17 0	179	1·1	9 6	$7\frac{1}{2}$
„	Hartlepool	„ „	25 0	17 0	160	1·2	10 5	$17\frac{3}{4}$
„	Bridlington	„ „	24 2	16 2	151	1·3	10 8	$20\frac{3}{4}$
„	Whitby	„ „	25 0	17 0	155	1·3	10 11	$23\frac{1}{2}$
„	Middlesborough	„ „	25 0	17 0	149	1·4	11 5	$29\frac{1}{4}$
„	Darlington	„ „	25 0	17 0	142	1·4	11 11	35
„	Scarborough	„ „	25 0	17 0	141	1·4	21 1	$36\frac{3}{4}$
„	Thirsk	„ „	22 6	14 6	120	1·4	21 1	$36\frac{3}{4}$
Empty casks charged at same rate per ton as full.								
LANCASHIRE AND YORKSHIRE RAILWAY.								
			s. d.	s. d.		d.	s. d.	Per cent. over Rochdale.
Burton	Rochdale	Oakenshaw	16 8	8 8	110	0·9	7 10	—
„	Over Darwen	„	20 0	12 0	125	1·1	9 7	$22\frac{1}{4}$
„	Blackburn	„	20 0	12 0	121	1·2	9 11	$26\frac{1}{2}$
„	Accrington	„	20 0	12 0	116	1·2	10 4	$31\frac{3}{4}$
„	Burnley	„	20 0	12 0	110	1·3	10 11	$39\frac{1}{4}$
„	Clitheroe	„	23 4	15 4	130	1·4	11 9	50
„	Denby Dale	„	20 0	12 0	96	1·5	12 6	$59\frac{1}{2}$
„	Holmfirth	„	20 0	12 0	93	1·5	12 11	$64\frac{3}{4}$
„	Brighouse	„	20 0	12 0	86	1·6	13 11	$77\frac{1}{2}$
„	Pontefract	„	20 0	12 0	80	1·8	15 0	$91\frac{1}{2}$

Empty casks charged at same rate per ton as full.

A reduction of from $8\frac{1}{4}$ to 29 per cent. has been made in the above rates since December 1865.

3RD.—UNEQUAL RATES (Section A.)—*cont.*

Stations. Between	Stations. And	Route.	Through Rates, including Delivery.	Nett Amount on deducting 4s. for Terminals at each End.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per-centage, showing Inequalities of Charges.
		MANCHESTER, SHEFFIELD, AND LINCOLNSHIRE RAILWAY.						
			s. d.	s. d.		d.	s. d.	Per cent. over Gainsborough.
Burton	Gainsborough -	Eckington - - -	12 6	4 6	73	0·7	6 2	—
„	Great Grimsby -	Lincoln - - -	17 6	9 6	105	1·1	9 0	46
„	Brocklesby - -	„ - - -	17 6	9 6	95	1·2	10 0	62
„	Kirton Lindsey -	Eckington - - -	17 6	9 6	83	1·3	11 5	85
„	Moortown - -	Lincoln - - -	17 6	9 6	82	1·4	11 7	87¾
„	Glossop - -	Eckington - - -	17 6	9 6	81	1·4	11 9	90¼
„	Market Rasen -	Lincoln - - -	17 6	9 6	75	1·5	12 8	105¼
„	North Kelsey -	„ - - -	20 0	12 0	84	1·7	14 3	131
„	Retford - -	Eckington - - -	17 6	9 6	63	1·8	15 1	144½
„	Worksop - -	„ - - -	17 6	9 6	55	2·0	17 3	179¾

Empty casks charged at same rate per ton as full.
A reduction of from 4¾ to 23¾ per cent. has been made in the above rates since December 1865.

CAMBRIAN RAILWAYS.

			s. d.	s. d.		d.	s. d.	Per cent. over Oswestry.
Burton	Oswestry - -	Tamworth and Buttington -	17 6	9 6	96	1·2	9 11	—
„	Aberystwith -	„ and Welshpool -	30 0	22 0	147	1·8	14 11	50¼
„	Llanidloes - -	„ „ „ -	25 0	17 0	111	1·8	15 4	54⅓
„	Montgomery -	„ „ „ -	25 0	17 0	91	2·2	18 8	88¼

Empty casks charged at same rate per ton as full.

GREAT NORTHERN RAILWAY.

			s. d.	s. d.		d.	s. d.	Per cent. over Spalding.
Burton	Spalding - -	Nottingham - - -	18 4	10 4	89	1·4	11 7	—
„	Boston - -	„ - - -	17 6	9 6	80	1·4	11 10	2
„	Barnet - -	Hitchin - - -	26 8	18 8	117	1·9	15 11	37¼
„	Potters Bar - -	„ - - -	26 8	18 8	113	2·0	16 6	42⅓
„	Burgh - -	Nottingham - - -	25 0	17 0	98	2·1	17 4	49⅓
„	Firsby - -	„ - - -	25 0	17 0	96	2·1	17 8	52⅓
„	Tallington - -	„ - - -	25 0	17 0	70	2·9	24 3	109¼

Empty casks charged at same rate per ton as full.

SUMMARY.

Railways.	Rate per Mile. Ranges— From	To	Charge for 100 Miles. Ranges— From	To	Per-centage varies up to	Average of whole Line. Per Mile.	Per 100 Miles.	Average of Group.	Per Cent. over First Group of Scotch Lines.
	d.	d.	s. d.	s. d.		d.	s. d.	s. d.	
Scottish North-eastern - -	0·6	0·8	5 4	6 11	29¾	0·7	6 3	7 0	
Glasgow and South-western -	0·8	0·9	6 9	7 11	17¼	0·8	7 1		
Scottish Central - - - -	0·7	0·9	6 3	8 0	28	0·8	7 2		
Caledonian - - - -	0·7	1·1	6 3	9 3	48	0·9	7 7		
London and South-western - -	0·8	1·1	7 1	9 3	30½	0·9	8 0	8 1	15½
North British - - - -	0·8	1·2	6 8	10 7	58¾	0·9	8 0		
Furness - - - -	0·8	1·1	6 11	9 8	39¾	1·	8 1		
London, Chatham, and Dover -	1·	1·	8 2	8 11	9	1·	8 4		
London, Brighton, and South Coast	1·	1·2	8 2	9 11	21¼	1·1	8 11	9 1	29¾
Mayport and Carlisle - - -	1·	1·1	8 4	9 5	13	1·1	8 11		
South-eastern - - -	1·	1·2	8 7	9 9	13½	1·1	9 1		
Whitehaven and Furness - -	1·	1·2	8 10	9 11	12¼	1·1	9 4		
North Devon - - -	1·1	1·3	9 4	10 10	16	1·2	9 11	10 3	46¼
Great Western - - -	1·	1·6	8 8	13 8	57½	1·2	10 2		
North-eastern - - -	1·	1·4	8 10	12 1	36¾	1·3	10 7		
Lancashire and Yorkshire - -	0·9	1·8	7 10	15 0	91½	1·3	11 3	11 5	63
Manchester, Sheffield, and Lincolnshire	0·7	2·	6 2	17 3	179¾	1·4	11 7		
Cambrian - - - -	1·2	2·2	9 11	18 8	88¼	1·8	14 9	15 6	121¼
Great Northern - - -	1·4	2·9	11 7	24 3	109¼	1·9	16 4		

The summary and foregoing detailed statements show,—Firstly. The great inequalities existing in the rates between Burton and the various stations upon any one given railway, and the curious and anomalous fact of the home railway company, the Midland, being in receipt in so many instances of a variety of rates to one place, viz.: the various points of junction with the other lines; as instances, upon our goods proceeding to North-eastern stations they would obtain between Burton and their Normanton Junction rates of 1*d.*, 1·1*d.*, 1·2*d.*, 1·3*d.*, and 1·4*d.* per mile, the last being 36½ per cent. higher than the first. Upon Lancashire and Yorkshire traffic they receive ten different prices

Mr. J. Cosgrove.

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per mile between Burton and their Oakenshaw Junction; upon the Manchester, Sheffield, and Lincolnshire Railway a similar variation to their Eckington and Lincoln Junctions, while upon traffic to Great Northern stations they are obtaining, between Burton and their Nottingham and Hitchin junctions, the astounding variation of rates from 1·4*d.* to 2·9*d.* per mile, or 109¼ per cent. difference, and so on with regard to freights handed over to the other companies. Such diversity of charges to one place can surely admit of no explanation in the ordinary principles of commercial dealings. As a triumph, however, of the present system of railway administration we call special attention to them.

Secondly, Inequality of charges as between one railway and another. Why should the rates from Burton to the group of lines, London and South-western, North British, Furness, and London, Chatham, and Dover, be 15½ per cent. higher than the Scotch group; the London, Brighton, and South Coast, Maryport and Carlisle, South-eastern, and Whitehaven and Furness, 29¾ per cent. higher; the North Devon, Great Western, and North-eastern, 46¼ per cent. higher; the Lancashire and Yorkshire, and Manchester, Sheffield and Lincolnshire, 63 per cent. higher; and, finally, the Cambrian and Great Northern, 121¼ per cent. higher?

3rd.—Unequal Rates (Section B.)

London Ale and Porter Rates.

Stations. Between	And	Rates for Ale. Collected and delivered.	Rates for Ale. Station to Station.	Amount deducted for Cartage. In London	Amount deducted for Cartage. In the country	Amount deducted for Cartage. Total.	Reduced to Station to Station Rates.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per-centage of "Burton Rate" over those fromother Stations.	Averages. Per Mile.	Averages. 100 Miles.
Midland Railway.													
		s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*		*d.*	*s. d.*		*d.*	*s. d.*
Burton - -	London - -	—	14 2	—	—	—	14 2	122	1·4	11 7			
Newark -	„ - -	17 6	—	2 8	1 6	4 2	13 4	120	1·3	11 1	4½		
Leeds - -	„ - -	21 8	—	3 4	1 6	4 10	16 10	192	1·	8 9	32¼	1·	8 5
Sheffield -	„ - -	17 6	—	2 8	1 6	4 2	13 4	161	1·	8 3	40¼		
Lincoln -	„ - -	11 6 Dy. only.	—	3 4	—	3 4	8 2	138	0·7	5 11	95¾		

Empties to Burton same rate per ton as full.
Empties to Newark, Leeds, and Sheffield 15*s.* per ton collected and delivered.
Empties not returned to Lincoln, Ale being exported.

London and North-Western Railway.

			s. d.				*s. d.*		*d.*	*s. d.*			*s. d.*
Kendal - -	London - -	—	20 0	—	—	—	20 0	252	0·9	7 11	46¼	0·9	7 11

Empties charged at same rate per ton as full.

Great Eastern Railway.

			s. d.				*s. d.*		*d.*	*s. d.*			*s. d.*
Norwich - -	London - -	—	10 0	—	—	—	10 0	114	1·	8 9	32¼		
Lowestoft -	„ - -	—	9 0	—	—	—	9 0	117	0·9	7 8	51	0·9	7 11
Yarmouth -	„ - -	—	9 0	—	—	—	9 0	121	0·9	7 5	56		

Empties *free* throughout the system.

Porter.

Great Eastern Railway.

			s. d.				*s. d.*			*s. d.*			*s. d.*
London - -	Halesworth -	—	8 0	—	—	—	8 0	100	0·9	8 0	44¾		
„ -	Aldborough -	—	7 6	—	—	—	7 6	98	0·9	7 8	51		
„ -	Beccles - -	—	8 0	—	—	—	8 0	108	0·9	7 5	56		
„ -	Norwich -	—	8 0	—	—	—	8 0	114	0·8	7 0	65½	0·8	7 3
„ -	Lowestoft -	—	8 0	—	—	—	8 0	117	0·8	6 10	69½		
„ -	Yarmouth -	—	8 0	—	—	—	8 0	121	0·8	6 7	76		

Empties *free* throughout the system.

Local Rates.

London and North-western.—For all distances under 50 miles, 2*d.* per ton per mile; for all distances over 50 miles and under 75 miles, 1¾*d.* per ton per mile; for all distances over 75 miles (except London and Dublin), 1½*d.* per ton per mile; minimum rate 3*s.* 4*d.* per ton, no greater charge than 15*s.* for the first 167 miles; for distances over 167 miles at the same proportion. "Empty casks" to be charged at the same rate per ton as when full.

North Staffordshire.—The same as the London and North-western, according to distance. Empty casks to be charged at the same rate per ton as when full.

Midland Railway.—1½*d.* per ton per mile; minimum rate 5*s.* per ton. Empty casks to be charged at the same rate per ton as when full.

The above rates include station to station terminals.

Rates between Peterboro' and Great Eastern stations for Burton ale, two ton lots, 1½*d.* per ton per mile: minimum rate, 5*s.* per ton; maximum rate, 11*s.* 8*d.* per ton. Empty casks carried free throughout the system.

Proposed Rates upon Local and Foreign Lines.

Ale rate, Burton to London, to be 10*s.* per ton, including terminals as at present. Empties to be returned free, as upon the Great Eastern, Lancashire and Yorkshire, all railways out of Liverpool and Manchester to certain districts of Lancashire and Yorkshire, and from certain stations upon the South-eastern Railway to London.

That the minimum rate be 3*s.* 4*d.* per ton, with a progressive rate of 1½*d.* per ton per mile, not to exceed 11*s.* 8*d.* as upon the Great Eastern Railway. Empty casks to be carried at one-half the above rates from all places, except Liverpool, which should be free as in the case of London. These rates to include station to station terminals.

For distances above 140 miles, 1*d.* per ton per mile; for distances above 200 miles, ¾*d.* per ton per mile, or 0·8*d.*, as at present charged to Scotch lines. These last rates to have the station to station terminal charges of 3*s.* added. Empty casks to be carried at one-half the above rates.

This comparative statement exhibits the fact that the trade of Burton is placed at a decided disadvantage, in the cost of conveyance of its productions to the important port and market of London. While the rates charged to the brewers on other parts of the Midland system sending to London average but 1*d.* per ton per mile, by the London and North-western 0·9*d.*, by the Great Eastern 0·9*d.*, and porter from London only 0·8*d.* per mile, we are made to pay 1·4*d.* Again, if we refer to the traffic which the Midland and London and North-western carry for us to stations upon the London and South-western, and London, Chatham, and Dover lines (see Section A.), we find they are content to receive upon a not inconsiderable portion 0·8*d.* and 1*d.* per mile as their charge as far as London, may it not be fairly asked how they can justify a higher rate per mile for conveyance to the London market? It is true in the latter case a terminal of 1*s.* 6*d.* is incurred, but 1*d.* per mile, or 10*s.* per ton, the proposed rate, would cover this, and the average of the two mileage charges we are comparing, with, apart from the consideration of the immensely larger trade we do in London, which, under the stimulus of a fairer tariff, we should without doubt greatly increase.

Our casks are handled with less difficulty than grain or heavy manufactured articles, they are easily moved by rolling, they are good loading; every waggon which left Messrs Bass & Co's yards in season ending 30th June 1865 carried an average weight of 2 tons 17 cwt., while the London waggons during the same period carried 3 tons 13 cwt., (the figures having been several times tested are accurate,) they are of little or no risk to the railway companies, inasmuch as the claims for damage paid to the same firm by the companies during the whole of last year amounted to but 28*l.* 10*s.* 11*d.*, on a traffic paying over 100,000*l.* for carriage. No sheeting to protect them from the sun has hitherto been afforded, nor do the companies provide us with warehouse room free or at a nominal rent as in the case of grain at Leeds, Wakefield, Manchester, London, &c. Large rents are on the contrary paid by the brewers to the companies annually for the use of ale stores.

3RD.—UNEQUAL RATES (Section C.)

STATEMENT showing the Inequalities in the Rates for Grain from the following Places to Burton-on-Trent.

From	Railway.	Through Rate, Station to Station.	Less 1*s.* 6*d.* at each end for Terminals.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per-centage showing Inequalities of Charges.	Average of Group.	Per-centage over "Newport."	Remarks.
		s. *d.*	*s.* *d.*		*d.*	*s.* *d.*		*s.* *d.*		
Newport	Great Western	8 4	5 4	136	0·5	3 11	—	3 11	—	
							Per cent. over Newark.			
Newark	Midland	4 10	1 10	44	0·5	4 2	—	5 1	29¾	
Gloucester	„	7 1	4 1	84	0·6	4 11	18			
Lincoln	„	6 7	3 7	60	0·7	6 0	44			
West Hartlepool	North-eastern	11 8	8 8	158	0·6	5 6	—	5 6	40¼	
Grimsby Docks	Manchester, Sheffield, and Lincolnshire.	11 0	8 0	106	0·9	7 6	—	7 6	91½	
							Per cent. over Lynn.			Recent Great Eastern rates, of which the 15*s.* 10*d.* rate is a generalization.
Lynn	Great Eastern	12 6	9 6	121	0·9	7 10	—	8 9	123¼	
Hythe	„	20 0	17 0	181	1·1	9 5	20¼			
Great Eastern Stations.	Now a uniform rate from all	15 10								
							Per cent. over Grantham.			
Grantham	Great Northern	7 0	4 0	50	0·9	8 0	—			
Louth	„	*12 9	9 9	114	1·0	8 6	6¼			
St. Neots	„	12 1	9 1	104	1·0	8 9	9¼			
Huntingdon	„	11 8	8 8	97	1·1	8 11	11½			
Heckington	„	9 2	6 2	69	1·1	8 11	11½			
Hougham	„	8 0	5 0	54	1·1	9 3	15½	9 3	136	
Sleaford	„	9 2	6 2	64	1·1	9 8	20¾			
Tallington	„	10 0	7 0	71	1·2	9 10	22¾			
Essendine	„	10 0	7 0	66	1·3	10 7	32¼			
Little Bytham	„	10 0	7 0	63	1·3	11 1	38½			
Nantes (France) to Gloucester		11 to 12	Per Vessel		Average through rate 18*s.* 7*d.* per ton.					
Gloucester to Burton, as above		7 1	- -							
Hamburgh (Germany) to Grimsby		6 to 7	Per Vessel		Average through rate Grimsby, 17*s.* 6*d.* per ton. West Hartlepool, 18*s.* 2*d.* per ton.					
„ „ W. Hartlepool										
Grimsby to Burton, as above		11 0	- -							
W. Hartlepool, do		11 8	- -							

It will be seen the rate from Grimsby is nearly double that from Newport; Great Northern district rates 40 per cent. higher still; and that barley can be carried from France and Hamburgh as cheaply as from the Great Eastern Railway.

The traffic of the brewers with the railway companies at Burton is estimated to yield to the latter about 300,000*l.* per annum, a sum so considerable, we submit, as to entitle the trade from which it springs to the highest consideration and support from the companies interested.

In conclusion we beg to express a hope, if after due consideration of the working of the present system of management it is found impracticable to carry out the provisions of the Act of 1844 in reference to railways, that the Legislature will secure, in the interests of trade and commerce and the public generally, the establishment of some wise and reasonable system of supervision of the administration of railways; that a permanent board of commissioners shall be appointed to revise all rates from time to time; and that it shall form a summary jurisdiction to which busy men can appeal for correction and redress of all well founded abuses and grievances.

Finally, we hereby depute Mr. John Cosgrove, manager of the railway business of Messrs. Bass, Ratcliff, and Gretton, to tender this our evidence, and to give expression to our views generally.

We have the honour to be,
My Lords and Gentlemen,
Your obedient Servants,

BASS, RATCLIFF, & GRETTON.
WORTHINGTON & CO.
THOMAS SALT & CO.
IND, COOPE, & CO.
Pro THE BURTON BREWERY COMPANY.
William Wright, Director.
JOHN THOMPSON & SON.
CHAS. HILL & SON.
JAMES EADIE.
CLEMENTS & BERRY.
SYDNEY EVERSHED.
JOHN BELL.

Mr. J. Cosgrove.

7 April 1866.

15,681. Will you give the particulars of your complaints?—We propose to exhibit the grievances and abuses of which we have to complain under three heads, namely, 1st favouring rates, 2nd terminal charges and their abuses, 3rd unequal rates. We then give the list of rates, and proceed to say: "It "having come to our knowledge that our neighbours "Messrs. Allsopp and Sons, are having their goods "carried under an agreement dated Nov. 1859 with "the London and North-western Railway Company at "the lower scale of rates to and from all that Com-"pany's stations, and were also being allowed from the "period of laying down private lines upon their own "premises 9*d.*, per ton on all goods loaded into or "unloaded from railway waggons by them, and in ad-"dition 4½*d.* per ton for haulage of the same by engine "power to and from the railway stations, we have "claimed from the Midland Company (in virtue of "agreements with some of our body, namely Messrs "Bass and Co. 1st Jan. 1861; the Burton Brewery "Company, 1st January 1861, Messrs. Hill and Sons, "1st April 1862; Mr. Evershed, August 1860; and "Mr. Nunnely, August 1860, in which they engage "to place us on as favourable terms in every respect as "any other party trading in or with Burton,) like re-"ductions upon the rates charged to and from Lon-"don and North-western stations from Nov. 1859 "to June 1st, 1865, (when, through the movement of "Messrs. Bass and Co. in the matter, the lower scale "was openly brought into operation,) and from the "opening upon our respective premises of our private "lines communicating with the Midland railway, "namely, Messrs. Bass and Co. October 20th, 1862, "Messrs. Ind, Coope, and Co., March 6th, 1865, "Messrs. Worthington and Co., October 1863, "Messrs. Salt and Co. November 30th, 1861, and the "Burton Brewery Company, February 1863, the "same allowances for loading and unloading the "whole of our goods to or from any railway, such "terminal services having previously been performed "by the Company themselves at their station here. "During the period claimed for not only did we not "receive a farthing but we were unaware that we had "a right to payment for such performances; that "our neighbours were having an allowance of any "kind; or that the Midland Company were parties "to making such allowances elsewhere. The rules "however of the Midland association, formed by the "Midland, London and North-western, and North-"eastern and other companies, show that such allow-"ances have for many years past been made by the "railway companies to parties having sidings from "their lines, *e.g.* Messrs. Watts and Co. Soho, 7*d.* "per ton, Messrs. Murcot and Wright, 1*s.* per ton, "and W. Williams, Albion, 6*d.* per ton."

15,682. (*Capt. Galton.*) You had an agreement with respect to traffic with the Midland?—We had an agreement with the Midland that they should put us on as good terms as any other customer. The private rates ranged from 11 to 105 per cent. lower than the public rates. They were invoiced at the public rates, and then in the monthly overcharge sheets they were reduced to these lower amounts.

15,683. Do you mean to say that you made an agreement with the Midland Company in 1861 to place you under as favourable terms as any other party?—Yes.

15,684. At that time and after that time they still continued to charge you those rates in excess of what were being charged at the same time to Messrs. Allsopp?—They did, up to June 1865.

15,685. (*Mr. Glyn.*) Were they charging the lower rates to Messrs. Allsopp?—There was only one railway station there up to 3 years ago, namely, the Midland, and therefore they did all the work.

15,686. Do I understand you to say that the invoices were made out by the Midland for Messrs. Allsopp?—Yes, for the first three years for the North-western stations, and charged at the same full rate as ours would be.

15,687. The North-western line proper terminated at what point?—The Midland would put the traffic on at various junctions. They would take it as far as they could to get the highest mileage.

15,688. How far did Messrs. Allsopp's cargoes really go upon the Midland, that is, to what point?—In many cases to Rugby for London. We have it on high authority that the Midland Company knew all along the scale of rates according to which Messrs. Allsopp and Sons were paying the London and North-western Railway Company. For nearly the first three years of the period the Midland Company performed the work of sending and invoicing Messrs. Allsopp and Sons' goods hence to London and North-western stations (that company having then no station at Burton) at precisely the same ratio as ours, the London and North-western Company reducing them by subsequent monthly overcharge sheets to the private scale and sending such sheets to their various stations and to the Midland Company to check the correctness of the entries. I have some examples of such sheets which I can hand in.

The witness delivered in the same, which are as follows:

London and North-western Railway.

Allsopps & Sons, Beeston.—Statement of Under and Over Charges in the month of January 1863.

Date.	No. of Invoice.	Where from.	Where to.	Species of Goods.	Weight charged.				Weight should be.				Rate charged.	Rate should be	Paid on charged.	Paid on should be	Amount charged.	Amount should be.	Undercharge.	Overcharge.	Remarks, reference, &c.
					tons.	cwt.	qrs.	lbs.	tons.	cwt.	qrs.	lbs.	s. d.	s. d.	s. d.	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1863.																					
January 11	15	Beeston -	Burton - -	Allsops' 31 kils. -	..	..	..	..	..	15	2	0	11 8	..	..	..	0 9 1	..	..	..	
„ „	„	„ -	„ -	„ 3 brls. 1 kil.	..	..	..	..	..	2	3	0	..	..	..	..	0 1 7	..	..	..	
„ „	„	„ -	„ - -	3 brls. 1 kil. chd. twice	..	..	..	..	..	..	..	..	..	..	..	..	0 1 7	..	..	..	
„ 18	25	„ -	„ - -	4 brls. 15 kils -	..	..	..	..	..	10	2	0	..	..	..	..	0 6 2	..	..	..	
									1	8	3	0	11 8	8 2			18 5	11 9		6 8	

London and North-western Railway.

Allsopps & Sons, Rugby.—Statement of Under and Over-Charges in the month of October 1863.

Date.	No. of Invoice.	Where from.	Where to.	Species of Goods.					Weight charged.				Weight should be.				Rate charged.	Rate should be	Paid on charged.	Paid on should be	Amount charged.	Amount should be.	Undercharge.	Overcharge.	Remarks, reference, &c.
				b.	h.	b.	kils.		tons.	cwt.	qrs.	lbs.	tons.	cwt.	qrs.	lbs.	s. d.	s. d.			£ s. d.	£ d.	£ s. d.	£ s. d.	
1863.																									
October 12	607	Burton - -	Rugby - -	..	2	..	12		1	14	2	24	..	..	..	..	8 4	..	..	..	0 14 5	..	..	..	Sheet 17
„ 13	650	„ - -	„ - -	..	6	11	..		3	17	0	16	..	..	..	..	..	..	..	..	1 12 2	..	..	..	„ 18
„ 15	813	„ - -	„ - -	..	..	1	..		..	3	3	12	..	..	..	..	..	..	..	..	0 1 6	..	..	..	„ 23
„ 16	900	„ - -	„ - -	..	3	..	..		..	..	..	..	..	..	..	..	..	..	..	..	0 7 5	..	..	..	„ 26 Cooper & Co.
„ „	972	„ - -	„ - -	..	..	5	..		..	19	1	4	..	..	..	..	..	..	..	..	0 8 1	..	..	..	„ 28
„ 19	1058	„ - -	„ - -	..	..	1	..		..	3	3	12	..	..	..	..	..	..	..	..	0 1 6	..	..	..	„ 31
„ 22	1231	„ - -	„ - -	..	..	..	10		..	19	1	4	..	..	..	..	..	..	..	..	0 8 0	..	..	..	„ 36
„ „	1286	„ - -	„ - -	..	..	4	..		..	15	1	20	..	..	..	..	..	..	..	..	0 6 5	..	..	..	„ 38
„ 26	1378	„ - -	„ - -	..	1	..	..		..	5	3	4	..	..	..	..	..	..	..	..	0 2 5	..	..	..	„ 43
„ „	1416	„ - -	„ - -	..	..	..	1		..	1	3	20	..	..	..	..	..	..	..	..	0 0 9	..	..	..	„ 44
„ „	1445	„ - -	„ - -	..	1	..	2		..	9	2	16	..	..	..	..	..	..	..	..	0 4 0	..	..	..	„ 45
„ 28	1601	„ - -	„ - -	..	6	..	6		2	6	1	4	..	..	..	..	..	..	..	..	0 19 3	..	..	..	„ 49
									11	17	0	24					8 4	6 8			5 5 11	3 19 1		1 6 10	

London and North-western Railway.

Allsopps & Sons, Crewe.—Statement of Under and Over-Charges in the month of August 1864.

Date.	No. of Invoice.	Where from.	Where to.	Species of Goods.					Weight charged.				Weight should be.				Rate charged.	Rate should be	Paid on charged.	Paid on should be	Amount charged.	Amount should be.	Undercharge.	Overcharge.	Remarks, reference, &c.
				b.	h.	b.	kils.		tons.	cwts	qrs.	lbs.	tons.	cwt.	qrs.	lbs.	s. d.	s. d.			£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1864.																									
August 1	42	Burton - -	Crewe - -	..	..	..	1 ale		..	1	3	20	..	..	..	..	10 10	..	..	..	0 1 1	..	..	..	
„ „	65	„ - -	„ - -	..	..	..	3 „		..	5	3	4	..	..	..	..	..	..	..	..	0 3 2	..	..	..	
„ 2	167	„ - -	„ - -	..	..	1	..		..	3	3	12	..	..	..	..	..	..	..	..	0 2 1	..	..	..	
„ 15	901	„ - -	„ - -	..	..	..	1 „		..	1	3	20	..	..	..	..	..	..	..	..	0 1 1	..	..	..	
„ 17	1085	„ - -	„ - -	..	..	1	..		..	3	3	12	..	..	..	..	..	..	..	..	0 2 1	..	..	..	
										17	1	12					10 10	7 6			0 9 6	0 6 7		0 2 11	

Mr. J. Cosgrove.

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When, afterwards, the London and North-western Company established their line in the town, the same system of private reductions from the public rate was carried on in favour of Messrs. Allsopp and Sons. We must not omit to remark that the North Staffordshire Company were also privy to this arrangement, regularly receiving the private reduction sheets upon that portion of the traffic which the Midland Company here had handed to them for passage over their line to Crewe, for the London and North-western stations lying northward of there.

15,689. (*Capt. Galton.*) Does not this part of your memorial show that it was the North-western who gave the drawback to Messrs. Allsopp, and with whom Messrs. Bass & Co. had no agreement?—That is true.

15,690. And therefore the Midland would be able to meet your argument by saying, We invoice the goods at the same price to everybody, but if the North-western give drawbacks we know nothing about it?—But they had these private overcharge sheets coming from the North-western.

15,691. (*Mr. Glyn.*) Does that sheet show the fact that the Midland made any reduced rate between Rugby and Burton?—It shows a reduced rate for the whole distance.

15,692. (*Mr. Horsfall.*) Was that private sheet sent with every shipment of goods?—The North-western would issue them to send to all their stations about once a month. With regard to the Midland they did have the sheets, but they said they did not know what the agreement was.

15,693. (*Capt. Galton.*) The North-western did not know of the agreement with the Midland, I suppose?—I cannot say; they were public rates. The Midland agreement had no private rates in it.

15,694. Then you do not charge the Midland with breaking faith with you?—Only so far as their having an agreement with us saying they would put us upon as good terms as the other traders trading in Burton, and for five years we did not know of those private sheets.

15,695. (*Chairman.*) I understand you do not complain so much of the North-western Railway Company giving a drawback to Messrs. Allsopp as of the Midland not giving some drawback to you, after having agreed to put you upon the same terms as the other traders?—It is the London and North-western who gave the drawback. We do not complain that another trader accepted the lower rates. We do not complain of Messrs. Allsopp at all; they are great friends of ours. But we complain of the Midland, in spite of having an agreement with us in which they promised to put us on as good terms as anybody else, not giving us the benefit of the rates which they knew were given to another firm. We consider that to be a breach of faith on the part of the Midland.

15,696. (*Capt. Galton.*) But Messrs. Allsopp's arrangement was with the North-western?—With the North-western, and ours was with the Midland.

15,697. Is that really the reason why you did not get the deduction, because the Midland gave you what they charged Messrs. Allsopp, and then the North-western took off the discount?—Yes, they did.*

15,698. But the Midland were not necessarily bound to participate in that?—No; it depends on their private arrangements with the London and North-western. They promised to put us on as good terms as any other railway trading in Burton, and knowing there were better terms, why did they not give them to us.

15,699. Unless you can prove that the reduction was made on the Midland portion of the railway as well as the North-western portion, can you substantiate a claim against the Midland?—We can make our claim good under this agreement, which affects to give us as good terms as any other railway does any other customer.

15,700. Can you make it legally good against them?—Yes; we have stopped 59,000*l.* from them.

15,701. (*Sir R. Hill.*) Has that been allowed by the railway companies?—There is only a question of interest left now amounting to 3,700*l.* We are now battling about the interest.

15,702. (*Capt. Galton.*) Then they admitted the claim?—Yes.

15,703. (*Mr. Horsfall.*) The charge against the Midland Company simply is this, that they have neglected to put you on the same footing as to charges that the London and North-western Company charge?—Exactly.

15,704. And then, while the London and North-western were charging a lower rate, they continued to charge you a higher one?—That is our case. The exact figures of the sum we have stopped are 58,437*l.* 12*s.* 11*d.*; those are the amounts of our carriage accounts from January last year to July inclusive.

15,705. (*Mr. Glyn.*) So far you consider it settled?—Yes. They made 13 objections to our demand in verbal argument, and when we asked them to put them into writing they reduced them to nine. There were two points, questions of principle, in dispute, but now there is only one. I think the other is virtually settled. They sent us on the 31st of last month a letter saying that they would make such a proposition as would settle the matter.

15,706. Have you a copy of the agreement?—Yes. The third clause is the important one; "The Midland "Company agrees to place Messrs. Bass and Co. "during the continuance of this agreement on as "favourable terms in every respect as any other "party trading in or with Burton, and should it at "any time hereafter (during the continuance of this "agreement) appear that any other company has, by "means of drawbacks, or otherwise, reduced the rates "(now arranged) to any other brewery, Messrs. Bass "and Co. to have the same allowance made to them "under the same circumstances, from the time such "allowance was first commenced, providing such time "was not prior to the commencement of this agree-"ment."

The witness delivered in the same, which is as follows:

MEMORANDUM of AGREEMENT between the MIDLAND RAILWAY COMPANY and BASS, RATCLIFFE, and Co., brewers, of Burton-on-Trent, for the conveyance of goods by railway to stations on the London and North-western line, branches, and leased lines.

CLAUSE 1.—Messrs. Bass and Co. engage to send their full and returned empty casks during the continuance of the agreement, by the Midland Company, at the following rates, and the Midland Company agrees to carry such goods, at such rates, including risk in loading, unloading, delivery, &c.

2. In case the London and North-western Company shall open on lease lines during the continuance of this agreement, to towns not herein mentioned, Bass and Co. shall have the option of accepting rates to such stations at the mileage rate herein named.

3. The Midland Company agrees to place Messrs. Bass and Co. during the continuance of this agreement on as favourable terms, in every respect, as any other party trading in or with Burton, and should it at any time hereafter (during the continuance of this agreement) appear that any other company has by means of drawbacks, or otherwise, reduced the rates (now arranged) to any other brewery, Messrs. Bass and Co to have the same allowance made to them under the same circumstances, from the time such allowance was first commenced, providing such time was not prior to the commencement of this agreement.

4. Subject to the above protecting clauses (with the exception of Dublin and Liverpool) the rate for Bass and Co.'s ale from Burton to the stations as under, and vice versâ, shall be calculated by the following mileage rate, station to station,

* This answer afterwards altered by witness as follows:—"No. It was the interest of the Midland Company to keep us in the dark as long as they could, which they did."

For distance not exceeding 50 miles, 2*d.* per ton, per mile.
„ „ over 50 and not exceeding 100 miles - 1¾*d.* „ „
„ „ exceeding 100 miles - 1½*d.* „ „

In addition to the station to station rate, 3*s.* 4*d.* to be charged for terminals, such rates to include delivery and collection within the ordinary limits at such places only, where the company has ordinarily performed such duties by their own teams or carting agents.

5. That the minimum rate be 8*s.* 4*d.* (say eight shillings and fourpence) including the usual delivery, but Messrs. Bass and Co. do not bind themselves to send all their goods by rails to town distant 12 miles or under from Burton.

6. That the rate for ale, Burton to Liverpool, shall be 12*s.* 6*d.* per ton, station to station, including risk in loading and unloading.

7. That the rate for ale, Burton to Dublin, shall be 22*s.* 6*d.* per ton, including sea risk and delivery to Bass and Co 's stores in Dublin.

8. All distances to be measured by the shortest railway route, and in the event of a nearer route being opened, Messrs. Bass and Co. to have a corresponding reduction in the former rates.

9. This agreement to extend to the list of stations annexed, and to any other station on the London and Northwestern line to which Messrs. Bass and Co. may require a through rate, provided it is one that is ordinarily in use for general goods traffic.

10. Ale shall be considered to weigh 12 lbs. (say twelve pounds) per gallon, including the cask.

11. The rates per ton for empty casks from all places (included in this agreement) to Burton shall be those fixed upon for ale, and where the ale rate includes delivery, the same shall include collection of empties under the same circumstances as mentioned in clause 4, within the ordinary limits. The weight of each cask to be, butt, 2 cwt., hhd. 1 cwt., barrel, ¾ cwt., kild. ½ cwt., but no charge less than 4*d.* (say fourpence) for each separate consignment.

12. The rate for staves and corn to be one penny per ton per mile, and 2*s.* 6*d.* per ton terminals, station to station, and exclusive of loading and unloading, but Bass and Co. do not bind themselves to send these goods by railway. Staves to be carried at actual weight, corn according to scale given in the present railway clearing house classification.

13. Show cards and labels to be sent free from Burton to all places included in this agreement.

14. Freights to be paid in cash as heretofore, monthly, or by bills of short dates.

15. Claims for loss or damage to be made within six days of the occurrence or the circumstances being made known to Bass & Co., or consignee.

16. Disputes to be referred to arbitration.

17. The Midland Company undertake that the utmost expedition shall be used in forwarding Messrs. Bass and Co.'s goods.

18. This agreement to take effect from the 1st January 1861, and remain in force for six years.

For the Midland Railway Company,
(Signed) JAMES ALLPORT.

(Signed) BASS, RATCLIFFE, & GRETTON.

Stations.	Distance.	Rate.	
		s.	*d.*
Aber	121	18	4
Ashton	67	13	4
Altrincham	72	14	2
Aylesbury	94	17	6
Atherstone	21	8	4
Abergele	101	15	10
Alderley	63	12	6
Acton	60	12	6
Ampthill	86	15	10
Atherton	83	15	10
Adlington	50	11	8
Berkhampstead	95	17	6
Bedworth	30	8	4
Banbury	107	16	8
Buckingham	90	16	8
Blisworth	60	12	6
Bangor	126	19	2
Boxmoor	98	17	6
Bletchley	76	14	2
Brandon	41	10	0
Bescot Junction	24	8	4
Bicester	96	17	6
Brackley	98	17	6
Bolton	88	15	10
Beeston	56	11	8
Bay Horse	114	17	6
Birstall	94	17	6
Burton and Holme	130	20	0
Birkenhead	82	15	0
Bagilt	81	15	0
Bodorgan	139	20	10
Batley	93	16	8
Crick	48	11	8
Coventry	37	9	2
Chester	67	13	4
Chelford	59	12	6
Conway	112	17	6
Calveley	54	11	8
Carlisle	189	26	8
Colwyn	107	16	8
Carnarvon	135	20	0
Clifton	167	24	2
Carnforth	126	19	2
Dunstable	89	16	8
Dewsbury	91	16	8
Deepfields	32	8	4
Darlaston	26	8	4
Donnington	44	10	10
Diggle	72	14	2
Delph	73	14	2
Fenny Stratford	77	15	0
Flint	80	15	0
Greenfield	70	13	4
Guide Bridge	63	12	6
Grotton	72	14	2
Hope	76	14	2
Huddersfield	83	15	10
Holywell	83	15	10
Holyhead	151	22	6
Harrow	111	17	6
Higham Ferrers	68	13	4
Heaton Norris	58	11	8
Holmes Chapel	54	11	8
Hartford	50	11	8
Handforth	50	11	8
Islip	102	15	10
Kings Langley	102	15	10
Kenilworth	42	10	0
Kendal	141	20	10
Leamington	46	10	10
Leighton	82	15	0
Luton	95	17	6
Leigh	81	15	0
Low Gill	147	21	8
Llanfair	131	20	0
Lichfield	12	8	4
Lees	74	14	2
Llandudno	116	18	4
Llanfairfechan	119	18	4
Manchester	64	12	6
Mold	80	15	0
Madeley	53	11	8
Marton	48	11	8
Medbourne Bridge	50	11	8
Mossley	68	13	4
Marsden	75	14	2
Morley	94	17	6
Mostyn	87	16	8
Milnthorpe	133	20	0
Nuneaton	26	8	4
Northampton	65	12	6
Nantwich	49	11	8
Newport	40	10	0
Oxford	108	16	8
Oundle	82	15	10
Oldham	73	14	2
Preston	98	17	6
Penkbridge	35	9	2
Preston Brook	64	12	6
Prestbury	48	11	8
Penrith	171	24	2
Parkside	76	14	2
Prestatyn	93	16	8
Penmacumaur	117	18	4
Padeswood	77	14	2
Plumpton	176	25	10
Queensferry	74	14	2
Roade	63	12	6
Rugeley	27	8	4

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Stations.	Distance.	Rate. s.	Rate. d.
Rhyl	97	17	6
Rockingham	55	11	8
Rookery Bridge	49	11	8
Rainhill	80	15	0
St. Alban's	112	17	6
Stafford	36	9	2
Stockport	58	11	8
Smethwick	35	9	2
Spon Lane	36	9	2
Stanford Hall	46	10	10
Seaton	59	11	8
Sandbach	50	11	8
Staleybridge	65	12	6
Shrewsbury	58	11	8
Saddleworth	72	13	4
Slaithwaite	79	15	0
Shap	159	23	4
Southwaite	181	25	10
Tring	91	16	8
Tipton	31	8	4
Thrapstone	74	14	2
Tebay	152	22	6
Tattenhall	60	11	8
Trench	46	10	10
Valley	148	21	8
Wolverhampton		8	4
Weedon	53	10	10
Watford	105	16	8
Warrington	70	13	4
Whitmore	50	11	8
Wolverton	70	13	4
Woburn	80	15	0
Welford	50	11	8
Whitechurch	59	11	8
Whaleybridge	68	13	4
Willenhall	31	8	4
Winsford	53	11	8
Wansford	88	16	8
Winslow	84	15	10
Wem	67	13	4
Wigan	83	15	10
Wilmslow	64	12	6
Wellington	48	11	8
Windermere	149	21	8

(Signed) James Allport.
(Signed) Bass, Ratcliffe, & Gretton.

15,707. (*Sir R. Hill.*) The clause you have read does not appear to extend to any other company in the kingdom ?—Only to North-western stations.

15,708. I understand they have admitted the claims under the agreement, and that they have paid you accordingly ?—They are going to give it us from the original date. Although their agreement is January 1861, they have admitted their liability from November 1859. We being good customers to them, they say they will pay us to that date. They disputed the first 14 months, but we said that we should have to confess to the conviction that we had suffered from our connexion with them if they did not give it to us from the date of Messrs. Allsopp's agreement with the London and North-western. They do not demur to that now, but say that we shall have it from November 1859, which is our full claim.

15,709. (*Chairman.*) Have you made a similar settlement with other brewers in Burton ?—No. We, Bass & Co., have been conducting the negotiation since last summer, so that when we are settled with, no doubt all the smaller brewers will get treated with in the like manner.

15,710. (*Mr. Glyn.*) No demur has been made to that ?—No.

15,711. (*Capt. Galton.*) It all depended upon your finding out this agreement, according to which you have been treated unfairly ?—Yes.

15,712. Supposing the public had a right to see the rate books of the Midland Company, should you have discovered that ?—No, not from the Midland office.

15,713. Should you have discovered it if you had had access to the rate books of the North-western ?—Not the public rate books ; it was a private affair.

15,714. But supposing the company was bound to enter into a book every rate it gave, then would you be able to discover any private arrangement of that sort ?—Yes, that would be fair.

15,715. (*Chairman.*) But do I understand you to say that you think you would have found out this arrangement. When they charged in the first instance a larger sum and then afterwards gave a drawback reducing that to a smaller sum, would that have appeared on their rate books ?—Not if they chose to do it secretly, but if they were compelled to register it we should know.

15,716. How did this transpire ?—We heard it from various railway men. It was known to all the clerks upon the London and North-western line. The company did not do it very cleverly. The overcharge sheets used to go to every station upon the line ; I mean these sheets, reducing it from the public to the private rate, so that every station-master on the railway knew what the rate was to his own station (and they used to laugh about it) but probably he did not know what it was to other stations.

15,717. (*Mr. Glyn.*) Those sheets were used by the North-western ?—Yes.

15,718. They had no particular motive for secrecy, had they ?—Yes, they did not want the other brewers to come down upon them. It lasted five years.

15,719. They would have been very glad to have carried the goods of other brewers at the same rates ?—No, it depends upon the arrangements between them and the Midland Company. They did not want any one else to have it, that is quite evident, or we should not have been kept so many years out of it.

15,720. (*Chairman.*) In point of fact, you think that the North-western shared the spoil with the Midland ?—I do not know about the spoil. The Midland would be sorry to lose the higher rate.

15,721. But if the Midland lost the higher rate, do you not suppose that the North-western would also lose their share of that higher rate ?—Yes, no doubt.

15,722. (*Capt. Galton.*) If you had not discovered it from the station-masters at several stations on the railway, I suppose the thing might have gone on for many years more ?—Yes.

15,723. Messrs. Allsopp would never have communicated to you, I suppose ?—It was principally got from the goods station-master at Burton ; a few of the reduction sheets used to come to him regularly.

15,724. He mentioned it ?—Yes, all his clerks would know as well, but they would not have the ideas to analyze the rates, and organize them into a system. For 50 miles it was 2*d.*; between 50 and 75 miles, $1\frac{3}{4}d.$; over 75 miles, $1\frac{1}{2}d.$, per ton, per mile, whereas the public rates ranged from 11 to 105 per cent. higher, of which there is a list in the memorial.

15,725. (*Chairman.*) Will you proceed with your statement ?—"In submitting the serious cases of "injustice to which we have been subjected, we beg to "express a well founded hope that parliamentary inter- "vention is at hand to render it impossible in the future "that any railway company shall be able so far to "exceed its proper functions as to attempt by prefer- "ential rates to place the goods of any one trader at a "cheaper cost in the various ports and markets of the "country to the corresponding disadvantage of others "engaged in the same town, and in the same depart- "ment of enterprise. We conceive that railways are "legalized in the interest of the public as well as in "that of the companies, that the Legislature could never "have contemplated on the part of few groups of indi- "viduals (who now have the monopoly of the carrying "business) such an unfair and dangerous interference "with the freedom of trade, interference implying the "assertion of a principle which, if carried out, would "place it in the power of the railway body to dictate "the terms and conditions of the whole trade of the "country."

15,726. (*Capt. Galton.*) How would you guard against such a system as that ?—By preventing secret rates altogether.

15,727. How would you prevent them ?—By legislative enactment.

15,728. Are they not now prohibited by legislative enactment. Is it not the case that everybody is entitled to have his goods carried at similar rates under similar circumstances ?—Yes.

15,729. In what manner would you carry into effect a law which would prevent the secret arrangements taking place where it was to the interest of parties to make secret arrangements ?—By making it legal that there should be some strict government control over the railways.

15,730. Do you mean by inspecting the books of the companies. I want to know exactly how you would prevent their carrying at these rates so long as the railways are in the hands of the present directors ?—Cannot you make the rule very stringent ? We believe that it ought to put one trader on the same footing as another. Could you not make it more strict than it is now ? Could they not be subject to a fine if they do infringe in this way ?

15,731. I want to gather from you what you think is the best way of meeting this abuse ; what suggestion have you to offer upon the subject ?—That the rates should be registered publicly, and that they should be allowed no secret books whatever. If they chose to give a large trader a rebate or discount the same as other mercantile firms give their customers, they should be at liberty to do so. Every such one then might then have his 5 or 10 per cent. allowed off. It should also be allowed to small traders if they could guarantee, collectively, as much traffic as the large traders. We think it is only fair to the small traders that they should be dealt with in that manner.

15,732. (*Mr. Horsfall.*) Do you think the small traders would object to the principle of giving a preference to the larger traders ?—They might, unless it was known that a collection of small traders could obtain the same terms by guaranteeing in their corporate capacity, as it were, as much traffic as the larger traders. That would satisfy them.

15,733. (*Capt. Galton.*) Then you think that giving the public access to the rate books of the company, would meet the grievances of which you complain ?—Yes.

15,734. (*Mr. Glyn.*) I understood you to go rather further than that, you wish that arrangements which are now considered private should be made public, and notice given at the stations of them ?—Yes.

15,735. (*Capt. Galton.*) In fact there should be no private arrangements ?—No, and if there is an allowance made, the trade should know of it, and it should not be concealed in the mode we complain of.

15,736. (*Chairman.*) How would you inform the trade ?—I would leave it to the trade to find out. I would compel the companies to show any trader what the rates were to any place, both the general and the special rates, and they should be entered in a rate book kept for the purpose.

15,737. In fact, you would be satisfied, if any person were to go to a station and ask to see the rate book, if he were allowed to do so ?—Yes.

15,738. (*Mr. Horsfall.*) You would have that done at every station ?—I would have that done at every station.

15,739. (*Chairman.*) What is your next head ?—The next head is rather a serious matter, "terminal charges and their abuses." Messrs. Bass & Co. have claimed from the Midland Railway, up to the 30th of January 1865, from the 1st of July 1862, 8,704*l.* 18*s.* 9*d.* for terminals, which we have been charged and ought not to have paid. There is a similar estimated claim of 8,000*l.*, making a total of 16,704*l.* 18*s.* 9*d.*; the estimated claim of the other brewers is at least 14,000*l.*, or say 30,000*l.* in all.

"The above amounts represent a moderate estimate of the claims due to us, as a drawback at 2*s.* 6*d.* per ton difference, between 4*s.* and 1*s.* 6*d.* the station to station terminals. Messrs. Bass & Co., who have already sent to the Midland Company an account for part of the term, seven years, for which they intend claiming, have given that company notice they will pay no more carted rates, but demand station to station rates, we are about to follow a like course. Rule 69 of the railway clearing house (to whose rules all the associated railways subscribe) states that an allowance at the rate of 8*s.* 6*d.* per ton in London, and 4*s.* per ton in the country, is made for the terminal expenses on goods traffic when carted, and 1*s.* 6*d.* per ton both in London and the country when not carted. For conveyance of our ales hence to stations on railways beyond our local lines, we are paying and have hitherto paid what are termed carted rates. No carting has ever been done here by the company. Those of us who have no private lines in connection with the railway, cart the ale to the station ourselves. Under those circumstances we are surprised to learn that the Midland Company has for a number of years been receiving in addition to their mileage proportion of the through rates paid by us, and divided by the clearing house, the sum of 4*s.* per ton for their Burton terminal charges, precisely the same as the companies owning the destination stations, where carting actually is performed. A glance at the tabulated statement, under the head of unequal rates, will show on the other hand, that upon the division of the very few station to station rates, we have namely : at Glasgow and on the London, Brighton, and South Coast Railway, the company are content to receive the proper allowance of 1*s.* 6*d.* per ton for Burton terminals. The work performed by the companies at this end is precisely the same, whether they obtain 4*s.* or 1*s.* 6*d.* We have heard of traders in other places claiming a drawback of 1*s.* 6*d.* per ton, indeed we have done so ourselves, in the instance of hops arriving at delivery rates, when the carting is saved to the company. But in the case of our ale, the mischief is that through the terminals being concealed in the gross charges we were unaware that they included a carted terminal at Burton. In calling your attention to the vague and unsatisfactory manner in which terminals are now levied, we earnestly beg that you will recommend that the railway companies shall for the future be compelled by legislative enactment, to state in a fair and open way, separately from the mileage rates, what are their terminal charges on the various classes of goods, and the particular service or services they include. May we also beg you will cause the secretary of the railway clearing house to be invited to give evidence on this branch of a subject so important to the trading interests of the country generally."

15,740. (*Capt. Galton.*) Upon what subject do you wish the secretary of the clearing house to give evidence before this Commission ?—We do not care about it as regards ourselves, because we can prove this matter without his assistance.

15,741. Merely on the point of the terminal charged ?—Yes, and also with reference to the rates, I will show you how necessary it will be to call him, with regard to the question of rates. I believe you are sending out forms to the different railway companies, to send you their rates to different places. They manage to have pretty nearly equal rates on their own lines, but if you ask them what are their rates between their own railway and other railways, you will be amazed not only at the differences and inequalities generally, but the number and variety of rates they receive for the same class of goods to the same places, viz., the points of junction with neighbouring companies.

15,742. (*Mr. Horsfall.*) How would you propose to remedy the evil with regard to terminals ?—I would propose that they should be compelled by legislative enactment to state plainly what are their terminals and what are their mileage rates, and to separate one from the other in a fair and plain way.

15,743. (*Mr. Glyn.*) Would you have both charges stated separately in the invoice ?—Not necessarily in the invoice. They need not be charged separately.

15,744. (*Sir R. Hill.*) You think they should be contained in the rate-book ?—Yes, which should be accessible to the public. If I asked them what their rate was and they replied 30*s.*, and then I asked them

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what was their mileage rate and what their terminals, they ought to be compelled to tell me.

15,745. (*Capt. Galton.*) Would you have maximum terminals fixed by Act of Parliament?—Yes, and fair terminals. These terminals are very fair. We do not object to them, although we could do it cheaper ourselves.

15,746. You mean the carting?—Yes; there is the carted terminal of 4*s.* and the station to station terminal of 1*s.* 6*d.*, that is a difference of 2*s.* 6*d.*; whereas we can get the carting done almost anywhere for 1*s.* 6*d.*

15,747. Is it open to you to cart yourselves if you choose?—Yes, the brewers at Burton do cart, unless they have sidings in connexion with the railways.

15,748. Do you know that the breweries of Burton have access by means of lines of their own to the railways?—The large brewers have, such as Allsopp's, Bass & Co., Salt & Co., the Burton Brewery Company, Ind, Coope, & Co., and Worthington & Co.

15,749. In all cases you would maintain that the terminal should cover the interest on the cost of the station and the work done in moving the railway trucks on to your sidings?—Yes; it should be a station to station terminal. 1*s.* 6*d.* is a sufficient terminal; the companies are, in fact, satisfied with that. For instance, on the Glasgow rate, the clearing house only allows them 1*s.* 6*d.*, so that they are only getting 1*s.* 6*d.* on this traffic, and for ale going to any other places they would get 4*s.*, as Burton terminal allowance.

15,750. If you find the carting yourselves they would not charge you the 4*s.*?—Yes they do at the Burton end. We never found out anything about it until lately. It is upon such cases we are claiming 2s. 6d. per ton drawback.

15,751. (*Chairman.*) In point of fact are there not sidings running from the station at Burton into the works of the principal breweries?—Yes; the brewers make their own lines to the Midland system.

15,752. In fact there is not much carting?—No, there is no carting, except by the small brewers, who, having no private lines must cart their ale to the station. At the time we sent in our claim Messrs. Allsopp were getting 9*d.* per ton for loading and unloading, and Messrs. Bass & Co. were getting nothing. I find it is stated in the memorial, "During "the period claimed for, not only did we not receive "a farthing, but were perfectly unaware that we had "a right to payment for such performances, that our "neighbours were having an allowance of any kind, "or that the Midland Company were parties to "making such allowances elsewhere. The rules, "however, of the Midland association (formed by "the Midland, London and North-western, North-"eastern, and other companies) show that such allow-"ances have for many years past been made by the "railway companies to parties having sidings from "their lines, *e. g.* Messrs. Watts & Co., Soho, 7*d.* "per ton; Messrs. Murcott & Wright, 1*s.* per ton; "and W. Williams Albion, 6*d.* per ton." Those are the rates of the Midland Association, therefore the Midland Company must have known that we were entitled to something for our own loading and unloading, even if they did not know the exact sum allowed by the London and North-western Company to Messrs. Allsopp & Sons.

15,753. (*Capt. Galton.*) Your complaint is that the Midland Railway Company have not acted fairly by the brewers of the town?—Yes, either as regards rates or loading and unloading allowances, and in mulcting us in 2s. 6d. per ton in cartage terminal at Burton, when no carting has ever been done by them. There are three charges against them.

15,754. (*Mr. Horsfall.*) Who is the individual connected with the Midland Company with whom you negotiated with regard to these charges?—Mr. Allport.

15,755. (*Chairman.*) Does the sum of 77,000*l.* which you claim as a drawback from the Midland Company, include the overcharges for terminals as well as the overcharges for rates?—The North Stafford Company will have to pay a small portion of the 77,000*l.* It includes overcharges on rates, and the 9*d.* for loading and unloading, but not the 2*s.* 6*d.* terminals. The latter is a separate matter. The former come under the head of favouring rates.

15,756. In fact you claim a larger drawback than 77,000*l.*, taking the terminals into consideration?—The 77,000*l.* comes under the head of favouring rates. We claim in addition 30,000*l.* under the head of terminals. We intend to claim for seven years, but we have only claimed for three years, it takes so long to make out the accounts. It makes in all 30,000*l.*, that is the 2*s.* 6*d.* terminals.

15,757. (*Mr. Horsfall.*) Do you think Mr. Allport was cognizant of those different charges, or was he in ignorance like yourselves?—He must have been cognizant of the overcharges in the rates, because his goods manager, in his presence and in the presence of Mr. John Gretton and myself, admitted that he did know of these private reduction sheets.* They may have had a difficulty in getting the actual text of Allsopp's agreement from the North-western, but knowing the rates, there remained but loading and unloading allowances to make. As they are parties to making them elsewhere, they must have known there was something due to us. If you please, I can read two letters which we sent Mr. Allport on the subject of the 2*s.* 6*d.*† The first is this,—

"Burton-on-Trent,

"DEAR SIR, "19th March 1866.

"WE herewith beg to hand you an account of the weights of ale forwarded to and received from the stations of the various foreign railways by us during the three years ending June 30th, 1865, charged at carted rates, from which you have been and are still receiving through the clearing-house a terminal allowance of 4*s.* per ton, which allowance includes cartage in Burton, whereas no such service is performed by you here.

"We claim 2*s.* 6*d.* per ton, the difference between 4*s.* and 1*s.* 6*d.* which respectively represent the terminal allowance made on 'carted' and 'not carted' traffic.

"We beg your early attention to the subject of these rates, and would suggest as the only means of correcting for the future the irregularity complained of, that they be at once altered to station to station rates.

"We beg you also to understand that we shall henceforth decline to pay the collected and delivered rates as they at present stand.

"Yours faithfully,

"(Signed) BASS, RATCLIFF, and GRETTON.

"J. Allport, Esq.,

"Midland Rail Company, Derby.

"P.S. You will, no doubt, remember reference being made to this matter on 22nd December last, when Mr. J. Gretton and our Mr. Cosgrove were at your office.

"J. C."

And on the 9th April, we sent him this letter:

"Burton-on-Trent,

"DEAR SIR, 9th April 1866.

"WITH reference to our letter of 19th ult., Mr. Walklate having admitted to our Mr. Cosgrove on Saturday last, that you are receiving upon our traffic to foreign railway stations 4*s.* per ton, the carted allowance for your Burton terminal, we beg to remind

* Mr. Cosgrove subsequently added: "We also know on the highest authority the London and North-western Company did send the sheets to the Midland."

† The witness afterwards added the following note: "In reference to the 2*s.* 6*d.* we claim from the 4*s.* carted terminal although Mr. Allport, Mr. Walklake his goods manager, and Mr. Swarbrick his accountant, distinctly denied on 22nd Dec. last to Mr. John Gretton and Mr. Cosgrove, that they had ever received 4*s.* for a Burton terminal on ale, Mr. Walklate now actually admits they have been receiving such allowances."

you that in arranging for station to station rates for our future traffic to those places, we cannot be satisfied with a less reduction than the 5*s.*, difference between the 8*s.* and 3*s.* terminals, nor can we remain passive if it is at all attempted to fritter away any portion of that amount by rearranging for yourself and your neighbouring companies any increased mileage allowance.

"Permit us to say we ask no more than our strict right, nor will we take less.

"We are faithfully yours,

"(Signed) Bass, Ratcliff, and Gretton.

"James Allport, Esq., Derby."

It is competent to them under the present irresponsible powers in settling the matter to confiscate a portion of this 2*s.* 6*d.* at either end. We wish to have a station to station rate, and do our own carting at the destination stations. We can do it at 1*s.* 6*d.* so that we should save 3*s.* 6*d.*; but if they chose to lay their heads together, they could re-mile it and deprive us of what really belongs to us.

15,758. (*Capt. Galton.*) How can you prevail upon them not to do that?—Look at the morality of the thing; it is not right. The present railway system is wrong altogether. We want some state control over the directors and managers. In fact they are our masters instead of being our servants.

15,759. But still you do not object to their getting rates which remunerate them?—I do, if they are beyond the cost of conveyance, and a fair profit added.

15,760. Are they entitled to charge you the maximum parliamentary rates?—As far as being entitled goes they are; but those rates are very wide of the mark.

15,761. How much less do they charge you below what the parliamentary rate will be?—Beer is not mentioned in the tolls; but I will take sugar which is. Above 40 miles the maximum rate allowed by Parliament is 2*d.* We were paying over 2*d.* per mile under the old rates to many of the London and North-western stations. Under the secret rates it is 1½*d.* We were paying over the full maximum rates; that is, taking sugar to be in the same class as beer; and beer ought not to be in a higher class, because sugar is three or four times the value of beer, taking a ton of sugar and a ton of ale; so that I think it would be fair to put ale in that class—that is, the class upon which 2*d.* per ton per mile is allowed as a maximum rate.

15,762. What do you consider the terminal charge should cover?—All terminal services. In our case we do the loading ourselves. People who have their own private sidings do the loading and unloading on their own premises. We do our own hauling likewise. We (Bass & Co.) have three engines running about our yards. We haul down to the company's sidings; so that they have nothing to do but just to sort the waggons, marshal the trains, and take them away.

15,763. Do you consider it should cover any interest on the cost of building the station?—No; any more than I should consider fares and rates should have anything to do with that.

15,764. The question of terminals has been put to us in this way, that railway companies are entitled to be remunerated for performing all those services which an agent would perform if they merely take the goods with their engines from one station to another and transfer the goods to an agent at the station, who would have his own yard and his own arrangements for delivering the traffic?—In that case they divide the terminal between them.

15,765. The railway companies say that they ought to be remunerated by the terminal charge for all that class of work?—If it is done by persons like themselves they do not expect a whole terminal; they only expect a portion of it. Their station to station traffic terminal is 1*s.* 6*d.*; out of that they give us 1*s.* 1½*d.*; 9*d.* for loading, and 4½*d.* for haulage. They in fact do no work, beyond what I have previously stated.

15,766. The railway companies claim that they are entitled to receive a payment out of the terminal as interest upon the money spent in building their station and constructing their sidings, goods sheds, and platforms?—No; I take it it includes a payment for services, not interest on the money. The rates for passengers or goods ought not to be arranged according to capital. Capital has little to do with them in my opinion. When they are in advance of the *cost* of conveyance it is a mere question of numbers of passengers or tons of goods, what prices pay best.

15,767. But still rates must be arranged in some degree with reference to capital; the railway companies must receive a fair profit on the capital invested, or there will be no railways constructed?—Yes.

15,768. Therefore, if a railway was made in a district where there was a very small amount of traffic, they would be compelled to charge very much higher fares than in a district where there was a very large amount of traffic; so that the fares and rates must have some reference to capital?—Yes.

15,769. (*Chairman.*) Do I understand you to say that you think a railway company has no claim to be remunerated for the capital which it has expended upon its goods sheds?—Of course it has a claim to be remunerated for that. I do not mean to say that at all.

15,770. Out of what fund would that remuneration come?—Out of the general profits. Terminals I take to include services only, the clearing house allowances being the same under all circumstances, whether at stations where there is a small or a large outlay.

15,771. You do not think that a railway company has any right to charge, in the terminals, interest upon capital laid out upon stations?—I do not know how they arrange it, or what it can come out of, (except the general profits,) but I take the terminals to be for services only, because they divide them with us; in that way they give us the 9*d.* and 4½*d.* out of 1*s.* 6*d.*

15,772. (*Mr. Glyn.*) You do all the work and furnish the sidings?—We do all the work. We do not furnish the railway sidings, but we find our own. We join their sidings by means of our own railways.

15,773. In point of fact the railway sidings are not used by your traffic except as a passage to get to your own sidings?—The railway sidings are used in common; they are used by other brewers.

15,774. But in any case they only use the sidings for the purpose of passing the beer into your yard?—Yes; they use them for placing goods upon them until we fetch them away.

15,775. Then they do use them for the purpose of sending away traffic?—Yes.

15,776 (*Chairman.*) In point of fact I understand from you that the company performs no services for the 1*s.* 6*d.*, which you admit they have a right to charge you?—They perform comparatively little. They allow us 1*s.* 1½*d.*; so that if they get 1*s.* 6*d.*, they have only 4½*d.* left for themselves. They allow us 1*s.* 1½*d.* out of the 1*s.* 6*d.*; we have never had it yet although we claim it, because Messrs. Allsopp have it. We do nearly all the station work ourselves; we have a railway station, in fact, of our own.

15,777. For the performance of what service are you content to give the balance of 4½*d.* on the terminal to the company?—It does not rest with us. We are expected to be content with anything the railways give us. We get 9*d.* for loading, and 4½*d.* for drawing. We have had no hand in the arrangement, in fact it is a godsend to us.

15,778. Will you proceed with your evidence with regard to unequal rates?—It is very long evidence indeed, we have taken a review of all the principal railways in the kingdom. In the memorial there is a statement showing the inequalities in the rates for ale from Burton-on-Trent to a number of stations on the principal railways in the kingdom, *viâ* the Midland, the rates being divided according to the railway clearing house rule. If I refer to the summary,

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probably that will suffice. We have reduced the rates so as to show the inequality of mileage on the different railways. The rate per mile on the Scottish North-eastern ranges from 6-10ths of a penny to 8-10ths of a penny. The charge for 100 miles ranges from 5*s.* 4*d.* to 6*s.* 11*d.*, and the per-centage varies up to 29¾; the average of the whole line per mile is 7-10ths of a penny, and per 100 miles 6*s.* 3*d.* The rate per mile on the Glasgow and South-western ranges from 8-10ths of a penny to 9-10ths of a penny; the charge for 100 miles ranges from 6*s.* 9*d.* to 7*s.* 11*d.*; the per-centage varies up to 17¼; the average of the whole line per mile is 8-10ths of a penny, per 100 miles 7*s.* 1*d.* The rate per mile on the Scottish Central ranges from 7-10ths of a penny to 9-10ths of a penny; the charge for 100 miles ranges from 6*s.* 3*d.* to 8*s.*, and the per-centage varies up to 28; the average of the whole line per mile is 8-10ths of a penny, and for 100 miles 7*s.* 2*d.* The rate per mile on the Caledonian ranges from 7-10ths of a penny to $1\frac{1}{10}d.$; the charge for 100 miles ranges from 6*s.* 3*d.* to 9*s.* 3*d.*, and the per-centage varies up to 48; the average of the whole line per mile is 9-10ths of a penny and per 100 miles 7*s.* 7*d.* The average of group is 7*s.* The rate per mile on the London and South-western ranges from 8-10ths of a penny to $1\frac{1}{10}d.$; the charge for 100 miles ranges from 7*s.* 1*d.* to 9*s.* 3*d.*, and the per-centage varies up to 30½; the average of the whole line per mile is 9-10ths of a penny, and for 100 miles 8*s.* The rate per mile on the North British ranges from 8-10ths of a penny to $1\frac{2}{10}d.$; the charge for 100 miles ranges from 6*s.* 8*d.* to 10*s.* 7*d.* and the per-centage varies up to 58¾; the average of the whole line per mile is 9-10ths of a penny, and for 100 miles 8*s.* The rate per mile on the Furness ranges from 8-10ths of a penny to $1\frac{1}{10}d.$; the charge for 100 miles ranges from 6*s.* 11*d.* to 9*s.* 8*d.* and the per-centage varies up to 39¾; the average of the whole line per mile is 1*d.* and for 100 miles 8*s.* 1*d.* The rate per mile on the London, Chatham, and Dover is 1*d.*; the charge for 100 miles ranges from 8*s.* 2*d.* to 8*s.* 11*d.*, and the per-centage varies up to 9; the average of the whole line per mile is 1*d.*, and for 100 miles 8*s.* 4*d.* The average of group is 8*s.* 1*d.* That shows a per-centage over the first group of Scotch lines of 15½. The memorial proceeds to state:—

"The summary and foregoing detailed statements show, firstly, the great inequalities existing in the rates between Burton and the various stations upon any one given railway and the curious and anomalous fact of the home railway company, the Midland, being in receipt in so many instances of a variety of rates to one place, viz., the various points of junction with the other lines; as instances upon our goods proceeding to North-eastern stations, they would obtain between Burton and their Normanton junction rates of 1*d.*, $1\frac{1}{10}d.$, $1\frac{2}{10}d.$, $1\frac{3}{10}d.$, and $1\frac{4}{10}d.$, per mile, the last being 36½ per cent. higher than the first. Upon Lancashire and Yorkshire traffic they receive 10 different prices per mile between Burton and their Oakenshaw junction; upon the Manchester, Sheffield, and Lincolnshire Railway a similar variation to their Eckington and Lincoln junctions; while upon traffic to Great Northern stations they are obtaining between Burton and their Nottingham and Hitchin junctions the astounding variation of rates from $1\frac{4}{10}d.$ to $2\frac{9}{10}d.$ per mile, or 109¼ per cent. difference, and so on with regard to freights handed over to the other companies. Such diversity of charges to one place can surely admit of no explanation on the ordinary principles of commercial dealings; as a triumph, however, of the present system of railway administration, we call special attention to them. Secondly, inequality of charges, as between one railway and another. Why should the rates from Burton to the group of lines, London and South-western, North British, Furness, and London, Chatham, and Dover, be 15½ per cent. higher than the Scotch group; the London, Brighton, and South Coast, Maryport and Carlisle, South-eastern, and Whitehaven and Furness, 29¾ per cent. higher; the North Devon, Great Western, and North-eastern 46¼ per cent. higher; the Lancashire and Yorkshire, and Manchester, Sheffield, and Lincolnshire, 63 per cent. higher; and finally, the Cambrian, and Great Northern 121¼ per cent. higher?"

15,779. (*Capt. Galton.*) Is not the inequality in that case because the beer going to Scotland has to compete with other Scotch beer, and your beer would not be sold at all unless it were to go to Scotland at that low rate?—No. I do not think they study the exigencies of the trade in common; they study their own interest first. The exigencies of the trade are secondary questions altogether with them.

15,780. Do they study the arrangement by which they can get the largest amount of traffic?—No doubt they do.

15,781. Is that not to the interest of the trade also?—No, not in all cases, our interests are made subservient to theirs when there is the smallest gain to be had. That is to a seaport, that would not affect Scotland, because that is to Glasgow. We got our rate to Glasgow reduced by sending our ale to Liverpool and thence by steamer. They then gave us a little of this terminal, which lets in a little light upon the general question of terminals. I do not suppose the reduction would alter the mileage at all. They are only getting 1*s.* 6*d.* upon that Glasgow traffic.

15,782. (*Mr. Horsfall.*) What reason do they assign for the difference in the charge from Burton to Normanton? You say upon the same line there is a variety of charges for the same distances?—There are 10 different prices between Burton and Oakenshaw, the rates varying so much between one station and another on that one railway. The clearing house gives a different mileage for each station on the Lancashire and Yorkshire. I can understand them having two different rates, but I cannot understand how they manage to have 10 different rates. I can understand them having a lower rate, and therefore having to participate in a lower charge between Burton and Oakenshaw, because rates generally decrease for long distances, so that if they had a long distance to take it I could understand it.

15,783. Do they have 10 different rates for the same thing between Burton and Oakenshaw?—Yes. The Lancashire and Yorkshire get 10 different rates also from the Oakenshaw junction to their various stations. They vary as much as 91½ per cent. The lowest rate between Burton and Oakenshaw is 9-10ths of a penny per mile, and the rate ranges from that to $1\frac{8}{10}$ of a penny per mile. The Midland Company get that as between Burton and Oakenshaw.

15,784. (*Mr. Glyn.*) That is to say, their proportion of the whole amount received from the trader varies by those figures?—Yes.

15,785. (*Capt. Galton.*) That is to say, the rate from Burton to Fleetwood would be probably a lower rate, because there is the sea competition, than the rate between Burton and Rochdale, for instance?—Yes.

15,786. Therefore, if you divide the mileage in equal proportions, the proportion that goes to the Midland between Burton and Oakenshaw would be different?—It would be less in that case. Those quoted in Memorial are not to a port at all. These are 10 different rates between Burton and stations on the Lancashire and Yorkshire Railway.

15,787. It is not because there is some local competition of beer which would prevent the beer being sold so favourably unless a low rate was given?—No; there can be no reason of that kind for these 10 rates. I will just refer to the details of the Lancashire and Yorkshire Railway to see what the stations are. Upon the Lancashire and Yorkshire Railway, between Burton and Rochdale by the Oakenshaw route, the through rate, including delivery, is 16*s.* 8*d.*; the net amount on deducting 4*s.* for terminals at each end is 8*s.* 8*d.* The distance is 110 miles. The rate per mile is $\frac{9}{10}$ of a penny. The charge for 100 miles is 7*s.* 10*d.* The per-centage showing inequalities of charges over Rochdale 22¼. Between Burton and Over-Darwen by the Oakenshaw route the through rate, including delivery,

is 20*s.* The net amount on deducting 4*s.* for terminals at each end is 12*s.* The distance is 125 miles. The rate per mile is $1\frac{1}{10}$ of a penny. The charge for 100 miles is 9*s.* 7*d.* The per-centage showing inequalities of charges over Rochdale $22\frac{1}{4}$. Between Burton and Blackburn by the Oakenshaw route the through rate, including delivery, is 20*s.* The net amount on deducting 4*s.* for terminals at each end, 12*s.* The distance is 121 miles. The rate per mile is $1\frac{2}{10}$ of a penny. The charge for 100 miles is 9*s.* 11*d.* The per-centage showing inequalities of charges over Rochdale, $26\frac{1}{2}$. Between Burton and Accrington by Oakenshaw the through rate, including delivery is 20*s.* The net amount, deducting 4*s.* for terminals at each end, 12*s.* The distance is 116 miles. The rate per mile is $1\frac{2}{10}$ of a penny. The charge for 100 miles is 10*s.* 4*d.* The per-centage showing inequalities of charges over Rochdale $31\frac{3}{4}$. Between Burton and Burnley by Oakenshaw the through rate, including delivery, is 20*s.* The net amount deducting 4*s.* for terminals at each end is 12*s.* The distance is 110 miles. The rate per mile is $1\frac{3}{10}$ of a penny. The charge for 100 miles is 10*s.* 11*d.* The per-centage showing inequalities of charges over Rochdale is $39\frac{1}{4}$. Between Burton and Clitheroe the through rate by Oakenshaw, including delivery, is 23*s.* 4*d.* The net amount on deducting 4*s.* for terminals at each end is 15*s.* 4*d.* The distance is 130 miles. The rate per mile is $1\frac{4}{10}$ of a penny. The charge for 100 miles is 11*s.* 10*d.* The per-centage showing inequalities of charges over Rochdale is 50. Between Burton and Denby Dale by Oakenshaw the through rate, including delivery, is 20*s.* The net amount on deducting 4*s.* for terminals at each end is 12*s.* The distance is 96 miles. The rate per mile is $1\frac{5}{10}$ of a penny. The charge for 100 miles is 12*s.* 6*d.* The per-centage showing inequalities of charges over Rochdale is $59\frac{1}{2}$. Between Burton and Holmfirth by Oakenshaw the through rate, including delivery. is 20*s.* The net amount on deducting 4*s.* for terminals at each end is 12*s.* The distance is 93 miles. The rate per mile is $1\frac{5}{10}$ of a penny. The charge for 100 miles is 12*s.* 11*d.* The per-centage showing inequalities of charges over Rochdale is $64\frac{3}{4}$. Between Burton and Brighouse by Oakenshaw route the through rate, including delivery, is 20*s.* The net amount on deducting 4*s.* for terminals at each end is 12*s.* The distance is 86 miles. The rate per mile is $1\frac{6}{10}$ of a penny. The charge for 100 miles is 13*s.* 11*d.* The per-centage showing inequalities of charges over Rochdale is $77\frac{1}{2}$. Between Burton and Pontefract the through rate by Oakenshaw route, including delivery, is 20*s.* Net amount deducting 4*s.* at each end for terminals is 12*s.* The distance is 80 miles. The rate per mile is $1\frac{8}{10}$ of a penny. The charge for 100 miles is 15*s.* The per-centage $91\frac{1}{2}$. A reduction of from $8\frac{1}{4}$ to 29 per cent. has been made in the above rates since December 1865. Empty casks charged at same rate per ton as full.

15,788. Then they seem to charge just the same gross amount to each of those places, which will work out a low mileage rate?—Yes; in eight instances they charge 20*s.*

15,789. Is not that because the beer will bear that price to enable it to be sold at those places, and perhaps if they put on a higher rate to any of those towns the beer would not have a sale?—They in that sense study our circumstances; that is what we object to. We do not study to tax the degrees of profit of our customers at all in selling our goods.

15,790. They study how much they can get out of you?—Yes; they test our ability to pay, which we object to as being unsound in principle.

15,791. Then you want uniformity of rates for beer under all circumstances?—I think uniformity of rates under the present system as impossible as a square circle.

15,792. Do you think it would be better for the trade to have a uniform mileage rate all over the country?—It would be better to have a uniform mileage rate all over the country, if it could be done, but if not, I would like a modified uniformity. I have paid some attention to this matter, and I think if the Legislature could induce railway companies to adopt an extension of the amalgamation principle, it would be for the public advantage, that is, supposing the Act of 1844 is not carried out they should be induced to amalgamate under Government control. I take the 13 first-class railways, but I would eliminate from those the four bad paying ones; I would take the nine that do pay well, and I would establish uniform rates upon those lines. Those nine lines run through districts containing great and growing industries, large towns, and commercial centres with busy, active populations, such as no other country on earth possesses. Having these elements of a high and expanding traffic, I think under the stimulus of lower and equal rates they would soon pay better dividends than under the present system of high and unequal rates.

15,793. (*Chairman.*) What do you mean by a modified uniformity?—If you cannot have a general uniformity, which I hold to be impossible under the present disjointed and sectional system of management, you might have it existing in the districts served by these nine first-class railways. The united systems of these nine railways receive about two-thirds of the revenue of all the railways. If you could do that, you would at once have gone a long way towards a reform of the whole in getting two-thirds adjusted.

15,794. (*Sir R. Hill.*) Do you propose absolute uniformity over the whole of those 13 first-class railways?—I would eliminate from this scheme the four bad paying ones, namely, the Great Eastern, the Great Western, the Manchester, Sheffield, and Lincolnshire, and the North British. The other nine ought to be bound to enter into an amalgamation, subject to Government control.

15,795. Over certain lines you propose that there shall be an absolutely uniform rate?—I do.

15,796. Which do you mean, an absolutely uniform rate, or a uniform maximum rate?—I mean a uniform rate suitable to the trade. Of course there would have to be a committee of gentlemen appointed, composed of men eminent in the public service, the railway, and commercial worlds, to consider the circumstances of each of the staple trades of the various districts, and to settle what reduction shall be fair.

15,797. When that fair rate is arrived at, do you propose that it should be made the maximum or the actual charge?—I would say the maximum. That would not prevent them reducing it if they felt inclined. I would offer no opposition to a reduction of rates.

15,798. (*Lord Stanley.*) Do I understand you to mean by a uniform rate, that it should be a rate which should not in any case be reduced?—No; I would not object to a reduction.

15,799. (*Capt. Galton.*) But then uniformity would cease, would it not?—Yes.

15,800. (*Lord Stanley.*) Then you mean a maximum rate, but not necessarily a uniform rate?—Yes, but not such high maximum rates as the present.

15,801. (*Sir R. Hill.*) You propose, in fact, that the maximum rate should be lowered?—Yes, and leave less room for these violent variations.

15,802. (*Chairman.*) Do I understand you to go so far as to say that they should be bound to charge a mileage rate for 100 miles at the same rate as if it were for only 20 miles?—No; perhaps I had better read our propositions on that head. I have written them down carefully under the head of "Proposed "Rates."

Present rates. "London and North-western:—For all distances under 50 miles, 2*d.* per ton per mile; over 50 miles and under 75 miles, $1\frac{3}{4}d.$ per ton per mile; over 75 miles (except London and Dublin), $1\frac{1}{4}d.$ per ton per mile. Minimum rate $\frac{3}{4}d.$ per ton; no greater charge than 15*s.* for the first 167 miles. For distances over 167 miles at the same proportion. Empty casks to be charged at the same rate per ton as when full. North Staffordshire.—The same as the London and North-western, according to distance. Empty casks to be charged at the same rate as when full. Midland Rail-

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way.—1½*d.* per ton per mile; minimum rate 5*s.* per ton. Empty casks to be charged at the same rate as when full. The above rates to include station to station terminals. Rates between Peterboro' and Great Eastern stations for Burton ale, two-ton lots, 1½*d.* per ton per mile, minimum rate 5*s.* per ton, maximum rate 11*s.* 8*d.* per ton. Empty casks carried free throughout the system. Those are local rates for stations upon their own lines."

Then I have got "The proposed rates upon local and foreign lines. Ale rate, Burton to London, to be 10*s.* per ton including terminals, as at present. Empties to be returned free, as upon the Great Eastern, Lancashire and Yorkshire, all railways out of Liverpool and Manchester, to certain districts of Lancashire and Yorkshire, and from certain stations upon the South-eastern railway. That the minimum rate be 3*s.* 4*d.* per ton, with a progressive rate of 1½*d.* per ton per mile, not to exceed 11*s.* 8*d.*, as upon the Great Eastern Railway. Empty casks to be carried at one-half the above rates from all places except Liverpool, which should be free, as in the case of London. These rates to include station to station terminals. For distances above 140 miles, 1*d.* per ton per mile; above 200 miles, ¾*d.* per ton per mile, or $\frac{8}{10}d.$, as at present charged to Scotch lines. These last rates to have the station to station terminal charges of 3*s.* added. Empty casks to be carried at one-half the above rates."

I will now show the actual rates on all the ale to London. From Burton to London by the Midland Railway it is 14*s.* 2*d.* per ton for 122 miles, which is at the rate of $1\frac{4}{10}d.$ per mile, the charge for 100 miles being 11*s.* 7*d.* From Newark to London the rate for ale collected and delivered is 17*s.* 6*d.*, the amount deducted for cartage in London is 2*s.* 8*d.*, in the country 1*s.* 6*d.*, making a total amount, deducting the cartage, 4*s.* 2*d.*, that reduced to station rates is 13*s.* 4*d.*, the distance is 120 miles, the rate per mile is $1\frac{3}{10}d.$ the charge for 100 miles being 11*s.* 1*d.* The per-centage of Burton rate over those from other stations is 32¼. From Leeds to London the rate for ale collected and delivered is 21*s.* 8*d.* The amount deducted for cartage in London is 3*s.* 4*d.*, in the country 1*s.* 6*d.* making the total amount deducted for cartage 4*s.* 10*d.*, which reduced to station to station rates is 16*s.* 10*d.* The distance is 192 miles; it is at the rate of 1*d.* per mile. The charge for 100 miles is 8*s.* 9*d.* The per-centage of Burton rates over those from other stations is 32¼. From Sheffield to London the rate for ale collected and delivered is 17*s.* 6*d.*; the amount deducted for cartage in London is 2*s.* 8*d.*, in the country 1*s.* 6*d.* making the total deduction for cartage 4*s.* 2*d.*, that reduced to station to station charges is 13*s.* 4*d.*, the distance is 116 miles, the rate per mile is 1*d.*, the charge for 100 miles is 8*s.* 3*d.*. The per-centage of Burton rates over those from other stations is 40¼. From Lincoln to London the rates for ale delivered is 11*s* 6*d.*, the amount deducted for cartage in London is 3*s.* 4*d.*, which is the total amount deducted for cartage. That reduced to station to station rates is 5*s.* 2*d.* The distance is 138 miles, the rate per mile is $\frac{7}{10}d.$ The charge for 100 miles is 5*s.* 8*d.* The per-centage of Burton rate over those from other stations is 95¾. The average per mile is 1*d.*, and for 100 miles 8*s.* 5*d.* Empties to Burton are charged at the same rate per ton as full. Empties to Norwich, Leeds, and Sheffield are charged 15*s.* a ton, collected and delivered. Empties are not returned to Lincoln, the ale being exported. The next is the London and North-western railway. From Kendal to London the station to station charge is 20*s.*, the distance is 252 miles, the rate per mile is $\frac{9}{10}d.$ The charge for 100 miles is 7*s.* 11*d.* The per-centage of Burton rates over those from other stations 46¼. The empties are charged at the same rate per ton as full. The next is the Great Eastern Railway. From Norwich to London (there would be a sea competition by this one) the charge is 10*s.*, the distance is 114 miles, the rate per mile is 1*d.*, the charge for 100 miles is 8*s.* 9*d.* The per-centage of Burton rates over those from other stations 32¼. From Lowestoft to London the charge is 9*s.*, the distance is 117 miles, the rates per mile $\frac{9}{10}d.$, the charge per 100 miles is 7*s.* 8*d.* The per-centage of Burton rates over those from other stations is 51. From Yarmouth to London the charge is 9*s.*, the distance is 121 miles, the rate per mile $\frac{9}{10}d.$, and the charge per 100 mile 7*s.* 5*d.* The average per mile is $\frac{9}{10}d.$, and for 100 miles 7*s.* 11*d.* Empties are carried free throughout the system. The rates for porter by the Great Eastern Railway from London to Halesworth is 8*s.*, the distance is 100 miles, the rate per mile is $\frac{9}{10}d.$, the charge for 100 miles 8*s.*, and the per-centage of Burton rates over those from other stations is 44¾. From London to Aldborough the charge is 7*s.* 6*d.*, the distance 98 miles, the rate per mile is $\frac{9}{10}d.$, the charge for 100 miles 7*s.* 8*d.*, and the per-centage of Burton rates over those from other stations is 51. From London to Beccles the charge is 8*s.*, the distance is 108 miles, the rate per mile is $\frac{9}{10}d.$, the charge for 100 miles is 7*s.* 5*d.*, and the per-centage of Burton rate over those from other stations is 56. From London to Norwich the charge is 8*s.*, the distance is 114, miles, the rate per mile is $\frac{8}{10}d.$, the charge for 100 miles is 7*s.*, and the per-centage of Burton rate over those from other stations is 65½. From London to Lowestoft the charge is 8*s.*, the distance is 117 miles, the rate per mile is $\frac{8}{10}d.$, the charge for 100 miles is 6*s.* 10*d.*, the per-centage of Burton rate over those from other stations is 69½. From London to Yarmouth the rate is 8*s.*, the distance is 121 miles, the rate per mile is 8*s.* 10*d.*, the charge for 100 miles is 6*s.* 9*d.*, and the per-centage of Burton rate over those from other stations is 76. The average per mile is $\frac{8}{10}d.$, per 100 miles is 7*s.* 3*d.* Empties are carried free throughout the system.

15,803. Have you not been comparing places which are at unequal distances from London?—Yes, they are at unequal distances; but I have been comparing the rate per mile.

"This comparative statement exhibits the fact that the trade of Burton is placed at a decided disadvantage in the cost of conveyance of its productions to the important port and market of London. While the rates charged to the brewers on other parts of the Midland system sending to London average but 1*d.* per ton per mile, by the London and North-western $\frac{9}{10}d.$ per mile, by the Great Eastern $\frac{9}{10}d.$, and porter from London only $\frac{8}{10}d.$ per mile, we are made to pay $1\frac{4}{10}d.$ Again, if we refer to the traffic which the Midland and London and North-western carry for us to stations upon the London and South-western, and London, Chatham, and Dover lines (see Section A.), we find they are content to receive upon a not inconsiderable portion 8-10ths and 1*d.* per mile as their charge as far as London; may it not be fairly asked how they can justify a higher rate per mile for conveyance to the London market? It is true in the latter case a terminal of 1*s.* 6*d.* is incurred, but 1*d.* per mile, or 10*s.* per ton, the proposed rate, would cover this; and the average of the two mileage charges we are comparing will, apart from the considerations of the immensely larger trade we do in London, which under the stimulus of a fairer tariff we should without doubt greatly increase. Our casks are handled with less difficulty than grain or heavy manufactured articles; they are easily moved by rolling; they are good loading. Every waggon which left Messrs. Bass & Co.'s yards in season ending 30th June 1865, carried an average weight of 2 tons 17 cwt., while the London waggons during the same period carried 3 tons 13 cwt. (the figures having been several times tested are accurate). They are of little or no risk to the railway companies, inasmuch as the claims for damage paid to the same firm by the companies during the whole of last year amounted to but 281*l.* 10*s.* 11*d.*, on a traffic paying over 100,000*l.* for carriage. No sheeting to protect them from the sun has hitherto been afforded, nor do the companies provide us with warehouse room free or at a nominal rent, as in the case of grain at Leeds,

Wakefield, Manchester, London, &c. Large rents are on the contrary paid by the brewers to the companies annually for the use of ale stores."

15,804. (*Capt. Galton.*) You have given the rate per mile between those various towns and London?—I have.

15,805. Can you give the gross sums paid between some of them?—Burton to London 14*s.* 2*d.*; Lincoln to London 11*s.* 6*d.* Of that 11*s.* 6*d.* we take 3*s.* 4*d.* for carting. The Lincoln rates include delivery at the docks, so that that reduces it to 8*s.* 2*d.*

15,806. Are there great breweries at Lincoln?—No, they are not very large; so that they pay from Lincoln to London 11*s.* 2*d.* It is 95¾ per cent. cheaper, or about half what we pay.

15,807. Is the Lincoln ale sold at the same price as yours?—It is export ale; it all goes to the docks. I have compared it with that price. They charge us the same whether our ale goes to the docks or not. The Great Eastern varies from 44 to 76 per cent. cheaper than ours. Norwich is 8*s.* per ton.

15,808. Has not Norwich got water competition?—It has, and it is a paying rate. It pays the Great Eastern because they have done it for many years. It is some charge above the cost of conveyance. It is a moderate one, allowing some limit for profit. We find that the highest rates are charged by the Great Northern, which is one of the best paying lines in the kingdom. The consequence is that we do not do much trade upon the Great Northern.

15,809. The rate from Lincoln to London is a Great Northern rate, is it not?—And Midland too. We represented this to Mr. Allport, and you will see how he treated us. I have brought the correspondence with me to show you how he treated us.

15,810. (*Chairman.*) Would not the effect of the proposal which you read just now be, that when you had re-arranged the rates in the manner you desire to do, you would compel the companies to re-arrange their local rates on traffic going beyond their own lines; that is, you would not allow them to make a reduced rate on through traffic?—I would reduce them according to distance. They are large railways that radiate from Burton, and they would fall into the lower scale while they are within the bounds of these railways. I have graduated them according to distance. I have given the authority of present practice upon certain lines for the chief of them. I say according to the present Scotch rates we should be safe for long distances.

15,811. You stated that they charged so much from Burton to London?—Yes.

15,812. You would charge so much beyond London in a southern direction?—Yes.

15,813. And when the North-western came to divide with the other railway companies the rate beyond London, they would get a smaller mileage than they got to London?—Yes.

15,814. If you re-arranged these rates, do I understand you to say that you would compel them to make exactly the same mileage rate to London as they would receive from the other company for goods going beyond London?—I think that to so important a place as London we have a right to infer that as it pays them in one case as far as London at 8-10ths of a penny, or a penny, per mile, it would pay them to carry our goods into London at the same rate.

15,815. You would abolish the distinction, in that case, between local rates and through rates?—I would in the case of London.

15,816. (*Capt. Galton.*) In taking the whole distance, I understand you to say you would charge 1½*d.* per mile for short distances, and 1*d.* per mile for long distances?—Yes.

15,817. Then, of course, from Burton to Normanton the charge might be 1½*d.* per mile on one class of goods, and 1*d.* per mile on another class, and you would still have the difference of the mileage rate between the same places?—Yes, but we should be satisfied if that scale were carried out, for no matter what you might choose to fix upon, it should be carried out equally in all cases. We merely adduce that in argument, as to our rates being higher than from any other station on the Midland Railway, to show that even in the case of goods going just beyond London they are satisfied with the lower amount, that is, with the rates to the London and South-western stations.

15,818. (*Chairman.*) That is, you ask that they shall not charge you a higher local rate than they receive as their fair proportion of the rate for the long distance?—Yes.

15,819. Will you proceed with your statement?—The next portion of the statement shows the inequalities in the rate of grain from different places to Burton-on-Trent. We are getting grain from Newport at 8*s.* 4*d.* per ton, which is a distance of 136 miles. It will be seen that the rate from Grimsby is nearly double that from Newport. The Great Northern District rates, are 40 per cent. still higher, and barley can be carried from France *viâ* Hamburg as cheaply as from the Great Eastern Railway; and, comparatively, much cheaper than from the Great Northern District. The rate from Hamburg to Grimsby by the vessel is from 6*s.* to 7*s.* per ton, and from Grimsby to Burton it is 11*s.* per ton. We have the Hamburg grain coming to Grimsby and West Hartlepool at from 6*s.* to 7*s.* per vessel, while the rate from Grimsby to Burton is 11*s.* per ton, which makes an average through rate of from 17*s.* 6*d.* to 18*s.* 2*d.* per ton. We have now a uniform rate from all the Great Eastern stations. It is a rate of 15*s.* 10*d.*, which has been in operation for three seasons. Prior to that arrangement we had a varied rate extending from 12*s.* 6*d.* to 20*s.*

15,820. (*Mr. Glyn.*) Is that a special rate between your firm and the Great Eastern?—No, other brewers have the same rate, 15*s.* 10*d.* is a generalization of the older rates. For the purpose of comparison I thought I was entitled to quote the old rates, of which the 15*s.* 10*d.* is a generalization. The Hamburg rate of 18*s.* 2*d.* is lower than some of the old rates from parts of Essex and Norfolk. We still consider we are paying 20*s.* We pay as much from certain districts per railway as we do from Hamburg or from France. We are getting a great deal from France *viâ* Newport. We have had 10 steamers this season, bringing barley to Newport. We expect to get it very much cheaper because they are developing a port there. The North-western are carrying at a very low rate. Although the Grimsby rate is nothing like so high as the Great Northern rates for grain, it still is 91 per cent. higher than the Newport rate.

15,821. (*Capt. Galton.*) Are they bringing it round by Shrewsbury and Stafford?—Yes, they bring it through Stafford.

15,822. You find water communication too slow for your trade, you say?—We do not use it; it is superseded altogether. On barley from Nantes in France to Gloucester the rate is from 11*s.* to 12*s.* per vessel; and the average through rate is 18*s.* 9*d.* per ton, while from Gloucester to Burton the rate station to station is 7*s.* 1*d.* We find we have better facilities for having it at Newport, because we avoid 1*s.* 9*d.* per ton dues and haulage for the water up to Gloucester.

15,823. The Midland Railway will not bring it to you equally cheap from Gloucester to Burton as the North-western do from Newport?—No, they bring it pretty cheap too. In fact, it is their cheapest rate, it is $\frac{6}{10}$ of a penny per mile. Of course Gloucester is a long distance. We pay 1*s.* 3*d.* per ton more from Newport than from Gloucester, but we avoid paying 1*s.* 9*d.* canal dues. In addition to that we get the grain carried from Newport at a computed weight of six quarters to the ton, or three to four cwt. over the actual weight; whereas the Midland charge the actual weight at the rate of 7*s.* 1*d.* We get a computed weight from Newport, so that we have the advantage of 6*d.* per ton rate, and 1*s.* 6*d.* in weight.

15,824. In fact you get a large discount?—Yes.

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Gloucester is the only place I know from which we have barley carried at the actual weight. From all other places it is a computed weight of six quarters to the ton.

15,825. (*Mr. Glyn.*) The company finding the waggons ?—Yes.

15,826. Has it always been the custom of the trade to carry at a computed weight ?—For many years.

15,827. Why do the Midland depart from it ?—I do not know ; we have been in their hands entirely.

15,828. (*Sir R. Hill.*) Do those low rates depend upon the quantity carried at one time ?—No, they are satisfied if they have five ton lots, or wagon loads. It is unnecessary to say that to us, because we deliver them hundreds of tons at a time.

15,829. (*Chairman.*) If you succeed in establishing a uniformity of rates, you lose the advantage which you gain by obtaining this computed weight ? —No ; that being the custom it would be defined that six quarters should go to a ton universally.

15,830. You lose the advantage of having two railroads, one from Newport which carries six quarters, and from Gloucester which carries at the actual weight ?—Yes; the only alteration would be that the Midland to get the trade must now give us six quarters to the ton and reduce the rate.

15,831. Will you proceed with your statement ?—The traffic of the brewers with the railway companies at Burton is estimated to yield to the latter about 300,000*l.* per annum ; a sum so considerable, we submit, as to entitle the trade from which it springs to the highest consideration and support from the companies interested.

In conclusion, we beg to express a hope if, after due consideration of the working of the present system of management, it is found impracticable to carry out the provisions of the Act of 1844 in reference to railways, that the Legislature will secure, in the interests of trade and commerce and the public generally, the establishment of some wise and reasonable system of supervision of the administration of railways ; that a permanent Board of Commissioners shall be appointed to revise all rates from time to time, and that it shall form a summary jurisdiction to which busy men can appeal for correction and redress of all well-founded abuses and grievances.

15,832. (*Mr. Horsfall.*) You propose that that Board should regulate all the charges against the different railway companies ?—Yes ; and consider the circumstances of the trades of each district, and arrange the rates.

15,833. Would you have them regulate the rates, or only hear complaints where rates are considered to be too high ?—One or both, just as the wisdom of the Legislature determines.

15,834. And the same with regard to terminal charges ?—The terminal charges should be distinct ; they should be open and above board, and let us know what we are paying.

15,835. (*Mr. Glyn.*) Do you propose that it should be a Government Board ?—Not necessarily so ; some of the members might be selected from the present directors, but let them be approved of by the Crown and the Legislature.

15,836. (*Sir R. Hill.*) What did you say was the charge per ton for the conveyance of beer from Burton-on-Trent to London ?—14*s.* 2*d.* ; from that they are about to give us a drawback of 10*d.*, which would reduce it to 13*s.* 4*d.*

15,837. Before the construction of railways how was the beer conveyed from Burton-on-Trent to London ? —By canal; it was a comparatively small trade then.

15,838. Do you recollect what was the charge per ton by canal before the construction of railways ?—The average price, including tolls and other charges, was 13*s.* 7*d.* per ton.

15,839. Was that before the construction of railways? —No, that was in 1845. Bass & Co. continued to send ale by canal up to 1850. We could not send by railway for some years after our line, the Birmingham and Derby, opened in 1839. Mr. Gretton tells an amusing anecdote about that. He went to the railway company at Euston Square, London, and tried to see the board, intending to offer them the trade of Bass & Co. After waiting some time and being unable to see the directors, he was going away, until at last a clerk in the office said I will get you an audience. He then did get face to face with two of the directors. They declined, however, to negotiate with him, saying they were not prepared for such an addition to their business, as they had not sufficient wagon and engine power. Bass & Co. did not send ale by railway for some years, and not to London regularly until 1848.

15,840. Can you give the charge for conveyance of ale before the construction of railways ?—In the year 1838, the rate charged was 26*s.* per ton by canal (river to Gainsboro', and by coast to London).

15,841. Does that include everything ?—Yes.

15,842. The present charge by railway is 14*s.* 2*d.* per ton?—Yes, with a deduction of 10*d.* for drawback.

15,843. * * * * * *

15,844. The charge by canal before the construction of railways was 26*s.* per ton ?—Yes.

15,845. Then the reduction between Burton-on-Trent and London, since the construction of railways, has been nearly two to one ?—No, I should think not. I have not got it down as a matter of fact, but I can supply it. I hope you will quite understand that before we carried by railway, namely, in 1845, we did it for 13*s* 7*d.* per ton to London, which is less money than we can do it for now. We did that by our own boats. At that time the rate by railway was 25*s.* per ton, delivered to the same place,—City Basin.

15,846. (*Capt. Galton.*) Before railways were constructed, what access had you to other places besides London by canal ; had you access to Gloucester ?—We had access everywhere.

15,847. How did you get to Gloucester ?—By the Worcester canal ; we got in somewhere by Birmingham ; then the Trent navigation took us down to Gainsborough and Hull. In fact we used to send ale at one time from Burton to London by Hull. We used to go right away from the north of England by the coast. It was cheaper to send our ale down to Hull and round to London than it was to send it by the direct canal from Burton to London. We continued to send it by Hull after the line was opened. Of course I am quoting ancient history when I am speaking of ale having been sent round that way to London.

15,848. (*Chairman.*) Do you find any difficulty in getting explicit answers to the complaints you make to the Midland Railway Company with regard to the London rates ?—Yes, we do. On the 12th of January I wrote to Mr. Allport this letter with reference to the London rates :—

"ALE RATES to LONDON.

"Burton-on-Trent,

"DEAR SIR, January 12, 1866.

"REFERRING to our remark at the interview in your office on 22nd ult., that the rate from Burton to London was higher than that from other stations upon Midland Railway, and your answer that it was not so, we beg now to submit the following tabular statement, the facts of which have been gathered by personal inquiry at your offices at Sheffield, Leeds, Lincoln, and London, and also at the offices of the Great Northern Company in the country and in London.

—	Carted Rates.	Cartage deducted, collected, and delivered.	Cartage deducted, delivered only.	Reduced to S.S. Rates.	Distance.	Rate per Mile.	Charge for 100 Miles.	Per cent. cheaper than Burton.
	s. d.	*s. d.*	*s. d.*	*s. d.*		*d.*	*s. d.*	
Burton to London	—	—	—	14 2	122	1·4	11 7	—
Newark do.	17 6	4 2	—	13 4	120	1·3	11 1	4¼
Leeds do.	21 8	4 10	—	16 10	199	1·	8 6	36¼
Sheffield do.	17 6	4 2	—	13 4	171	0·9	7 10	47½
Lincoln do.	11 6	—	3 4	8 2	138	0·7	5 11	95½

In the case of Lincoln you have carted the ale to Messrs. Suart and Simpson, Clement's Inn, Lombard Street, for which service, to reduce the rate to station to station, we have deducted 3*s.* 4*d.*, the amount you charge us for carting much shorter distances. We have deducted a similar amount from the Leeds, you having recently agreed with the Great Western Company to make an allowance to the public of 3*s.* 4*d.* upon London carting they may perform on goods from stations like Leeds, where both companies are carriers. In the cases of Newark and Leeds, 2*s.* 8*d.* and 1*s.* 6*d.* are deducted, in accordance with the rate list, which gives the former as the London cartage, and the latter the country allowance. We trust we have only to call your attention to these glaring inequalities of charges to insure a proper adjustment of the Burton rate.

"Yours faithfully,

"BASS, RATCLIFF, AND GRETTON.

"James Allport, Esq.,

"General Manager Midland Railway Company, Derby."

In reply to that we received the following letter :—

"Midland Railway,

"General Manager's Office, Derby,

"DEAR SIRS, January 13, 1866.

"I AM in receipt of your letter of the 12th inst., in reference to the rates for your London ale traffic, which shall be at once inquired into.

"Yours faithfully,

"JAMES ALLPORT.

"Messrs. Bass, Ratcliff, & Gretton, Burton."

On March the 19th, not receiving any answer, we write this letter :—

"Burton-on-Trent.

"DEAR SIR, March 19, 1866.

"PLEASE oblige us with a further answer to our letter of the 12th January, referring to the subject of our London rate, and comparing it with those charged by you to the brewers of Leeds, Lincoln, Newark, and Sheffield.

"You acknowledged receipt on 13th January, promising the matter should be at once inquired into.

"Yours truly,

"BASS, RATCLIFF, AND GRETTON.

"James Allport, Esq., Derby."

In reply to that, on March the 20th, he writes to us regretting that our letter of the 13th of January has unfortunately been mislaid. We thereupon sent him another letter, and on the 31st of March we received the following letter from Mr. Allport :—

"Midland Railway,

"General Manager's Office, Derby,

"DEAR SIRS, March 31, 1866.

"IN reply to your letter of the 21st inst., I am very sorry your first letter in reference to the ale rates to London was mislaid by us. In the copy you have kindly furnished you allude to a conversation that took place as to the Burton rate to London being higher than from other places. My impression of this conversation, which is confirmed by others who were present, is that the remarks were more general, embracing the rates from Burton to different places, and not to London only.

"The instances you quote of rates said to be lower than those from Burton to London are of quite an exceptional character, the circumstances, as you will be aware, being altogether different, arising out of the coast competition.

"I am,

"Yours faithfully,

"JAMES ALLPORT.

"Messrs. Bass, Ratcliff, and Gretton."

In reply to that we write this letter on the 6th of April :—

"DEAR SIR, "Burton-on-Trent, April 6, 1866.

"YOUR answer of 31st ultimo, on the subject of the ale rates to London from the various stations upon your line, is hardly as satisfactory as we would wish.

"Are we to understand the remark 'coast competition' to apply to all the places named?

"Seeing that the rates we have pointed to have been in force some years, and it may safely be assumed are paying ones, may we ask upon what principle you charge us as much as 95¾ per cent. in excess of one of these places.

"We are quite at a loss to understand it; we know of no business in which (the lower charge being a paying one), prices so widely divergent can be charged.

"We shall feel obliged by a further answer.

Faithfully yours,

"BASS, RATCLIFF, AND GRETTON.

"James Allport, Esq.,

"Midland Railway, Derby.

This is their answer, dated April 7th, which is very characteristic of railway managers.

"Midland Railway,

"General Manager's Office, Derby,

"DEAR SIRS, April 7, 1866.

"IN reply to your letter of yesterday's date,—

"The matter referred to has been very fully considered, and as I have again and again expressed my views respecting it at the various interviews I have had with members of your firm, I do not see that I can add anything more to what has already been stated, and really do not think that any good can possibly result from a continuance of the discussion by correspondence.

"Yours faithfully,

"Messrs. Bass & Co., JAMES ALLPORT.

"Burton-on-Trent."

We answered that letter on April 13th as follows :—

"LONDON RATES.

"DEAR SIR, "Burton-on-Trent, April 13, 1866.

"WE beg to express our surprise at your answer of 7th inst. So far from the matter having been fully considered and gone into again and again, as you state, we would remind you that you have not once yet met the figures quoted in our letter of 12th January, you simply acknowledged receipt of that communication, promising to look into the matter and write us further. We heard no more of it until the middle of last month, when Mr. Bass said he had a few days previously met you, and you had told him our statement of the rates was altogether wrong. Accordingly we wrote you on 19th March, asking for an answer to ours of 12th of January; you replied you had mislaid that letter. We sent you a copy on 21st March, you answered 31st ult. that the rates arose out of 'coast competition,' you do not deny, as previously, their correctness. On 6th inst., feeling this general kind of answer to be anything but satisfactory, we asked you if it was meant to apply to all the places named, and upon what principle you charge us as much as 95¾ per cent. in excess of one of them, remarking we knew of no business in which the lower charge being a paying one, prices so widely different could be charged. In your answer of 7th April we regret to observe that you avoid meeting the question by saying the matter has already been fully considered, &c. The only conclusion we can arrive at is, that there is little or nothing to be said in defence of such exceedingly unequal charges.

"We are, dear Sir, yours faithfully,

"BASS, RATCLIFF, AND GRETTON,

"James Allport, Esq., Derby." Per W. W.

15,849. (*Capt. Galton.*) What remedy do you propose?—If they will not answer us, we have no remedy under the present irresponsible system.

The witness withdrew.

Adjourned till Thursday next at 12 o'clock.

Friday, 20th April 1866.

PRESENT:

THE RIGHT HON. LORD BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
E. T. HAMILTON, ESQ., M.P.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Capt. M. Huish.

20 April 1866.

Captain MARK HUISH examined.

15,850. (*Chairman.*) You were for many years general manager of the London and North-western Railway Company?—Yes, for about 18 years.

15,851. Will you be good enough to favour the Commissioners with your opinion with respect to the question of competition as affecting railways?—To do that I must revert for one moment to the establishment of railways many years ago. When railways were first instituted in this country, or at any rate before any large development of them took place, it was a question with the country and with Parliament whether the system should take the continental form, that of being managed by a paternal government, or whether it should run in the direction of free trade, which is more in accordance with the genius of the English people. Parliament in its wisdom, and I think very properly, discarded the idea of Government control, but it endeavoured to strike out, not quite an alternative course, but something between the two, giving a certain amount of protection to the public, and thereby enabling Parliament to put very heavy restrictions upon railway companies. In process of time the young giant broke through all these trammels, and asserted its right and power, in accordance with the genius of the English people, to something like free trade. The consequence of that has been necessarily that competition has sprung up in every direction among railway companies, and it has recently been encouraged by the Legislature. Parliament has for a long time past scouted the plea of railway companies who appeared before them pleading immunity from competition, or being allowed to oppose new lines on the plea of competition. Therefore competition is now the rule, and I think, if we may judge by facts, it has been very salutary for the public, and in the long run will not be prejudicial to the railway companies.

15,852. To what extent do you consider competition really and substantially exists now?—Competition has very largely increased by the extension and operation of what are called running powers, which running powers have been freely accorded by one company to another, reverting very much indeed, as I may say, to the first principles upon which railways were established. I allude to the theory of a railway being a great public highway which was open to everybody that paid the toll; a great number of companies have also been compelled by Parliament to admit the running powers as a lesser evil to themselves than the alternative of another line to carry the traffic. The consequence has been that running powers are extended in every direction, rendering it, therefore, in many cases unnecessary to duplicate lines, it being very much better for the existing companies, as they have found out at last, to take half a loaf instead of no bread, and to admit a company which pointed in a particular direction, and which has been hitherto a sort of preserve on to their line and take a toll rather than run the risk of a competing line being made. All railway companies have found out the wisdom of doing that, and then of course the result has been that running powers have been extended in every direction. In my opinion they cannot be too largely encouraged by the companies themselves and by the Houses of Parliament. Of course it involves another question, which I may touch upon hereafter, the safety of the matter; but under proper regulations I believe that all railway companies may freely run over each other's lines, and whether single or double makes very little difference.

15,853. (*Lord Stanley.*) You do not seem to entertain the fear which is sometimes expressed of allowing running powers over a single line?—Not the slightest. I have had on several occasions, having been appointed by the Board of Trade for that purpose, to arbitrate between railway companies in direct antagonism to each other, and perhaps not the less so from being across the water, and I have given them rules and regulations for their guidance where single lines only have been involved, where the freest running powers have been granted by Parliament, and where they have been and are now exercised in direct hostility, but I believe with perfect safety to the public. I look upon it that a single line under proper regulations is quite as safe as a double line.

15,854. (*Mr. Hamilton.*) Where running powers are granted, do you not think it is desirable that there should be the graatest punctuality in the departure and arrival of trains?—I fear that if I looked to punctuality in the railway system as an essential element of safety I should deprecate running powers, but I do not, for I believe that under proper regulations punctuality is a secondary consideration as to safety.

15,855. (*Capt. Galton.*) That is to say, you would see no objection to a line being, in point of safety, owned by one set of people, and being run over by several other sets of people?—By several other companies; but the Commission will permit me, probably, to explain how the safety is produced, and why I think the public would be as safe with three or four companies as with one. I do not say that the punctuality will be equal on a single line, necessarily the precautions required to work a single line involve a degree of delay which somebody must suffer from. But nothing could be more simple than the working of a single line, by a combination of the train staff and the electric telegraph. I am much interested in the telegraph myself, being deputy chairman of a telegraph company, and I always hesitated to recommend the working of a line by the telegraph alone; it involves a new class of dangers, but a class of a very serious kind, and I therefore believe that a combination of the electric telegraph and the train staff provides absolute immunity from accident, unless by a direct and intentional fault. The train staff is the simplest thing possible, and it is this, that no train can move on a single line without the possession of a particular staff, and as that cannot be in the possession of more than one person at a time no engine without it can move; of course it is to be delivered up at particular points of the line for convenience; it may be broken up into different lengths, so as to minimize the delay, and those lengths may be 4 miles or 40 miles, but still the safety is indubitable. Each company in possession of the staff for the time being is in possession of the line, and gives it up at a particular point, and hands it over to the next company that comes on, so that the line is blocked to every one but the one in possession of the staff; that, coupled with the electric telegraph in communicating the exact position of trains, provides, I think, every possible safety for the travelling public.

15,856. (*Chairman.*) Has that plan been generally adopted on single lines of railway?—I believe I was the first who adopted it on the London and North-western line many years ago, and it has been followed by a number of other companies. I rather think it is now recommended by the Board of Trade. I say that under regulations of that kind single lines

of railway are not only as safe, but they are theoretically safer than double lines. Within the last three or four months we have heard of accidents on double lines, of a train breaking down on one line and throwing a part of its train across another line when another train was passing, and that has happened in Scotland and on the London and North-western line within a few months past, and that class of accident cannot happen on a single line.

15,857. Do you know of any instance in which several other railway companies have power to work over a single line of railway besides the owners?—One instance occurs to me at the present moment, that on which I was arbitrator the other day between the Dublin and Meath and the Dublin and Drogheda Railway Companies, the one owning a line and the other running over a single line, and both of them competing for the same traffic. I am sorry to learn that they have cut themselves almost to pieces in the operation, but still on inquiry I learn that there is not the slightest difficulty or danger to the public.

15,858. (*Sir R. Hill.*) Is there not a difficulty in effecting repairs on a single line of railway?—Undoubtedly there is, if there is a heavy traffic; and I believe that the engineers will tell you that a single line is rather more difficult to keep in repair than a double line from the variety of the action, and is more expensive; in fact I have heard the expense of a single line put nearly as high as that of a double line. But I should say in explanation of that, that I do not think that difficulty arises with regard to maintenance, because whenever the traffic becomes so large as to necessitate a considerable number of trains, you may be pretty sure that the line will be doubled.

15,859. In connexion with the question of danger, does not the difficulty of making repairs on a single line lead to danger?—I think not, because there might be certain intervals between the trains on a single line as on a double line, and during the night there is very little traffic generally on a single line, but if the traffic is so large as to require to be carried at night, the probability is that the line will be doubled.

15,860. How are the owners of a line remunerated when running powers are granted to others?—By arbitration tolls.

15,861. Not by the tolls stated in the Act of Parliament?—No, by arbitration tolls invariably, and I think it is a very fair way of deciding the matter.

15,862. (*Capt. Galton.*) You think that the tolls in the Act of Parliament would be too high?—The Act of Parliament tolls would be too high, in fact they would be almost a bar to the exercise of the running powers.

15,863. You mean that no company could have running powers over the line of another without having got from Parliament the power to have an arbitration with the company owning the line?—Not over long lengths. Short lengths are of very little moment. If a company owns 60 or 70 miles of railway, and there is a small portion of a rival line, of six or seven miles between them, they might on a long fare of that kind pay the maximum toll over the short length without hurting themselves, but to run for a long length over a rival line without arbitration tolls is impossible.

15,864. (*Sir R. Hill.*) The parliamentary tolls being too heavy?—Yes, the rates having been brought down by competition, the parliamentary tolls generally to be found in Acts of Parliament will be higher than the charges levied by railway companies, and therefore the rival company could not live on them.

15,865. (*Mr. Horsfall.*) Have not the Midland Company and the London and North-western Company running powers over each other's lines?—Yes, the Great Northern, and the Manchester, Sheffield, and Lincolnshire, the North-western, and the Great Western Company have very freely exchanged running powers, most of them having been freely accorded without being made compulsory.

15,866. (*Capt. Galton.*) Do you think that it is fair upon a railway company that a rival company should be allowed to run over its line, and carry competing traffic at a rate to be fixed by arbitration?—Abstractedly I should say no. If you had asked me the question 15 years ago, I should have said it was very unfair, but practically it has turned out to be the fairest thing for all parties. If you will not allow a company to use and utilize your line by the payment of a portion of the toll, it is only fair I think to give them a competing line alongside of you, and therefore as the lesser of two evils, a company will almost invariably take the running powers with a reduced toll. Arbitration will take care that these tolls are not so unfairly reduced as to enable the non-owner of the line unfairly to compete with the possessor.

15,867. (*Sir R. Hill.*) I suppose that when running powers are granted, provision is made for the use of the watering places and stations?—Yes, but for that the running powers would be futile.

15,868. (*Mr. Hamilton.*) Are you of opinion that, in the case of heavy traffic, these running powers might be given without causing interruption to the traffic over the line of the owning company?—The general rule I think which arbitrators lay down, or at all events in the arbitrations with which I have been connected and have seen, has been this, that when three or four companies use the same line, and each happens to fix, either accidentally or more probably by design, upon the same hour, the priority of choice rests with the owners of the line, but the owners of the line having fixed a time, it is laid down that they shall not change it without giving a certain number of days' notice. I do not think that, practically, any difficulties arise.

15,869. Take, for example, the first 50 miles out of London on the London and North-western line, would there in your opinion be no practical difficulty in allowing the use of that line to another company?—The first 50 miles out of London on the London and North-western line is very full of traffic indeed, so full that if another company were to come and show that there was fair ground for carrying another description of traffic, it would I think be a question with Parliament whether another line should not be granted, and the time, I think, is not very far distant when there will be passenger lines and goods lines totally distinct.

15,870. (*Mr. Horsfall.*) Before the Hitchin line was opened did not the Midland Company run over the London and North-western line between Rugby and London?—No, they delivered the traffic to the London and North-western Company at Rugby, when they went to Hitchin they ran over the Great Northern line; but the traffic there is now so great that they are making a new line to carry it.

15,871. (*Mr. Hamilton.*) Would it be fair to say that the making of the new line by the Midland Company into London has arisen from the practical inconveniences that were found to exist in working the traffic over the Great Northern line?—I believe not. I believe that the amount of toll which they pay to the Great Northern is at least 100,000*l.* a year. I have heard that stated, and the amount of traffic which they turn over to the London and North-western Company at Rugby is so large that together it represents considerably more than the cost of the new line into London, which will cost nearly 3,000,000*l.*, and therefore it is their interest to make it.

15,872. (*Sir R. Hill.*) And probably to the interest of the public that it should be made?—There is no doubt that the traffic is now very well carried, but if it increases, as it has done already, I dare say the line into London of the Midland Company will pay, and if it pays the proprietors, it is not bad evidence, I think, that it is good for the public.

15,873. (*Mr. Hamilton.*) There is one remarkable instance of two companies using the same line where the traffic is very large; I mean between London and Redhill?—Yes.

15,874. And that is done without any practical diminution of the security to the public?—We saw

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the other day an instance of 149,000 persons being carried to and from Brighton in one day. These spasmodic efforts are sometimes made, but as a matter of ordinary traffic I think the line from London to Redhill is getting too crowded.

15,875. (*Sir R. Hill.*) Part of that line is trebled, is it not?—I believe it is quadrupled.

15,876. (*Chairman.*) Are running powers more frequently exercised now by mutual agreement than by actual authority under Acts of Parliament?—Yes.

15,877. With respect to the advantages which the public has derived from competition, do you think that the result has been that the public have had the advantage of much lower tolls than they would otherwise have had?—They have had lower rates. We used to contend, and we tried for a very long time, for a number of years, to convince ourselves that we were right, that where combination was possible, competition was impossible; and as long as the country was sparsely provided with railways, perhaps two only that would compete through a certain district, that theory held good; but the system has extended so largely that combination has almost ceased to be possible, and therefore competition follows as a matter of course, and competition necessarily brings down prices.

15,878. (*Capt. Galton.*) What is there to prevent a combination between the Great Western Company and the North-western Company between South Staffordshire and London?—Nothing, except that the Midland comes in for a share, and the Great Northern Company pushes itself very near to that district. It is the circuitous lines always that rule the destinies of the trade, and not the direct lines, which are supposed to be the legitimate possessors of the traffic.

15,879. (*Mr. Horsfall.*) Have not those companies equalized the rates?—There are now three, if not four railway companies between London, Manchester, and Liverpool, and two canals, and continual efforts are being made to keep the rates something equal; but the lowest rate must regulate all the others, and therefore there are periodical meetings between the railway companies to endeavour to maintain a standard of rates; that standard is broken through I believe every day or every week, but still they are always attempting to patch them up. Whenever a new railway company for the same traffic enters into the field, the first operation is to pull down the rates in order to establish a position, or to be admitted into the fraternity, and those rates never somehow get back to their normal condition; therefore every railway that has been opened between London, Manchester, and Liverpool has produced a lower standard of charges to the public.

15,880. How do you account for this, that when the rates have been once lowered by competition, after an agreement between the companies they do not go back to the old standard?—They do creep up a little way, but the company that comes in last to relieve the public, as they say, from the hardship imposed by the monopolists as they call them, until they become one of them themselves, are always afraid to go back quite to the same standard, lest it should be said by the public, "We supported you while you "pulled down the rates, but you have no sooner "come in than you are just as bad as the rest." And the reaction against that new company is sometimes so serious, that they generally endeavour to keep the rates down lower than they were before, just to entitle them to say to the public, "We have done you "some good."

15,881. (*Sir R. Hill.*) Is not a new company frequently placed under restrictions by Parliament as to these rates?—They are always placed under restrictions as to their tolls; they are compelled to take the lowest they are charging, but the tolls do not regulate the fares.

15,882. But the fares are frequently stated in Acts of Parliament now, are they not?—Yes, the fares and charges, you are quite right in that, and in some instances where competition has been carried on, Parliament has attempted to fix the existing rates that were charged when the bill was before the House.

15,883. That may account perhaps for the permanent reduction of the rates to some extent?—Yes.

15,884. (*Chairman.*) As a general rule railway companies do not exercise their full powers, and charge their maximum fares and tolls?—No; throughout the kingdom you will find that the rates are very considerably under the parliamentary tolls.

15,885. (*Sir R. Hill.*) When you speak of the advantages to the public of competition, are you speaking of competition between line and line, or that mitigated competition which arises from granting running powers?—I mean competition between line and line, where there are three or four lines going into one district. Take, for instance, the London and North-western, that is a direct line to Liverpool, and that is the legitimate line for carrying the traffic. The Great Northern line and the Sheffield combined form another and very circuitous line, and a circuitous line must of course reduce its rates so as to be equal to the direct line, or they would get nothing. But a third line may enter still more circuitous, and the greater the circuit made the greater is the danger to the existing companies, because of the rates being pulled down, and what I may call the illegitimate company generally gets a subsidy, and has to be bought off, in order that the traffic may be left alone.

15,886. (*Chairman.*) In what way does that company obtain a subsidy, do you mean an actual payment in money?—Yes, out of the traffic of course; for instance, they would say here is 100,000*l.* a year between those two points; we are 100 miles from a place, and you are 150; you can pull that 100,000*l.* to pieces, although you cannot do yourself much good, and therefore you shall have 25,000*l.* in order to let the other 75,000*l.* alone.

15,887. Are agreements of that kind frequently made?—Yes.

15,888. (*Sir R. Hill.*) Then of course the competition ceases?—The competition ceases at that point.

15,889. (*Capt. Galton.*) But this competition you say has led to a reduction of rates between important districts. Has it equally tended to reduce the rates to intermediate towns on the line where no competition exists?—No.

15,890. (*Sir R. Hill.*) The effect of competition is necessarily limited?—Certainly.

15,891. That is to say, the competition between lines of railway?—Yes.

15,892. But competition arising upon the same line, that is, on one which has granted running powers, would apply to every town on that line, would it not?—Not quite, because Parliament and the companies themselves, in following the indications of Parliament, always reserve to themselves what is called the local traffic. When running powers are granted, it is for the traffic which is the subject of competition with towns A. and B. The possessors of the line are not subject to competition under the running powers on their purely local traffic.

15,893. Is that invariably the case?—I think so.

15,894. Then that restriction imposed by Parliament deprives the local traffic of all the advantage of competition?—Not quite; it leaves it where it was; it does not deprive it of anything.

15,895. But it withholds from it the advantage of competition, whatever that may be?—Yes.

15,986. (*Mr. Horsfall.*) Does it not give the company which has its running powers leave to land their passengers at the intermediate stations?—That you may do by payment of the parliamentary tolls; anybody may do that, but that is not done by arbitration tolls.

15,897. (*Chairman.*) Do you think it would be advisable that Parliament should establish any general restrictions as to running powers?—To answer that question I should have to say something about increased precautionary measures as to safety. At the present

time the theory is, that every company may run over the line of every other company. Railways are all instituted as certain high roads, and like the canals, with the absence of facilities for the use of stations and watering places, and the parliamentary maximum tolls are a bar to the exercise of these powers which every company now possesses. To carry out, therefore, the idea shadowed forth by your Grace, it would be necessary to reduce the parliamentary tolls, which would be, I think, a very strong measure. I think that every case must be judged of by its own circumstances. Whenever, by arbitration, certain rates are giveu to one company to use the line and stations of another, a large number of questions has to be solved. Payment has to be made for every particular item, and all that is the subject of minute investigation, and of decision in every individual case. No general rules could be made to apply to those special circumstances.

15,898. Would it be fair when a small new line is constructed, that that line should have the privilege of obtaining running powers over its neighbour?—It is very difficult to answer an abstract question of that kind, unless the particular point and the circumstances connected with it were placed before me. Each case must be judged of by itself. I can well understand that speculators, seeing a profitable undertaking, might say, we will make four lines in at one end, and four lines out at the other, and ask for running powers over it in a length of 200 miles for the arbitration tolls; that, I think, would be stretching a principle which is sound in itself to an extent that I should be sorry to carry it; it would be unfair, and it would let in a host of small speculators to feed upon the property of the existing companies.

15,899. (*Mr. Hamilton.*) Who is to say where the privilege is to begin and where it is to end?—I know of nobody but Parliament or the assent of the companies themselves. The assent of the companies themselves is more generally given now than it was before, because a company, seeing a projected line that is to damage it, says, if we do not give running powers over this part of our line Parliament will give them a line into that town, and they concede them. If they do not, of course the belligerent comes to Parliament, and Parliament says it is better for you, the company, that you should run over that part of the other company's line rather than make a new line for yourselves. The principle, although sound, is not of such universal application as to be regarded as a very rigid law.

15,900. That is to say, it is a compromise between equals?—Yes; and the whole system is a compromise between the public and the railway companies, and between the two railway companies themselves.

15,901. (*Sir R. Hill.*) It is, to a certain extent, going back to the original theory of railways, is it not?—Yes, there is no doubt of that.

15,902. That every one should have a right to use the line who paid the toll?—Yes.

15,903. (*Mr. Hamilton.*) Did that theory assume that the company owning the line should also be the running company as well as the toll-taking company?—The original Acts of Parliament were framed very much upon the basis of Canal Acts, which were all Parliament had at that time to guide them, and a railway company was very much a toll-taking company, but they had certain powers to provide engines. I question whether it was always considered in the first instance that they would do so, but from the time of the establishment of the London and North-western line, giving a connexion with Birmingham, Parliament very soon saw that the original theory must be modified in practice.

15,904. (*Chairman.*) On the subject of amalgamation, do you think that amalgamation has been carried as far as, for the benefit of the public, it can be?—My answer is, that I cannot, in my experience, which has been of many years, although I have left the railway service for several years, point to an instance in which amalgamation has taken place in which it has not effected great benefit for the public and for the companies amalgamated. I do not think there is an instance on record where the public has been damaged or the companies injured by amalgamation.

15,905. What are the benefits which, in your opinion, the public derive from amalgamation?—Harmony of action, economy of working, certainty of regulation, and facility of transit.

15,906. (*Capt. Galton.*) Would it be advantageous to the public that some of the large lines should now be still further amalgamated, such as the London and North-western, the Midland, and the Manchester, Sheffield, and Lincolnshire?—Whether parallel lines should be amalgamated is a very grave question; but I have no doubt that all continuous lines—for instance, if you ran from London to John o'Groat's house—would be better on one hand; but whether parallel lines should be amalgamated is a question which I think is open to serious discussion. Companies may be so large as to be unwieldly; when I left the London and North-western Company we had 900 miles of railway, and I thought that that was a very large thing to have the charge of, but it was a mere baby to what it is now, and what it will grow to I cannot say.

15,907. (*Lord Stanley.*) Would you put it in this way, that it is not desirable that any one of the great companies should amalgamate with any other great company, but there is no objection to a certain number of the minor companies being absorbed either in them or amalgamating amongst themselves?—I think that the little branches, the feeders, or suckers, as it may be, should fall into the trunk lines, and the system would probably eventuate in four or five large complete systems, which would swallow up all the small independent branches; but whether you should carry it further and amalgamate such lines as the Midland and the North-western, or the Midland and the Great Northern, I am scarcely prepared to say.

15,908. (*Chairman.*) Do you know of any instances of parallel lines of railway being amalgamated on a large scale?—Parallel lines make arrangements, but Parliament, I think, has been rather jealous of amalgamating them. Whenever there are two parallel lines running parallel between two points, A. and B., after a struggle for the traffic, and as to their mutual power of injury, they are pretty sure to come to an agreement to divide the traffic.

15,909. (*Mr. Hamilton.*) Do you know of any instance in which a proposition has been made to Parliament to allow of the amalgamation of parallel lines?—Yes; the London and North-western Company tried to get hold of and to amalgamate practically with the Sheffield Company at one time, but the arrangement was given to the Great Northern, in order that competition might be kept up. The Lancashire and Yorkshire and the East Lancashire were, to a great extent, parallel, and they were permitted to amalgamate. They ran into each other's systems at many points, and the advantages were considered by Parliament to overweigh the disadvantages.

15,910. (*Mr. Horsfall.*) Are you aware whether the rates have been advanced or have been lowered since that time?—I am not aware of that.

15,911. (*Mr. Hamilton.*) Is it not the fact that the jealousy of Parliament has been shown with reference to the amalgamation of any of the great systems, whether they are parallel or not?—No doubt it has; but at the same time Parliament has generally conceded amalgamations. The continuous line, commencing with London and going to Birmingham, was amalgamated to Liverpool with the Grand Junction line; that again was amalgamated with the Lancaster line to Carlisle.

15,912. It is a fact, is it not, that the public are very much opposed to bills for amalgamation, feeling it to be detrimental to their interests?—Yes; but I do not think that the public are very good judges of the matter.

15,913. (*Sir R. Hill.*) Has not experience shown that the evils which were anticipated have not arisen?—I cannot find any reason against amalgama-

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tion, except the overwhelming power that it seems to place in one hand. The public is much better served, and the large companies are much more amenable to public opinion and censure than the small ones. Small companies will venture to do many things that large companies dare not do.

15,914. (*Mr. Horsfall.*) You are not prepared to recommend the amalgamation of parallel lines ?—I have not thought of that question sufficiently, but I am rather startled at the idea.

15,915. (*Lord Stanley.*) You would not consider it an advantage to the public that three such lines as the North-western, the Great Western, and the Midland should all unite ?—I should not. I think at any rate that we are not quite ripe for it ; what may come hereafter I cannot tell.

15,916. Would you be inclined to put it in this way, that in the event of the whole railway system falling into the hands of two or three great companies, which could easily overbear all opposition from small ones, it would be necessary for the Government to have larger powers than they at present possess as a means of control ?—Then you must retrace all your steps, and go back to the paternal system of the continent, getting rid of the free trade system which railway companies have very rapidly worked out for themselves.

15,917. (*Mr. Horsfall.*) Do you see no advantage in the amalgamation of railways with canals ?—No; as a general rule I should say that the natural rivalry of canals and railways should be kept distinct.

15,918. (*Chairman.*) The company with which you were formerly connected does possess a considerable length of canal, does it not ?—No ; the North Staffordshire Company is the company which has the largest amount of canals; it is divided pretty nearly equally between canals and railways, and there it was the canal interest that started the railways in the district.

15,919. (*Mr. Hamilton.*) Is it not the the fact, that in some instances the amalgamations of railways with canals have saved the canal for the use of the public ?—I do not think so.

15,920. Are you not aware of any instances in which canals which have not been amalgamated with railways have fallen into such a state of disuse that they are now choked up with weeds ?—Yes. The Andover Canal is pretty nearly in that state, but with regard to the Grand Canal, I was talking to the manager of that canal only yesterday, in the train, I mean the Grand Junction Canal from Birmingham to London, and he says that they are able to hold their own against the railways. The rates have been reduced, but they still pay a small dividend.

15,921. And their traffic has increased, I believe ? —Yes, as it always does when the rates are reduced.

15,922. (*Sir R. Hill.*) Is not that canal guaranteed by the North-western Company ?—No ; nor is the Duke of Bridgewater's Canal, nor is the Liverpool and Birmingham Canal. I think that the only canals which the London and North-western Company have any connexion with are the Lancaster Canal and one at Birmingham.

15,923. (*Mr. Horsfall.*) The London and North-western Company have some agreement with the the trustees of the Bridgewater Canal, have they not? —I cannot tell.

15,924. (*Chairman.*) Many of the witnesses who have been examined before this Commission have considered it a matter of great importance that an uniform system of rates should be established on railways. Will you favour the Commission with your opinion upon that point ? Do you think that uniformity of rates is for the advantage of the public ?—Uniformity of rates is destructive to competition. If you are to carry on railways upon the paternal system you may have equality of rates, or any regulations which the Government may lay down. But if you are to encourage (which has been the groove in which Parliament has run for many years) competition between railways, you must leave them freely to fight amongst themselves at any rates they can. An equality of rates necessitates the absence of competition, because railway companies would look to that rate with which it did the best on the longest line, and if all the outlying rates were to be regulated by that, there could be no competition with surrounding companies. The policy of the railway companies has been not so much a war of railways as a war of ports ; their policy has been to fight one port against another, and in doing that you must sink the distance of the railway ; for instance, if there is a manufacturing town in A. with a port at B. 60 miles off, and there is another port at C. 100 miles off, the policy of the railway companies is to equalize the rates to the two ports, and to fight the ports against each other. If you say that there shall be an equality of rates, of course the 60 mile rate would shut out the port that was 100 miles off.

15,925. When you were connected with railways you probably heard many complaints made as to this question from the ports ?—I think that all the principal complaints came from Liverpool; it has always been a standing grievance with them; it was so in my time at Liverpool, and I do not think that it has lessened since that time. It was said that Liverpool was unfairly dealt with, because, for instance, from Manchester to Gloucester the rate was very little more than it was from Manchester to Liverpool, which was less than a third of the distance. The question was, not whether the Liverpool and Manchester rate was too high, but whether the Manchester and Gloucester rate was not a great deal too low ; the Liverpool people would have been quite content if they had been raised to the rate at the other ports, because that would have made them the cheapest port. Then again as to Hull, it was always considered, when the question was discussed as to whether the railways should ship from Hull or from Liverpool, that the Manchester Company would have a great advantage in shipping from Hull ; that they would get a longer run upon the railway.

15,926. (*Mr. Horsfall.*) I believe it is in evidence that the Liverpool people complained, not only that the rates to other ports were too low, but that the rates to their port were too high ?—I do not know what the rates at Liverpool are now at all.

15,927. You stated just now that you thought the complaint from Liverpool was not that the rates to and from that port were too high, but that the rates to and from other ports were too low ?—At any time I believe the Liverpool people would have been quite content if we had put up the rates to all the other ports, for then their rate would have been the lowest. It is not that the rate itself is too high for the traffic to bear, on being exported to Calcutta or to New York, but that Liverpool cannot get it against the cheaper ports.

15,928. Independently of that competition, your are not perhaps aware that it is in evidence that the Liverpool people complain that the rates in themselves are too high ?—That I am not aware of.

15,929. Have you any suggestions to make as to giving increased safety to the public ?—I have been going into a theory that I originally took up, but upon that I have been beaten by facts, viz., that free competition should not exist among railways. If there is to be competition the freer the better, and that necessitates of course some consideration of how the public safety is to be guaranteed against any carelessness or recklessness. With regard to the outcry made about the danger of railways, I think the daily facts are a sufficient answer; and it is a standing marvel to me, and always has been, that with 200,000 men engaged in manipulating railways, and carrying the millions and millions of people which they do, the accidents have been so few, rather than that they should have been so serious occasionally. But as you extend the power of utilizing each other's lines, the question of safety does arise, and I have been always in favour of greatly increasing the powers of the Board of Trade. I have never shrunk from that

Government control which was so much feared by some managers of railways. I believe that a department like the Board of Trade, uninfluenced by any possible partiality, with the experience it has acquired, is a very proper guardian of the public interests, and I think that it should have extended powers. I do not wish the Commission to suppose that I would give them legislative powers altogether, but I would give them the power of seeing that proper regulations were carried out. One source of danger to the public I think is this, that poor railway companies do not keep up their lines in a sufficiently good condition. The powers of the Board of Trade cease when they have examined and inspected a line; but I would keep them in perpetual operation, and I think that by some machinery, either by indictment at the quarter sessions, or applications before a certain number of magistrates, or to any other body, the public should be empowered to call into operation the powers of the Board of Trade for the inspection of existing railways. I have seen many railways opened, and I know the efforts that have been made to trim them up just for the inspection. But the moment the inspection is over, and the certificate is given, the Board of Trade has done with it, and the railway company may allow its line to lapse into very bad order, especially if it is in a state of pecuniary difficulty. I think that that is one kind of protection that the public ought to have.

15,930. (*Chairman.*) Is is not very bad policy on the part of a railway company to allow its line to get into bad order?—Yes; but poverty causes them sometimes to run things very fine.

15,931. (*Capt. Galton.*) You would, I presume, limit the interference of the Board of Trade to inspections of the line and the works?—Yes; at any time after the line is opened.

15,932. (*Sir R. Hill.*) You would have periodical inspections?—No; because I think that would lead to great unnecessary expense and interference. I think there should be some well-considered scheme for calling the powers of the Board of Trade into action, either, as I have said before, by an indictment at the sessions, or by applications to the magistrates, and the parties making that application should be compelled to pay the costs unless they established some fair grievance against a bridge, for instance, or against a road.

15,933. (*Capt. Galton.*) You would not give the Board of Trade power to lay down all the regulations for the working of railways?—That is another point upon which I will speak.

15,934. (*Chairman.*) Is it your opinion that on any considerable length of line in the country the permanent way is not kept in the state which the public safety requires?—I do not think so. All the companies that can afford it do it for their own protection; but I have known an instance in which the thing has been run very fine, and I think that there would be a certain amount of public safety ensured if the powers of the Board of Trade never ceased. Then again as to the regulations, there are 90 or 95 railway companies, and every one of them has a separate code of regulations of its own, and although, from the very necessity of the case, the principles have been so well sifted that the general features of all those regulations are based upon a similarity of principle, yet they differ in every code and in every clause. And where you encourage the running powers over various lines, you ought, in my opinion, to have a recognized code of railway regulations. The system has attained such a complete maturity that there will be no difficulty in coming to a code of universal application as easily as in having byelaws, which require the assent and confirmation of the Board of Trade. You have machinery that might provide these rules and regulations. The clearing house is composed of 90 or 95 companies; they should establish, out of the enormous mass of conflicting regulations that there are now, one uniform system, and have the *fiat* of the Board of Trade upon that system. You would have the same power of enforcing regulations that you now have of enforcing byelaws.

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15,935. (*Capt. Galton.*) Are there not in some cases special regulations required to meet special cases?—Every railway has certain specialities which do not apply to the general run, and these would be confirmed by the Board of Trade also, but I allude to salient points of difference; for instance, I have in my mind two lines of railway which connect with each other, and on one there are the white and the red and the green signals, while on the other line, which runs into it, the green signal has generally been abolished, which is the signal of caution, and altogether they have only two signals. Then again you find sometimes negative signals and positive signals, and if you are to encourage an engineman on the one line to run freely over the other, you ought not to confuse his mind with a fresh book of signals.

15,936. (*Mr. Hamilton.*) How would the negative and positive signals confuse his mind? The negative signal means that no signal is shown until danger arises, but the positive signal is dropped down when a train approaches a station?—The positive signal is generally shown at junctions, and the negative signal is shown on the main lines.

15,937. Do you consider that if the signals and mode of working had been, at the first opening of railways, required to be adopted by the Board of Trade, that the system of working would have been in so mature a state as it is now?—I do not think it would.

15,938. Do you not think that it may still improve beyond what it is now, and if you were to fetter the thing by diminishing the responsibility of the managers, and throwing it upon the officers of the Board of Trade, you would not prevent its further development and improvement?—I do not wish the Board of Trade to be the initiators of these things, but I wish them to confirm them and make them law, and when they are generally pronounced to be what they ought to be, they should be assented to by all railway companies.

15,939. Would you propose that a code of regulations should be drawn up at the clearing house, and that that code should then be approved by the Board of Trade?—Yes, and I would give them the sanction of law.

15,940. Would it not be difficult for the manager of a railway to make some special regulation for particular cases if he must appear first in the clearing house and then at the Board of Trade?—The clearing house I think would be a very convenient place at which to originate the first general code of rules to be applicable to all railways alike, and then I should say that all specialities should go direct from the companies to the Board of Trade. We have seen a striking instance of disagreement among the railway companies as to the signals between the drivers, passengers, and guards, which I believe is as far off a solution as it was 10 years ago when I had it in hand.

15,941. (*Mr. Horsfall.*) You think that there should be some uniform system of signals that should be applicable to all railways?—Yes; I think that the general rules and regulations should be unvarying.

15,942. (*Capt. Galton.*) Is that so necessary in the case of railways when the engines of one railway company do not run over the lines of other railway companies?—Yes, wherever running powers are granted.

15,943. The line upon which there is a diversity of signals is a very rare case; for instance, there is only one or two lines that have different signals from those in general use, and they I believe are the Great Western and the South-western?—The Great Western Company has the disc signal and the South-western Company has the semaphore signal. The South-western Company has also the electric semaphore, and you will find that there is upon every railway some dissimilarity, and if you encourage running powers, —and in my idea there would be more unrestricted

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competition than has yet been granted,—if you were to encourage the use of one line by the engines of another, you must simplify as far as possible the regulations, so that the minds of the engineman and guard shall not be confused by a diversity of rules or a diversity of signals.

15,944. (*Lord Stanley.*) Where would be the difficulty in establishing a single uniform code of signals, either by legislative authority, or, which would probably be better, by agreement between the companies, to be confirmed, if necessary, by legislative authority for the whole country?—I believe it would be perfectly facile; of course railway companies might startle a little at it, but I think they would at last fall into it, finding that it would be for their own individual advantage to do so.

15,945. (*Sir R. Hill.*) I understood you to say that under present arrangements, supposing running powers to have been granted, if an engine leaves its own line to go upon the line of another company, the driver has to obey the signals of that other company?—Certainly.

15,946. Therefore the engine driver in the course of his journey has to obey perhaps two or three different sets of signals?—Yes, with a different book in each pocket.

15,947. And the difficulty and danger which appear to present themselves to your mind arise from the circumstance, that the same individual has to obey upon one line one set of signals and upon another line another set of signals?—Certainly.

15,948. Bearing in mind the necessity, or the occasional necessity at least, for prompt action, there would be the risk, I suppose, of his forgetting at the moment upon which line he happened to be?—Undoubtedly.

15,949. (*Chairman.*) It has not been unusual, I believe, for the managers of railways to confer together upon matters affecting the general interests of railway companies?—That takes place continually.

15,950. Has such a proposal as you have hinted at been considered at such meetings?—The nearest approach to it has been repeated, but ineffectual attempts to come to some general agreement upon the subject of communication between the passengers and engineman, but which has up to this time failed. Several inventions have been brought before the Board of Trade, and I do not know whether they have yet been reported upon.

15,951. But the proposal you have referred to, of an uniform system of regulations, has never, to your knowledge, been considered?—I am not aware of it.

15,952. (*Mr. Hamilton.*) I think the answer you have given to this question is hardly the practical answer that we should desire, because it refers to a state of things which does not now exist. I understood you to say that in the event of running powers being granted to other companies a uniform code of signals would be very necessary; but we rather want an answer to this question, whether it is necessary under existing circumstances, and whether you can attribute the accidents which have occurred in any way to the dissimilarity of the signals on existing lines?—I do not think I can call to mind an accident that has arisen from that cause; but seeing the tendency of Parliament every session to give increased running powers, and the still greater tendency of railway companies among themselves to concede them, I think the time has arrived when a simple code of regulations applicable to all becomes essential, and not only essential, but in my opinion it would facilitate very much that which I think is desirable, namely, a still further extension of these running powers.

15,953. (*Capt. Galton.*) Is it not practically the case that there are no lines except the Great Western and the South-western which employ signals different from those on other lines?—No. The signals on the Midland and North-western lines do not quite agree. I think the green signal is still put up on the one line, and upon the other it was abolished some time ago.

15,954. (*Mr. Hamilton.*) With regard to the inspection of railways by the Board of Trade, I suppose you would not release railway companies from their present liability to make compensation for accidents?—Certainly not; but whether that compensation should be regulated or modified is another question. My recommendation does not involve the consideration of that question at all.

15,955. How would you propose to carry out the inspection by the Board of Trade in order to give any increased safety to the public without causing very considerable expense?—I will assume, for instance, that the public in a particular district find reasonable or unreasonable fault with the state of a very important bridge over a running stream, which they may have seen sinking in the foundations, or something that they think will produce danger. Bridges have given way, and then the company has been subject to claims for very great pecuniary compensation; but as prevention is better than cure, if any of these complaining parties were to go to the quarter sessions, or before the magistrates and indict the bridge, or show reasonable ground for taking action, I think the Board of Trade should have power to go and inspect the bridge, or work, or embankment, and to issue an order that certain repairs should be done.

15,956. That is a very obvious case; but take a case of this kind, where a very serious accident occurs, possibly from the line being at the time under repair at a particular point, what possible effect do you think the inspection would have in guarding against such an occurrence as that?—If you allude to the accident which occurred at Staplehurst, no power on earth can make men do their duty.

15,957. I was not alluding to that, but to the accident which occurred on the Great Western line at Rednall. It appeared that the line at the time was under repair, and the engine was allowed to pass at a greater speed than it ought to have passed at such a time?—That was a case of occasional repair, of an occasional defect. I think that the same state of things would possibly arise from the cause that caused the Rednall accident.

15,958. In those cases would not inspection fail to reach them?—I should be very sorry to lead the Commission to suppose that I think that anything I can suggest would prevent accidents; so long as there are 200,000 men employed upon railways, subject to the common failings of humanity, accidents will continue.

15,959. (*Capt. Galton.*) At the present time have not the Board of Trade the power of inspecting any line after it has been opened?—Not any compulsory power as to ordering I think.

15,960. No, they have no power of ordering anything; but you would, I think, give them the power of ordering special works to be done?—I may not have suggested the best mode of doing it, but I certainly think that some remedy ought to be provided for the present state of things.

15,961. You think that with their present powers the Board of Trade have not practically everything that is wanted. If the public in some particular district call upon the Board of Trade to inspect a line, and the Board of Trade inspect it and report that the line is in an unfit condition, would not the directors of that company, if an accident occurred, be liable to a very serious penalty if it could be shown that they had not taken any steps to remedy the defect?—No doubt a criminal indictment would lie, and they would also be liable to make compensation.

15,962. Have they not, therefore, every inducement to remedy any danger that is pointed out to them?—I do not think that the rule is sufficiently stringent.

15,963. (*Mr. Hamilton.*) Do you not think that the liability to inspection would in some measure have the effect of reducing the amount of compensation paid; in other words, if the system of inspection which you propose to introduce were established, do you not think that juries would take it into their

consideration, and give smaller damages in case of accidents ?—No. There is no doubt that juries are sometimes a little vindictive, but the judges keep them in the right ; the compensation is generally regulated by the evidence, and by the charge of the judge, and I do not think the jury would be much affected by it.

15,964. Will you favour the Commission with your opinion as to terminal charges ? Do you think that the state of matters as affecting those charges is at the present time satisfactory ?—The terminal charges are charges not quite defined, I believe, by Parliament.

15,965. Companies are allowed to make a reasonable charge for loading and unloading ?—Yes ; and that must be regulated by the circumstances of the case ; for instance, if a parcel of goods is given to a railway company to take from Watford to Woolwich, the terminal charge would be four times the railway charge, because it depends entirely upon the distance it is taken over the line. I do not know that you could lay down any abstract rule to regulate terminal charges.

15,966. What do you consider is included under the term "terminal charge ?"—A terminal charge includes the loading or unloading, invoicing and checking, and delivery.

15,967. Do you consider that the interest of money expended in sidings and in station accommodation is properly included ?—I am not aware that that has ever come directly under consideration. Delivery is the greatest charge, the handling, lighting, the stationery, porterage, clerking. and all those various items ; and of course the terminal charge bears a heavy ratio in exact proportion to the shortness of the distance that an article is carried over a line.

15,668. (*Mr. Horsfall.*) When you speak of delivery, do you mean delivery in carts and waggons after the goods have left the railway ?—Yes.

15,969. Is that generally understood to be included in the term ?—If you go to a railway station and ask what is the rate to any town, the rate given you would include the delivery at the merchant's door in that town.

15,970. That must vary considerably, according to the distance ?—It varies according to the rates of charge in the district, and according to the distance carried. Sometimes railway stations are on high levels, and goods have to be lowered or raised, and there are all these conflicting elements of charge which render it impossible to lay down a standard of rule.

15,971. (*Mr. Horsfall.*) What do you say as to goods where no service of that kind is rendered, for instance, coals ?—There is no terminal charge except a small wharfage charge on the coals for the use of the wharf ; that is generally about 2*d.* a ton. But goods require to be invoiced and checked, and there are a variety of duties, whether the owner takes them away in his own waggon or leaves you to do that duty for him.

15,972. Take, for example, the case of the Burton breweries, where the carriages run right into the establishment of the company, and no trouble or expense is incurred ?—I presume there is no terminal charge there.

15,973. (*Mr. Hamilton.*) I think, for the purpose of your evidence, it is necessary to limit the ordinary meaning of the expression "terminal charge" in this way, so as to exclude the cost of cartage ?—Perhaps so. The principal use, as regards the public, of the terminal is between the companies themselves, because I think you will find that by the operation of competition the charge made by the railway company, including this terminal, will not be, if so much, as it is by the parliamentary tolls ; but suppose there are three railway companies, one initiating the traffic, one delivering it, and one being intermediate, terminals are necessary to be allowed, otherwise the intermediate company would receive payment for a service that it never rendered. I will suppose three railway companies forming a single line between A. and B., the centre company would not receive any terminals, because the other two companies would be damnified if it did. But I think, practically, if you test any rate on a long line by the tolls in the Act of Parliament, you will find that the total rate, including terminals, comes to less than the amount of the toll that they would be entitled to charge.

15,974. (*Capt. Galton.*) But the towns where there is no competition are obliged to pay, not only the maximum railway charge, but whatever the railway company thinks reasonable in addition ?—Certainly ; but if you put up the rates very high the traffic will not go. The railway wants traffic, and must accommodate itself, when there is no competition, to such a rate as the merchant can afford to pay, or he will not send his goods. I know that it has been a very vexed question for many years as to terminals, and I have thought of the question, but I cannot see my way out of it as to the public.

15,975. (*Mr. Horsfall.*) Take the case between Manchester and Liverpool, and suppose that they all agree to make the same terminal charge, the goods will still be sent ?—Yes, but the question then would be, first, whether that charge applied against the tolls came to more than the tolls, and I think you would find that it did not. If it did, then the balance would be terminal in the strict sense of the word. If it was unreasonable, then I know of no way that you have of making it reasonable but by fresh competition.

15,976. You are aware perhaps that considerable dissatisfaction has been expressed with the clause that is now generally introduced into railway bills, allowing companies to make what they think proper to call a reasonable charge ?—Yes.

15,977. How would you propose to meet that dissatisfaction ?—I do not know how to do it, except by letting loose more competition.

15,978. Do you think that it might be met by fixing a maximum charge ?—A maximum terminal of general application would be a maximum injustice, either to the public or to the railway companies. It must vary according to the necessities of the different districts.

15,979. I should rather have said a scale of terminal charges ?—Then you would have a scale for cotton, another scale for sugar, and another scale for corn, and all those must vary according to the districts in which the staples are produced, and the cheapness of the terminal depends upon the bulk of goods of a particular kind that the railway company has to deal with. If you have an immense amount of cotton, the terminal ought to be cheaper than in the districts to which a bale only would occasionally go.

15,980. Do you think that that would be one of the cases in which the Board of Trade might legitimately interfere in the way you have suggested ?—Although willing to see the powers of the Board of Trade extended, I do not think I would call them in on commercial questions.

15,981. Supposing that the sender of the goods is dissatisfied with the charge made by the railway company, what is to be his remedy but in a court of law ?—He should try another railway to get to the same place, or a canal, and I think that the gradual operation of the fight between them would bring down his terminal charge to a reasonable rate.

15,982. But suppose a case where there was no canal to compete with the railway ?—Then of course he would be very much in the hands of the railway company.

15,983. (*Chairman.*) Do you see any objection to railway companies being called upon to publish the terminal charges at each of their stations ?—It would be very troublesome, and they would easily evade it. They publish their rates now, and all they would have to do then would be to cut it up into rate and terminal. They would get the same price out of the public, but they would take care to make the terminal so low then that they could not quarrel with it.

15,984. You stated that in most cases the total charge, including both the terminal and the mileage

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rate, was less than the maximum the companies were entitled to charge?—Yes, it was so.

15,985. Does that apply to short distances, say from 10 to 25 miles, or is not the charge in that case oftener larger than it would be possible to make it without terminals?—Yes, certainly; when you come to a short distance the terminal is proportionally overwhelming.

15,986. There is some considerable traffic that does not go more than 20 miles?—Then the terminal, in that case, would not fit in with my theory.

15,987. I believe it is said that on the North Staffordshire line there is a large amount of traffic that does not go more than a few miles?—Then the toll would possibly not make up the difference.

15,988. In such a case as that, would there be any hardship in asking railway companies to state distinctly what their terminal charges are?—There would be no harm in their telling what they were; but what is the remedy if they are too high? I do not see that.

15,989. One of the great complaints on the part of the traders is, that they do not know what the terminals are until the charge is made out?—They know that the charge from A. to B. is 10*s.* a ton for a certain class of goods; they do not know how it is made up, nor does it matter to them to know. In the long run the companies might be able to show, with regard to the toll coming to them upon short distances, that the terminals would overbear the toll, and I do not see the remedy for that.

15,990. (*Capt. Galton.*) A railway company can charge by Act of Parliament a reasonable sum for terminals, but if it was obliged to show what the terminal was it could, at the most, only charge its maximum rate, the parliamentary rate for the carriage of goods; and if the trader considered that the terminal in addition was unreasonable, he would then be able to go to a court of law—the county court, or some other court—to have the matter adjudicated upon?—I suppose that the common law now would give some court the power of saying what was "reasonable," and if that word is to be adjudicated upon, I know of no other way of getting at it.

15,991. (*Mr. Hamilton.*) Have you not now the means of obtaining sufficient evidence for some tribunal or other to interpret that word "reasonable," not as an uniform interpretation, but to allow each railway company to come before a tribunal and show what, with reference to their interests and the public, what would be a fair interpretation of that word "reasonable?"—The first question is, Is the company to be allowed any profit upon its terminal, a "reasonable profit?

15,992. Yes.—There is no great difficulty at any one particular station in finding out the cost of the terminus to the railway company; but the amount of profit to be included under the word "reasonable" I am not prepared to speak to.

15,993. The words are "reasonable charge," and they mean, I presume, reasonable remuneration for a service rendered?—Yes.

15,994. With the experience which is available now upon all the great railways, would there be any difficulty in arriving at a practical interpretation of that word "reasonable"?—The ordinary terminal allowed between railway companies is, I think, 2*s.* 6*d.* a ton, with no cartage, subject to various increases and diminutions according to the description of the goods carried.

15,995. Do you mean in London?—No, in the country. Out of the 2*s.* 6*d.* probably, in many cases, there might be 4*d.* a ton profit; and I do not know whether that would be considered a reasonable one or not, nor what tribunal would decide upon it.

15,996. (*Sir R. Hill.*) Might not the Act of Parliament say what additional per-centage should be charged for profit?—Yes, you might get at it in that way; say, 20 per cent. upon the cost price.

15,997. (*Mr. Hamilton.*) I think you stated that there was no difficulty in ascertaining the actual cost?—No. Take, for example, a station in the country; nothing is so easy as to know your total annual actual expense and the total tonnage.

15,998. If Parliament should say that to the actual cost a certain per-centage should be added for profit, would not the difficulty be overcome?—It might be mitigated at all events.

15,999. (*Mr. Horsfall.*) Might not the case be met by acting on the principle which has been suggested by some of the witnesses, that in case of a difficulty arising between the trader and the railway companies there should be an appeal to the Board of Trade to appoint an arbitrator, and that the decision of that arbitrator should be final?—That would be introducing a regulation with regard to commercial profits which is so new and startling to me, that I should be almost afraid to venture to give an affirmative to it.

16,000. Looking to the fact that the Legislature has already decided that the charge is to be a "reasonable" one, would not that be a legitimate course to pursue in order to ascertain whether a company was or was not making a reasonable charge?—I think that the companies, if driven to that, would rather go to a court of law than to the Board of Trade.

16,001. It might be convenient to a railway company with a large purse to do so, but how would it be for a small trader?—The county court, I believe, is not very expensive, and the charges are generally considerably under the amount that would come within the jurisdiction of a county court.

16,002. But then the company could appeal from that decision?—Yes, no doubt they could.

16,003. (*Chairman.*) A recognized scale of terminals is now in use at the clearing house?—Yes, between the railway companies themselves for the facility of the division of their own traffic.

16,004. Is that scale founded upon what the expenses are really supposed to be at the terminals?—It was jumped at very much in the first instance. I think if you were to ask a dozen railway managers, they would not be able to tell you how it was arrived at. There was, perhaps, a floating idea in the minds of those who constructed those rates that the rent of the station should be partly included, because the intermediate company (and I am now supposing three companies to be concerned) is entitled to nothing but its mileage, while the two terminal companies have station expenses to provide for in addition. The rates fixed in the clearing house were merely so fixed as a convenient mode of dividing the traffic between themselves; they were not fixed with reference to the public at all.

16,005. Have there ever been changes made in the scale of terminal charges which have been recognized by the clearing house?—Not in my time.

16,006. As between the companies, I presume they may be considered as having given satisfaction?—I think they have.

16,007. Does not that probably lead to the conclusion that they are not very far out, and that they may be fair charges as between the companies?—I think so; and if the public should be charged more than the companies divide amongst themselves there might be a reasonable grievance.

16,008. (*Sir R. Hill.*) Does not that furnish a means of stating what the terminal charges are?—Yes, it is an approximate estimate.

16,009. (*Mr. Horsfall.*) What objection is there to giving publicity to these terminal charges?—I think that there are but two terminal charges, one for London, and one for all county stations in England.

16,010. (*Chairman.*) For different descriptions of goods are there not very different terminal charges?—Yes.

16,011. Your attention has been directed, I believe, to Irish railways?—Yes.

16,012. Will you be good enough to state what circumstances have called your attention particularly to them?—I have been called in by several of the Irish railway companies to settle differences between them; and I have been sent over to Ireland four or

five times by the Board of Trade to act under the clauses in certain Acts of Parliament, giving the Board of Trade a right to appoint an arbitrator, and that has brought me in contact with most of the Irish railways, I have been more thrown into contact with the Irish railways during the last five or six years than with the English railways.

16,013. Will you be kind enough to state the opinions you have formed as to the Irish railways ?—I think that any one who travels much on Irish railways must be struck by four facts: that the rates are very high, the speed is very low, the trains are very few, and the remuneration to the proprietors is very small. These four facts of course set one thinking what could be the cause, or what is the remedy. I find that there are some 56 railway companies in Ireland, governed by 461 directors, with, I think, upwards of 50 managers, 50 secretaries, 50 locomotive superintendents, and 50 of every other description of officer.

16,014. Although there is that number of railways, are not a very considerable number of the small ones worked by the larger ones ?—Not very many of them.

16,015. Do you think that there are more than about 20 separate independent working companies ?—From Dublin to Londonderry there are a considerable number, and also in the south and south-east of Ireland. I was at Cork a few weeks ago arbitrating between two railway companies, and there are four railway companies there, which you might comparatively put into this room, and the lines are all worked independently. The total weekly receipts upon all the Irish railways together, which are governed by 461 directors, are only equivalent to the receipts for two days and a half on one single railway in England; the consequence is, that the system is over-governed; the country is not a commercial one; it is thickly peopled in parts; but the people are very poor; it is an agricultural country; there are no great centres of manufactures or commerce; and the consequence is, that they are not able to afford to keep up the very extended and expensive system which is now in force. If you look to the map of Ireland, you will see that you might deal with it in a very different way from England. England is so gridironed over with railways; there is such an interlaced system, and they so overlap one another, that it is almost impossible to throw the country into districts. Ireland, on the other hand, is in a different state altogether, and nothing would be more easy than for a commission, consisting of, say, three competent railway men, with large railway experience, to throw the entire of the Irish systems into four groups, the northern, the central, the southern, and the south-eastern, and they would form four very convenient groups, very much smaller than many of the railways in England, and by that means you would get rid of a very expensive management, and of the numerous changes of trains and companies; you would facilitate the transit of the traffic; you would enable them to charge lower fares; you would be able to give more trains, and to produce a very much better result to the proprietors. These are the views which I have very strongly felt indeed from my numerous visits to Ireland. I do not see any insuperable difficulty in throwing the whole of the railway system of Ireland into four groups. There are certain points where they do overlap one another, and where you would have to adjudicate between interests; nor would it be a very difficult thing, throwing them into those four groups which I have suggested, to decide the relative value that each individual member should bear to the others, and fuse them, by amalgamation, into four systems; you would then get rid of the inconvenience which every one must have felt in travelling, in changing from system to system; for instance, in going from Dublin to Belfast, you have to change, I think, from three or four different companies; and I wonder what the English public would think if they had to travel over the lines of four different companies between London and Birmingham. In some instances they do not send the carriages through.

16,016. (*Sir R. Hill.*) But you can book through, can you not ?—Yes, you can from Dublin to Belfast.

16,017. (*Chairman.*) Have you any scheme to recommend by which such an amalgamation as you speak of could be effected ?—It would be very difficult to bring about, for you would have the vested interests of all these Irish directors to conflict with, who would probably be opposed to the scheme, and you would have the Irish proprietors also to deal with.

16,018. (*Lord Stanley.*) As I understand you, there are about four men employed to do the work of one ?—Yes, and there are four engines employed.

16,019. If there were four Commissions, which would displace the directors on the permanent staff, the directors would, I suppose, look upon it as being so much taken out of their own pockets ?—Yes, I think it is very likely they would.

16,020. (*Sir R. Hill.*) There is nothing to prevent voluntary amalgamation in Ireland, I suppose ?—No. The proprietors of the Dublin and Drogheda, the Belfast Junction, the Irish North-western, and the Ulster lines, and there are two other smaller lines that run into them, have meeting after meeting brought forward the question of amalgamation, but the directors, as I understand, have always put it aside.

16,021. Can you account for the fact of voluntary combination or amalgamation taking place in this country, and for the absence of combination or amalgamation in Ireland ?—I cannot. I have been surprised at it. I have asked them the question over and over again, and every one has said, we are ready to do it. But nevertheless nobody comes forward to do it, and it is not done.

16,022. Would there not be the same advantages in Ireland as in England from amalgamation ?—Much greater advantages.

16,023. There are the same facilities, I suppose, in Ireland as in England ?—Much greater facilities.

16,024. (*Lord Stanley.*) Is it not the fact that public opinion in Ireland is not strong enough to overbear private interests ?—Yes.

16,025. In England, on the other hand, the private interests of directors on the railway staffs are not allowed to stand in the way of amalgamations ?—That may be. You would find that the proprietors of the Irish railways would be cordial in favour of very extended amalgamation in their country; and I am sure that all the four evils I have glanced at would be greatly modified, if not removed, by such a step.

16,026. (*Mr. Hamilton.*) Surely it is in the hands of the proprietors themselves, if they are convinced of the expediency and advisability of amalgamation, to carry it out ?—Theoretically they can do so certainly.

16,027. (*Sir R. Hill.*) Although they have not, in fact, done it ?—No.

16,028. (*Chairman.*) Do you think it would be desirable for the Legislature to interfere in any way ?—I think that if this Commission or the Legislature recommended something of the kind, they might couple it with some boon. If it were carried out according to what I know is a very fond theory in Ireland, giving legislative assistance as to debentures at low rates, and things of that kind from the public Exchequer, the Government would be perfectly safe with their money, and it might facilitate an arrangement of the kind.

16,029. (*Sir R. Hill.*) You are aware probably that that has already been done to a considerable extent ?—The Baronies have been called upon to supplement larely, and in some cases the Government has lent the money.

16,030. (*Chairman.*) Have you found the charges upon the Irish railways higher than upon the English railways ?—They are certainly high for passengers and for goods, although the trains are few, and the speed slow.

16,031. I believe that the returns to the Board of

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Trade hardly prove that the charges for 1st and 2nd class passengers are higher on Irish railways than on English railways ?—I believe you will find they are high.

16,032. There is one railway system in Ireland of very considerable length, not far short of 500 miles. Did you find that the charges upon that system were lower than upon the smaller lines ?—Perhaps the best worked line in Ireland is the Great Southern and Western, and the length of that is 160 miles from Dublin to Cork; that has been one of the most successful line in Ireland.

16,033. Did you find that the charges upon that line were lower than upon the small lines ? — The charges are very high upon it, and the trains are very few.

16,034. If your scheme was carried out, that line, I suppose, would be left very nearly as it is ?—It would take in the Cork and Macroom, the Cork and Bandon, the Cork and Youghal, and a variety of small lines, the Waterford and Limerick, and others.

16,035. Still there would be no great charge, so as to bring about any material alteration in the system upon which it is now managed ?—It is a very well managed railway, and I do not think that the evils I have alluded to are so grievous there as they are north of Dublin, where you have the Northen Counties, the Londonderry and Enniskillen, the Dublin and Drogheda, the Dublin and Meath, the Belfast Junction, and the Ulster.

16,036. (*Lord Stanley.*) You have spoken of making four separate groups of the Irish railways ; would not two or three be sufficient ?—Three might be sufficient. The Northern would be undivided, and the Midland Great Western would be the line of demarcation. There are one or two little lines that must fall into one system or the other. The Midland Great Western to Galway would be the second, the Great Southern and Western would be the third, and the Wicklow lines I contemplate would be the fourth.

16,037. (*Sir R. Hill.*) Might not the Wicklow lines be united with the Great Southern and Western? —Certainly ; it would be rather a large system, and that would make three instead of four.

16,038. (*Mr. Horsfall.*) Who do you think would object to such a scheme ?—I think, if it were to be thrown before the Irish public, with the authority of Parliament, that popular opinion would sooner or later carry it.

16,039. (*Sir R. Hill.*) Are the shares in the railways held chiefly in Ireland ?—That I cannot tell.

16,040. (*Chairman.*) Are you acquainted with the Great Southern and Western system ?—Very well.

16,041. Is that railway managed with spirit ?—It it is very well managed indeed.

16,042. Do you think there are as many trains run as the directors could be expected to run ?—I think not ; they have not, for instance, an express train from Dublin to Cork.

16,043. If you were a director of Irish railways, should you be disposed to recommend a reduction in the passenger fares ? — Supposing the railways to remain as they are ?

16,044. On the Great Southern and Western, for instance.—On that system they make 5 per cent. dividend by a struggle ; but that company has paid that dividend for a great number of years, and perhaps, if I were an Irish director, I might say, let well alone, I will not risk my 5 per cent. But I think that if there were these large amalgamations, and the companies felt tolerably secure against the intrusion of rivals (and I am not quite in favour of the same competition in Ireland that I should be in England, because the country does not afford the same ground for it), I think you would find that they would experimentally try the effect of reductions and running an increased number of trains. But there is anothea reason why I should like to see the Irish railways thrown into this form. If you are to have an extended railway system in Ireland,—and I know of nothing that is to do that country so much good,—it must be by one or the other of the existing companies that the extension must take place. At the present time there is that sort of fear of trenching upon each other's traffic, that nobody likes to put out a new line. Some speculators have put out some, but they are totally bankrupt, and there is no great encouragement to go on with an extension of the railway system in Ireland, and it can only be brought about, I think, upon a large scale by mapping out the country, and holding out inducements to existing corporations to complete their systems.

16,045. (*Lord Stanley.*) Do you think that the actual condition of Ireland, being as it is, an agricultural country,—a country without great towns, and for the most part a very poor population,—enables it to maintain a larger railway traffic than it does ?—If you were so far to economize the present system and to reduce the expenses, which I think my plan would, by some 25 or 30 per cent., you would enable these companies to economize the service to the public, and I am sure it would draw out traffic in that country.

16,046. Is not the failure of the Irish railways owing to their having been made through districts where there is no traffic to feed them ? — That is perfectly true. On one or two of the lines they run only two trains a day, and very few people go by them.

16,047. (*Sir R. Hill.*) Would it be possible to save as much as 25 per cent. upon the whole cost of working the trains ?—I really do think so. I am speaking roughly ; but when I see four servants and four engines employed to carry me, where one engine and one servant ought to do it, with all the machinery of boards, solicitors, secretaries, engineers, and a staff's variety of expensive junctions, all of which would be swept away by my plan, I cannot help thinking that a very improved result might be produced ; but whether it would be the figure I have glanced at, I cannot say.

16,048. If the saving so effected were employed in reducing the fares, do you think that a considerable reduction might be made without loss of revenue ?— Yes ; I think that they then would be emboldened to try the experiment from which they now shrink.

16,049. (*Capt. Galton.*) After you had given them such a monopoly of their respective districts, what inducements would they have to reduce their fares ? —I think they would try the experiment.

16,050. You appear to think that the only way of obtaining a reduction of fares in England is by competition ?—Yes ; but I do not think you can flood Ireland with railways as in England. In England you have now, with the exception of one or two large towns, duplicate or triplicate communications by different railways ; you have not got that in Ireland, nor are you likely to have ; they cannot have such a competition of railways.

16,051. That being so, how would you obtain for the public in Ireland the benefits of competition which are obtained in England ; I mean by giving a monopoly to certain Irish railway companies ?—Of course, you would have somewhat to introduce the paternal system of the continent, with a little more power in return for the benefits conferred.

16,052. That would give to some Government department the power of ordering what fares were to be charged by the railway companies ?—After they had paid a certain dividend, say 5 per cent., I believe the railway companies in Ireland, who do not see their way to it at present, would be very willing to try the experiment with any receipts above their fair return. I do not know that they would like the Board of Works in Ireland ; I think they would rather prefer the Board of Trade in England.

16,053. (*Chairman.*) As the only railway which is on a large scale has not tried any experiments, why do you suppose that the other companies, if amalgamated to the extent of 300 or 400 miles of railway, would make them ?—I may be too sanguine in believing that they would, but I think they would. Even assuming that

I am wrong in my supposition, you would still have a very large advantage in harmony of action and facility of transit which you have not now.

16,054. (*Mr. Horsfall.*) Is it not the fact that many of these railway companies pay nothing whatever?—Nothing whatever, and one or two of them are sold up. One was in the sheriff's hands only last week.

16,055. (*Sir R. Hill.*) You have spoken of assistance being given by the Government in the way of a loan; I presume you would recommend that that assistance should be given conditionally?—Yes, on these amalgamations or combinations taking place.

16,056. And also upon certain reductions in their charges being made?—Certainly.

16,057. Might you not by so doing diminish the security for the repayment of the loans?—Certainly. If you reduced the fares, and there was no success, you would *pro tanto* reduce the Government security. I suppose, therefore, the Government would take care, if they did anything, to say that the rates were not to be unduly reduced.

16,058. (*Mr. Hamilton.*) Do you see any other way of promoting amalgamation, which you think so desirable, except by putting an inducement before the shareholders of getting their debenture interest reduced?—They ought to do that undoubtedly for their own interest and protection. Any gentleman who has followed the course of the discussions at Irish railway meetings will know that there is scarcely one at which the subject is not ventilated by the shareholders, but the directors are too strong, I suppose, and the thing has never been carried out.

16,059. Will you be kind enough to say what form this encouragement to amalgamation is to take. How are we to make persons interested in railways in Ireland more alive to their interests than they are at present?—The shareholders are a very difficult body to deal with. There is no concert between them, they never meet hardly but in the general meetings, and there is no concert of action. In this country occasionally the proprietors do meet in large bodies, and they consult together as to their course of action, but in Ireland it is almost unheard of.

16,060. Do you think that a recommendation under authority, whether from this Commission, or from the Board of Trade, to the shareholders in Irish railways pointing out to them that it was their interest to amalgamate, would make any impression upon them?—Yes, a very great one.

16,061. Even without any pecuniary inducement being offered?—Yes; but I think a pecuniary inducement would clench the matter.

16,062. (*Mr. Horsfall.*) When you speak of pecuniary inducement, do you mean by means of a loan? Yes; by loans on their debentures, conditional upon the arrangement recommended by some Commission, or the Board of Trade, or Parliament, being carried out, which would afford the most ample security to the Government and at the same time give an additional impetus to the action of the proprietors.

16,063. You think that if a recommendation was given founded upon authority it would have weight with the shareholders?—I think it would be concurred in without any solatium.

16,064. (*Chairman.*) Have you considered the question whether it is advisable for the Government to purchase all the railways in Ireland?—I have.

16,065. Do you look with favour upon that suggestion?—No.

16,066. What special evils do you anticipate would result?—I have never been in favour of the Government undertaking the commercial management of railways in this country or in any other. I think it would open a door to a great deal of political partisanship, and it runs as high in Ireland as elsewhere. I do not think they would manage them better than the men whose trade it is to do it.

16,067. Would your objection equally apply if the Government purchased the railways and leased them to a joint stock company?—Then the Government would take the risk and the lessees the profit.

16,068. (*Sir R. Hill.*) You have stated that the total traffic in Ireland upon all the railways amounts to less, I think, than is taken in half a week by the largest of the railway companies in this country?—Yes.

16,069. That, I suppose, is the London and North-western Company?—Yes.

16,070. Can you say how the total capital expended upon the Irish railways compares with the total capital of that same company?—Very favourably. The Irish railways have been made cheaply.

16,071. But the total capital expended in Ireland, I presume, has been less?—Less per mile a great deal.

16,072. Less in total amount than that expended by the London and North-western Company?—That I do not recollect, but it has been very much less per mile.

16,073. The total appears to be about 25,000,000*l.* This is less, is it not, than the total capital expended on the London and North-western lines?—About half, I think.

16,074. Seeing that the whole of the Irish railways not only produce a smaller amount of income than the London and North-western system, but that the capital invested in Irish railways is in the aggregate less than that invested in the London and North-western system; seeing further that you are of opinion that by amalgamation, and other means, the current expenditure might be very largely reduced, do you see anything to prevent the formation of a company in this country to purchase the whole of the Irish railways, to supersede the present management altogether, and conduct them upon the principles which have been found to succeed in this country?—I think it would be more objected to by the 461 directors, than to leave them to allot their duties amongst themselves. They would look very jealously upon 25 gentlemen, say, from this country, going over there to do that which 461 had failed to do. I have no doubt there would be very considerable difficulty in inducing them to listen to it; but if it were pointed out by any authority in this country,—and these things are forcing themselves upon men's minds, although somehow or other they do not get brought before the whole body,—if it was once pointed out to them, and at any rate if the subject was fairly brought before them, and it was shown that the country would benefit by the system I have shadowed forth, and that their own pecuniary interests would be promoted, I believe it would be adopted. The best men now employed in managing Irish railways would be picked out for the general system. I should be sorry to see them taken out of Irishmen's hands and placed in the hands of Englishmen, for there are some very good railway managers and excellent directors in Ireland indeed, and they are Irishmen.

16,075. Of course a new company might select their managers and servants from the present staffs?—Yes. I should be sorry for the Commissioners to suppose that I think the Irish railways are not well manipulated, and comfortably and safely so; the stations are generally good.

16,076. You appear to be of opinion that for some reason or other the directors of Irish railways do not act in accordance with the interests of the proprietors of those same railways?—Of course that is placing it in a very difficult light for me to answer. I am sure that they do not think so; but I believe that they are not acting in the interests of the proprietors at all. I believe that the interests of the proprietors there is in the direction I have pointed out.

16,077. (*Chairman.*) Do you think that in so poor and thinly populated a country as Ireland it would answer to run a greater number of trains?—I do not mean anything in comparison with the English lines; but if you cheapen the transit, you hold out an inducement for greater accommodation; and when I find, going to Belfast from Dublin, that four engines,

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or at least three, are called into operation, with six drivers and firemen, and six guards, and that all this increased expense is incurred, when one engine would run me through, I am sure that the railway companies, when balancing their accounts, would find that they could afford to give more accommodation. You will find that railway companies are liberal towards the public, not from any sense of liberality, but because it reacts upon their own interests.

16,078. The three railways of which you spoke between Dublin and Belfast are, I believe, amongst the most prosperous railways in Ireland ?—The Irish North-western does not pay a dividend.

16,079. The three railways, I think, are the Ulster, the Dublin and Belfast Junction, and the Dublin and Drogheda ?—Yes.

16,080. They all three pay, do they not, a very good dividend ?—They pay, I believe, 4½ per cent.; but it might be much better.

16,081. (*Capt. Galton.*) Do you think that the amalgamation of the Northern lines would injuriously affect any of the ports which they now supply, or with which they have a connexion ?—A difficulty has just been imported into my scheme by the legislation of the present or the last Session of Parliament, and that is by giving the London and North-western Company a line in Ireland ; I mean the Grenore line : and that interposes a new interest, and an English one, in the very middle of this system of lines, and there difficulties I admit would arise, but they would have to be met as they arose.

16,082. (*Mr. Hamilton.*) I understand that, quite apart from the question of increased railway communication, you would recommend amalgamation as a means of economy, and therefore of increased profit ?—Certainly.

16,083. (*Capt. Galton.*) My question was whether, if you had this amalgamation of interests, the various ports to which the several railways would run would be injuriously affected by having one board for regulating the railways, rather than there being several whose interests lay with the several ports ?—No doubt my scheme is open to that objection. Of the four companies I have alluded to, one has its interests in the port of Londonderry, another at Drogheda, and another at Dublin, and there would be collision between those ports brought about by the fusion.

16,084. Do you think that the general benefit that would be obtained would counterbalance that ?—I think so.

16,085. (*Chairman.*) Have you any other suggestion to offer to the Commission as to the Irish railways ?—No.

The witness withdrew.

Mr. C. W. Eborall.

Mr. C. W. Eborall, examined.

16,086. (*Chairman.*) You are general manager of the South-eastern Railway Company ?—Yes.

16,087. Captain Gordon, the Superintendent of Stores at Woolwich Arsenal, has complained that the South-eastern Company will not undertake to deliver Government stores beyond the limits of their own line ?—That is not strictly correct. The Government Store Superintendent has desired us to carry, and has wished that those stores should be delivered at Portsmouth the same day or the day after. We have no railway to Portsmouth, but we have to London. We have a railway to Hastings, in the direction of Portsmouth, and all we can undertake to do is to send them by the usual goods train at night ; that is, either to London or to Hastings. Then the London, Brighton, and South Coast Railway, or the South-western, at Guildford, would take them forward. The goods trains usually go at night, and consequently there would be a day's delay. We have never refused to carry goods through, but we have refused to carry them through in a specific time, *i. e.*, for delivery the following day.

16,088. It must be a matter of great importance occasionally to the Government that their stores should be delivered within a fixed time. Is there any reason why the different railway companies should not come to an understanding to secure such punctual delivery within a limited period ?—I do not see any difficulty about it ; but we have been asked to do a specific thing as to forwarding stores.

16,089. Is it impossible to come to some understanding as to the speedy forwarding of Government stores ?—I do not see any difficulty about it.

16,090. From whom ought the proposal to proceed, from the Superintendent of Stores at Woolwich, or should the different railway companies, or their managers, meet and concert some scheme for this purpose ?—If the suggestion were to come from the Deputy Quartermaster General, or from the Storekeeper, I have no doubt that an organization might be made, so as to accomplish the object.

16,091. (*Mr. Hamilton.*) Why has not such an organization been made, because it appears that an application has been made on the subject ?—I do not believe it is a matter of any great moment. It has not been put forward to us as such, otherwise that might have been done. We are obliged to charge low rates for the carriage of these stores, and if we sent special trains with them they would be very costly to the companies, because the stores do not go in any very large quantities. It is sometimes a ton, and sometimes 30 hundredweight that have been sent. Very seldom a train load.

16,092. (*Capt. Galton.*) If they sent a gun from Woolwich to Portsmouth one day, when should you deliver it at Guildford ?—The next morning.

16,093. It would not even get to Guildford till the next morning ?—No, I apprehend it would be delivered in the evening at Woolwich.

16,094. It would take nearly 48 hours to get from Woolwich to Portsmouth, I suppose ?—Yes, I think it would.

16,095. I suppose it would come up by the night train from Woolwich to the Bricklayers' Arms, and arrive there at a certain time, and go down by the night goods train to Guildford ?—It would.

16,096. So that Woolwich not being on any main line running between London and Portsmouth, there is a certain amount of delay occasioned ?—Yes, at the junction.

16,097. At the Bricklayers' Arms ?—Yes.

16,098. (*Mr. Hamilton.*) Have you day as well as night goods trains from Woolwich ?—No, they are all in the night.

16,099. Then I suppose the real difficulty is, that before your goods train arrives the London and South-western Company's goods train has left ?—Yes, that is it ; and on the North Kent line it is a difficult thing to have the goods trains in the day time, even if we desired it, in consequence of the passenger trains running every few minutes, especially between Woolwich and London.

16,100. I suppose there is no unwillingness on the part of your company, the South-eastern Railway Company, to form through booking arrangements with the London and South-western Railway Company ?—None whatever.

16,101. (*Chairman.*) Have the Government officers ever pressed the point strongly upon your Board ?—They have not pressed it strongly upon us. I saw, I think it was, Colonel Gordon, some six week ago ; he asked why it could not be arranged, and I pointed out the difficulty to him at that time.

16,102. It has been stated by some of the witnesses that your company refused to make through rates for the carriage of coal for the London and North-western and other railway companies in that part of the country ; is that the case ?—The coal traffic into our district is comparatively a very small one ; most of the coal coming into the south-eastern district

comes to the ports of Whitstable and Strood; that is the north country coal. The coal from the midland counties is not sent in any large quantities, nor would the parties who send the coal consent to pay us a higher rate than they pay to the companies having the long lead, and we have objected to receive the coal at the same mileage rate as that at which the London and North-western and Great Western railway companies receive it for very long distances.

16,103. You are of opinion that it would not pay your company to carry it?—Certainly not, looking at the comparatively very small amount of traffic of that description on the line.

16,104. (*Capt. Galton.*) Have you through booking arrangements with all the lines?—Yes, for goods traffic.

16,105. Are you in the clearing house?—Yes.

16,106. (*Chairman.*) Is it a universal rule that when traffic such as coal is carried over a long distance the companies receive only in proportion to their mileage? Cannot arrangements be made in favour of companies that have only a small mileage?—Sometimes that is done, but seeing that we refuse a regular mileage rate that has never been arranged, it has never been thought necessary to arrange it.

16,107. (*Mr. Hamilton.*) At what points could those companies deliver coal upon your system?—At Reading, at Red Hill, and at Croydon.

16,108. Reading and Red Hill are practically the same?—We should receive it at Red Hill from the London and North-western district, and from the Great Western at Reading. The Brighton Company would bring the coal from the North-western system through the Croydon station, and hand it over to us at Red Hill.

16,109. By unbroken railway communication?—Yes.

16,110. (*Chairman.*) Have you a communication with Clapham Junction?—We have a communication, but we do not send traffic that way; we are not interested in the network of railways in that direction.

16,111. Does coal going from the north to the south of England pass at all by the Clapham junction station?—Yes; I believe it is carried that way by the Brighton Company.

16,112. (*Capt. Galton.*) Does the Brighton Company take this coal the long lead rate?—I do not know whether they do or not; they have taken a large quantity of coal down to Brighton, but at Brighton there is no port as there is near to Whitstable and at Dover, and there has been some guarantee to send a large quantity of coal down there at I believe a mileage rate; I am not quite certain about it, but that is a distance of 54 miles over their own railway. Now I do not suppose that we could carry coals to Dover; it is not likely that we should have coal from the north of England or from the Great Western district to Dover, and the sea-borne coal would not admit of its being carried down there at the rates.

16,113. Your unwillingness to make a through rate does not arise from any existing contract with the Brighton Railway Company?—Not at all.

16,114. (*Chairman.*) Can coal be delivered cheaper at the ports with which you are connected, Whitstable and Dover, than it can at Brighton?—Yes.

16,115. Sea-borne coal?—Yes, sea-borne coal.

16,117. Is that owing to Brighton being on the open sea?—Yes, there is no port or harbour there at all.

16,118. Are you in the habit of making through rates with the other railway companies to the north of London for general goods?—Yes.

16,118. I think it was stated by a witness from Bedford, one of the Messrs. Howard, the large agricultural implement makers, that they could not get through rates to your stations?—To some of the stations that is so.

16,119. The small stations?—I have some recollection of that matter. Some time ago we had through rates to all our stations, and we found the traffic was so extremely small that it was considered advisable (I believe it was the London and North-western Railway Company who suggested it) that certain places should be taken off the through rates, because there is a great deal of trouble connected with the invoicing and keeping accounts from all the stations on the London and North-western Railway to all the small stations on our line, and if the traffic is only a ton a year it is not worth while to have those arrangements in existence.

16,120. Are the parties subject to much additional inconvenience when they cannot get a through rate?—Very little in the case of these small stations, looking at the infinitesimal amount of traffic. Take for instance Marden; I suppose there is not a ton of traffic from the London and North-western system to that station in 12 months. We have through rates with the Great Northern, the North-western, the Great Western, and the Midland.

16,121. With all the more important companies to the north of England?—Yes, we have through rates with them to all the more important places on our line. We have a great many stations that are quite unimportant.

16,122. You are in the habit, like other railway companies, I suppose, of making terminal charges?—Yes.

16,123. Will you state to the Commission the principle upon which those terminal charges are made?—We make a charge for the loading and unloading and for the rent of the stations. We take the rent into consideration, as well all the expenses incidental to the unloading and loading of goods in the station.

16,124. Do you take into consideration interest on the money expended upon the sidings and stations?—Yes.

16,125. Does that form an ingredient in your calculation?—That forms an ingredient in fixing what the rates should be.

16,126. Do you see any objection to a maximum terminal charge being fixed by Act of Parliament?—Provided there was a sufficiently large margin, I do not see any objection to that. If you fixed a very low terminal charge for goods of light descriptions, it would be a great loss to the company.

16,127. (*Capt. Galton.*) What do you consider the terminal includes?—The cost of outlay on the station, the sidings, the repair of the sidings, the repair of the buildings, and labour.

16,128. When you say the repair of the buildings, you mean the station buildings?—Yes.

16,129. But you charge no terminal, and the Act of Parliament does not allow you to charge any terminal, upon passengers?—Not upon passengers.

16,130. You have stations for passengers, why then should there be a distinction as regards the terminal between passengers and goods?—You require more expensive stations for goods than you do for passengers, and more accommodation.

16,131. Do you mean for warehousing the goods?—I mean convenience for loading and unloading them. A passenger is in the carriage immediately, and the train goes off, but the goods have to lie about, and we have to provide conveniences for the goods.

16,132. You refer to cranes and articles of that kind?—Cranes and all articles required for lifting the goods, and placing them properly into the trucks, or for taking the goods out of the trucks and placing them on the platform.

16,133. (*Chairman.*) Do you consider that you are entitled to charge for the shunting of engines at the stations?—Yes, and that is a very expensive operation indeed. It is most expensive at some of the very large junction stations where trains have to be marshalled and divided. The cost of engine power at some of those stations, such as Normanton, for instance, must be enormous.

16,134. (*Sir R. Hill.*) If I understand you correctly, provided a fair and reasonable charge can be agreed upon for terminals, you would not object to a maxi-

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mum being fixed by Act of Parliament?—I should not object to it. With reference to Captain Galton's question about terminals for passengers, certainly the railway companies have never made a charge of that kind, but I do not think that the companies are prohibited from making a charge for terminals on passengers.

16,135. (*Capt. Galton.*) You think that if, in addition to the mileage fare, a railway company added a certain sum for terminals, a passenger would not have any case if he summoned the company before a court of law for having charged more than the Parliamentary rate?—I think, seeing that we find porters for the passengers' luggage, and waiting rooms for the passengers themselves, we should be justified in making a charge, and I do not think anybody could recover against a company that did so.

16,136. (*Chairman.*) However, you do not regard it as being a practical question?—No.

16,137. Railway companies are not likely to charge more than their maximum fares, are they?—No.

16,138. Do you in many cases, or as a general rule, charge the maximum fare for passengers which you are authorized to charge by your Act?—No, certainly not; I should think we charge 20 or 25 per cent. below our maximum fares.

16,139. (*Capt. Galton.*) For all stations?—I should say for all stations.

16,140. Do you think there is any station to which you charge the maximum fare?—I do not think so. There are a great many stations where we charge, I should think, one half the fare.

16,141. To Woolwich and other places in that neighbourhood?—Yes; on the North Kent line.

16,142. (*Sir R. Hill.*) You charge the maximum fares by the Parliamentary trains, do you not?—No, we do not. I had better explain that matter. Take, for instance, Dover. There is a shorter line to Dover, and that shorter line is governed by the mileage rate of a penny a mile. If we charged our maximum rate to Dover the other company would take the traffic.

16,143. Do you charge your maximum fares by the Parliamentary trains as between Dover and Reigate?—I am not quite sure about that; it is possible that we might do so there, but I do not think we do.

16,144. (*Capt. Galton.*) Do not you charge the maximum fare to Folkstone?—No, we do not.

16,145. What is the first-class fare to Folkstone?—It is 16*s.*, I think, by the express train.

16,146. (*Mr. Hamilton.*) To Dover the express fare is 16*s.* 6*d.*, is it not?—16*s.* 6*d.* and 19*s.*

16,147. That has been materially reduced, has not it?—Yes, since the opening of the London, Chatham, and Dover line.

16,148. (*Chairman.*) Are your fares in any cases more to places short of Dover than the fare to Dover itself?—They are not actually more in any case; they are more in proportion to the distance in some cases.

16,149. The gross charge is not more?—Not the gross charge. We have instances where the charge to intermediate places is as high as to a place beyond them; take, for instance, Canterbury, which is on the way to Ramsgate and Margate. The fare to Canterbury is as high as the fare to Ramsgate and Margate; that arises from the competition with the steamboats.

16,150. You have prepared a statement, I believe, showing the comparison in different cases between English and continental railways?—Yes; I thought it would be interesting to the Commission.

16,151. You have no objection to put that statement in, have you?—I will put it in as part of my evidence. You will find that it refers to the charges for return tickets, and the different rates per mile for each class of passengers, taking the Northern railway of France as compared with the South-eastern railway.

16,152. Will you be so good as to state some of the more important results of this table?—It would appear that as regards return tickets we act on a more favourable principle with reference to the public than they do in France. We give more time and a greater per-centage of luggage. With regard to the charges for passengers, the continental fares are rather less than ours for first class, and they are somewhat less for second class, and about the same for parliamentary passengers.

16,153. For first and second class the continental fares are considerably below the English?—Yes; they are much below.

16,154. (*Sir R. Hill.*) You are speaking now of the single fares?—Yes. With regard to excursion fares, the fares in England are very much less. For instance, it is well known as between London and Dover that we issue third-class tickets to Dover and back for excusionists at 3*s.* 6*d.*; they have no such thing on the continent. These trains of ours are run generally every week.

16,155. (*Mr. Hamilton.*) Do they run excursion trains at all on the continent?—Yes, now and then, when there are very special circumstances or extraordinary fêtes they do run them.

16,156. Therefore you have no means of comparison between the English and continental railways in that respect?—Except that where we run a dozen I should think they would only run one. With reference to luggage, in France the allowance to passengers is 30 kilogrammes for each passenger, and all above that weight is charged for.

16,157. What is that in pounds?—60 lbs.

16,158. (*Lord Stanley.*) Rather more than that, 66 is it not?—65 lbs. and some decimal fraction.

16,159. Five to 11 is roughly the proportion between pounds and kilogrammes?—Yes; a kilogramme is equal to 2lbs. 3oz., English weight.

16,160. (*Capt. Galton.*) You have reckoned a kilogramme as 2 lbs.?—Yes. I have had some particulars taken out, taking the same distance on the Northern railway of France and on the South-eastern railway. In Belgium they allow no luggage at all, all luggage is charged for. Taking from London to Edenbridge, a station on our railway, which is about the same distance as from Brussels to Ghent, or from Paris to Ormoy, in France, the charge on the South-eastern railway first class is 7*s.* 2*d.*, the fare from Brussels to Ghent is 6*s.* 3*d.*, including luggage, and from Paris to Ormoy the fare is 5*s.* 8*d.* Taking from London to Dover, our charge for continental passengers is 19*s.*, and from Ostend to Malines the fare would be 15*s.* 8*d.* The fare from Paris to Amiens will be 13*s.* 4*d.* The second-class fare from London to Edenbridge is 5*s.*, with 100 lbs. of luggage free.

16,161. (*Mr. Hamilton.*) Do you allow 100 lbs. of luggage to a second-class passenger?—Yes.

16,162. Is not that an unusual allowance?—That is now becoming the usual allowance. We allow 120 lbs. for first-class passengers, 100 lbs. for second-class passengers, and 56 lbs. for third-class passengers. From Brussels to Ghent, second class, including the charge for 100 lbs. of luggage, the fare would be 4*s.* 10*d.*, and from Paris to Ormoy 4*s.* 3*d.* I have an example of the charge for a long distance in England compared with a similar distance on the continent. From London to Lancaster the fare first class is 2*l.* 1*s.*, with 120 lbs. of luggage free, as against the charge from Ostend to Cologne of 1*l.* 11*s.* 5*d.* for the first-class fare, and 10*s.* 7*d.* for 121 lbs. weight of luggage, making it 2*l.* 2*s.* as against 2*l.* 1*s.*

16,163. (*Chairman.*) It would appear that passengers travelling without luggage for short distances would have the advantage on the continent?—Yes.

16,164. (*Mr. Hamilton.*) Have you ever made a calculation of the average quantity of luggage, say of 100 passengers?—No. I have not done that, but we have an immense quantity of luggage carried on our line.

16,165. You cannot tell the Commission what would be a fair average allowance to make for luggage upon 100 first-class passengers?—No, I cannot do that.

16,166. (*Capt. Galton.*) Of course you have an extra amount of luggage for passengers going abroad?—Yes, they generally carry more luggage than other passengers, of course they must do so. With reference to the speed, the speed of the trains is very much in favour of the English railways. I have a table here showing the average speed of the different lines in France, and they are very much below the speeds on the South-eastern railway, where the speeds are about the same as they are on the London and North-western, the Great Northern, and the Great Western railways.

16,167. (*Chairman.*) I see on the first page that one of the columns is headed "In France, Belgium, and "Germany, per kilometre." Are the fares so nearly uniform in those three countries that this table would stand good for any one of those three countries?—The fares differ between Germany and Belgium, but there we have given the fares to Cologne.

16,168. You have made out, for instance, that for first-class passengers the rate is 1·720*d.*?—That is on the Northern railway of France only. I have not taken out the other railways. I have only made a comparison with the Northern of France.

16,169. It appears from the statement you have drawn up that the French railways in general are somewhat cheaper than the Belgian ones?—Taking into consideration the charge for luggage they are; when the luggage is charged for the French railways are cheaper than the Belgian railways.

16,170. (*Sir R. Hill.*) Comparing the English charges with those of France, and taking into account the allowance of luggage in each case, and the greater number of return tickets issued in England than in France, and all other circumstances, can you say in which country the charges are the higher?—Do you take into consideration at the same time the service afforded to the public.

16,171. I leave out of consideration the speed and frequency of the trains?—They are rather lower in France.

16,172. Have you made such a comparison as will enable you to inform the Commission by what per-centage they are lower?—No; I have only taken out those particular cases which appear in the table, which show a difference of about 20 per cent. in favour of the French railways.

16,173. But the charges are 20 per cent. lower in France than in England, taking all the circumstances into account which I have mentioned?—Yes.

16,174. But the speed is higher in this country?—The speed is higher and the trains are more frequent.

16,175. Will you have the goodness to make a similar comparison with the charges in Belgium, still taking into account the regulations regarding luggage and the greater extent to which return tickets and excursion trains are established in this country?—If you take everything into consideration, and take, for instance, passengers who have no luggage at all, I should think the difference would be from 15 to 20 per cent. in the case of Belgium; that is, if you take off the allowance for passengers who do not travel with luggage, the difference in favour of the Belgian railways would be from 15 to 20 per cent.

16,176. The charges in Belgium are from 15 to 20 per cent. lower than they are in this country, generally speaking?—Yes.

16,177. But the trains are less frequent and are at a much lower speed?—They are at a much slower speed in about one-half the number of trains, I should think, or perhaps less than that. For instance, take our own case as compared with French railways: we have 11 or 12 trains between Dover and London, and the French Company have only five trains between Boulogne and Paris.

16,178. Taking all circumstances into account then, the greater frequency of the trains in this country, the higher speed at which they run, and the greater liberality of the English railway companies as regards luggage and so forth, are you prepared to admit that the charges in Belgium are materially lower than they are in this country?—Seeing that time is of great moment in all business transactions and in every concern of life, I should say that the arrangements and charges are more beneficial to the public in England than in Belgium or France.

16,179. Probably you would be of opinion that, taking into account, as you say, the greater value of time in this country and the greater wealth of the inhabitants the existing systems are well adapted to the circumstances of the respective countries; that it is better to travel cheaper and slower in Belgium, and comparatively at higher fares and at greater speed in this country?—I should think myself that it would be better for the Belgians to charge more money and to travel at a greater speed, and also to give more convenience to the public with regard to the change of carriage; it is a most inconvenient thing in travelling in Belgium. You have to change carriages every few miles, and the delays are very serious.

16,180. (*Capt. Galton.*) You are turned out at stations where there is no platform and no covering at all, are you not?—Yes.

16,181. Do you think it is making a fair comparison to compare the number of trains between Dover and London with the number of trains between Boulogne and Paris, the distance between Dover and London being 88 miles, and the distance between Boulogne and Paris 106 miles; would it not be a fairer comparison to take from Paris to Amiens, and would you not in that way get more nearly the same number of trains that you have between Dover and London?—I think when you take into consideration the fact that there are two railways between Dover and London, and that there are 23 trains running between Dover and London, you will find that the comparison is in our favour very much.

16,182. In speaking of 23 trains you include those of the London, Chatham, and Dover Company too?—Yes.

16,183. Those are duplicate trains, are they not, in many instances; they start at exactly the same time as your own?—Not altogether, some do and some do not. Of course everybody knows that the railways in England have cost more than twice the money that the French railways and the Belgian State railways have cost. I have given in this table the cost of the Northern of France railway per mile, and the cost of the Belgian State railway, and the cost of the South-eastern; the cost of the Northern of France being 26,000*l.*, of the Belgian State, 19,000*l.*, and of the South-eastern 57,000*l.*

16,184. To what do you attribute the great extra cost of the English railways?—To the cost of the land chiefly, and also to the parliamentary expenses.

16,185. (*Sir R. Hill.*) Does not it arise very much from the circumstance of the French Government having executed a considerable part of the works?—Yes, in some cases.

16,186. The French Government has given great aid in the construction of railways, has it not?—It has.

16,187. In determining your fares you do not take the cost of the line into account at all, do you?—No, certainly not; if we did that we might suffer very much in our traffic.

16,188. (*Chairman.*) You merely base your fares upon what you consider will bring in the largest return to the railway company?—Exactly. On the Northern of France I see that the company in 12 months carried about 10,000,000 of passengers on 658 miles. On the Belgian State railways they carried 9,421,000 passengers on 467 miles, and on the South-eastern we carried 15,000,000 passengers on 291 miles.

16,189. (*Capt. Galton.*) Probably a great portion of your increased expense is due to your passing through a more densely populated country, where the land is more valuable in consequence of that circumstance?—To some extent that may be so.

16,190. I suppose the larger portion of these 15 millions of passengers are derived from the vicinity of

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London and 20 miles round London?—Yes, a very large proportion of them.

16,191. (*Sir R. Hill.*) Does not a very large proportion of them consist of passengers who merely travel between London and Greenwich?—No, certainly not. I should think that would not be more than 2,400,000 out of the whole number.

16,192. (*Chairman.*) I also see that the working expenses per mile on these two continental railways are about 25 per cent. less in France and Belgium than on your line?—Yes, that chiefly arises from the additional trains which we run.

16,193. This is per actual mile of railway, not per mile run?—No, it is per mile of railway. If it were per mile run the result would be very different.

16,194. (*Capt. Galton.*) You show the result per mile run, I think. You show that it is on the Northern of France 2*s.* 7·3*d.* per train per mile, and on the South-eastern 2*s.* 10·7*d.*?—Yes.

16,195. Is that extra price per mile run due to greater speed?—Yes, very likely that would be so, and not only that, our expenses are greater at stations. We provide more porters, and every other expense is higher with us than on the continent.

16,196. (*Sir R. Hill.*) The salaries and wages are higher in this country, are they not?—Very much higher.

16,197. (*Mr. Hamilton.*) With regard to the porters' wages, do they on the continent pay them fully in wages?—No. I believe, although the rule is that they are not to get those "*gratifications*," they do get them.

16,198. Is that the rule?—That is the rule.

16,199. (*Chairman.*) I understood that there was much less of that sort of thing on the continent than here?—There is much more of it. There is a sort of digest of all the regulations and obligations of railway companies in France printed, and I have here an extract from it; I will read an extract to the Committee. "Manipulation of luggage.—We have to "remark here that the service rendered by porters is "gratis as regards the public, for they are paid by "the company. They are expressly forbidden to "ask gratuities of passengers."

16,200. Is that a document which you would be willing to lay before the Commission?—Yes.

16,201. Are there any points in it which you think would be of use to us?—Yes, I think it will be found useful. (The witness handed in the following statement, but more full translations will be found in appendix CK.)

REGULATIONS and OBLIGATIONS of RAILWAYS in FRANCE.

A company has no real or landed right in a railway. The ownership of it is in the State.

Upon expiration of the time for which a railway has been conceded it becomes the property of the State, and the Government then assumes all control

Porterage, (i. e., *collection and delivery,*) when not done by the company, it is entrusted to agents by agreement, which latter is subject to the approval of the minister.

The service rendered by porters is gratis as regards the public.

Conveyance of hay, straw, &c. The loading and unloading done by senders or consignee.

Provisions (*for the markets*) and certain articles, such as silver, gold, &c. The Government, upon the motion of the companies, reserve the right of annually regulating the tariffs.

Weighing of packages. The companies can levy no charge but by virtue of the confirmation of the minister.

Carriage of grain. The charges for conveyance are in some cases affected by the market price of it.

Charges for conveyance of passengers, goods, cattle, and other traffic. The companies have to prepare a table of proposed charges, and submit copies of same to certain Government officials.

When charges are reduced they cannot be further reduced or raised until after a lapse of three months in the case of passengers, and a year for goods.

A reduction must bear proportionately on the toll as well as transport,

Companies have to announce by placard a month previously, and advise Government of every tariff modification.

Any alteration made by Government in such tariff has to be re-published by the companies.

Companies neglecting to placard a reduction in the tariff are liable for damages sustained by any carrier whom the competition may have injured.

Differential rates between the extreme points of a railway, and as they affect intermediate stations.

Goods carried on private branches are subject to a special tariff.

The loading and unloading of waggons is generally at the expense and under the care of the consignees.

Reason for special rates to be assigned on submitting a proposition for prefectoral decision.

Joint or "through" tariffs to be approved of by Government.

The advantage of the through rates cannot be claimed for intermediate points.

Where special rates exist, if the senders neglect to demand that their goods be sent at such rates the companies can enforce the general tariff charges.

International traffic tariffs. Upon application, authority is given to companies to make such charges and conditions as are necessary to compete with other routes. They are also exempted from the preliminary placarding of the tariffs.

Rates the same for all seaports on the same railway and situated on the same stretch of coast.

Export traffic. Similar liberty to that given to international traffic is allowed.

The companies have to furnish Government with the tonnage, origin, nature, and destination, and the rates and conditions of the conveyance.

16,202. Are the figures in the statement which you have drawn up taken generally from the accounts of the French railways, or are they deductions which you have made from them?—I have got the particulars from the railways, and then I have worked them out into these figures. With reference to the Belgian State railways, for instance, I obtained the information from the Inspector of Railways, Monsieur Fassiaux; and with regard to the Northern of France, I obtained the information from the manager of that railway.

16,203. Are you acquainted with any other French railways besides the Northern of France?—We have to do with the Paris, Lyons, and Mediterranean, but we have not much to do with them. They refuse to book passengers through with England, except to Marseilles. We book through to Marseilles, but to no other place. We have never been able to get any of the French railways to book through to and from England, except the Northern of France and the Paris, Lyons, and Mediterranean as far as regards Marseilles.

16,204. (*Capt. Galton.*) What are their objections to it?—They think there is no necessity for it. There is a change of carriage at Paris, and they say passengers may just as well re-book at Paris.

16,205. (*Mr. Hamilton.*) The through rate from London to Paris is the full local rate on both railways, is it not?—Yes.

16,206. Then the public get absolutely nothing by the through rate?—They get a through ticket, that is all. Of course if it were divided on the mileage basis the Northern of France would get a greater benefit than they do.

16,207. Then, in fact, you get your share in a higher proportion than the Northern of France?—Yes.

16,208. (*Sir R. Hill.*) But you carry the passengers at a higher speed?—Yes, and our railway cost more money.

16,209. (*Mr. Hamilton.*) Are there any other charges besides that?—There is a charge at Dover for putting the passengers into the boat, that is, for taking the passengers over the Admiralty Pier, for which we have to pay.

16,210. That is included in the charge for the through ticket?—Yes, that is included in the charge. There is also a transference of baggage from the railway to the boat, and from the boat to the railway.

16,211. But there is a special charge made, is not

there, for booking the luggage ?—Yes, for registering the luggage.

16,212. Do you know what that charge is ?—I have not the rate here.

16,213. (*Capt. Galton.*) It is 1*s.*, is it not ?—No, it is more than that. There is a regular scale, but I have not the particulars here.

16,214. (*Mr. Hamilton.*) I mean for the mere booking of luggage ?—In addition to the registration charge there is 1*s.* per passenger.

16,215. Do you know what that is in France ?—It is 1*s.* in England, and 10*d.* in Paris.

16,216. Are you sure that it is 10*d.* in France ?—I believe so ; I believe the charge is a franc.

16,217. Would it be contrary to your information if you were told that it was 10 sous a parcel or package ?—Recently we have had some modifications made in those charges, and I am not quite sure that I am correct about it.*

You will find on looking through this statement which I have drawn up, that in France they are obliged to get the sanction of the minister of *Travaux publics* to rates before they are charged, and the tariff has to be exhibited at the different chambers of commerce, and also at the stations, and no modifications can be made in the routes without the sanction of the minister of public works. From my experience of the working of that regulation I think that it fetters business very much, and I do not see any advantage in it whatever.

16,218. (*Chairman.*) Do you know enough of the French railways to be able to say whether these figures would apply pretty generally to those railways ?—I should think they would. I think the French railways are very much alike. With reference to goods traffic our speed is much greater than that of the French railways. With what they call the *petite vitesse* they are allowed one day for the departure of the train, one day for the journey, another day for the delivery in the station, and another day for the delivery to the consignee. With us it is a question of a few hours.

16,219. I see your working expenses per mile come out to a little over 2*s.* 10*d.* ?—Yes.

16,220. Do you see your way to any possible reduction of the working expenses ?—No, I do not. I think myself that the greatest step in that direction recently has been the use of steel rails. I believe if those steel rails can be made cheaper (they are too expensive at present), that will reduce the expense of maintaining the permanent way considerably.

16,221. (*Capt. Galton.*) Could you divide the 2*s.* 10*d.* between the different heads of expenditure, showing the proportions for the repair of the permanent way, the rolling stock, and so on ?—Certainly ; I can do so if you desire it.

16,222. (*Chairman.*) The Board of Trade returns make it out for the average of all the different railways under seven or eight different heads I think ?—Yes.

16,223. Do you run a large number of your passenger trains with the carriages very partially occupied ?—I do not think we do ; I should say not.

16,224. Do you not think then that if the public required less accommodation in that way, any considerable reduction of expense could be effected ?—I think not. Certainly not on our North Kent line.

16,225. Have you any very large goods traffic on your line ?—No ; our goods traffic is very small, comparatively. Almost the whole of our goods traffic is in and out of London. We have a large goods traffic in and out of London ; but between one station and another on our line, away from London, we have only a very small goods traffic.

16,226. And you have no mineral traffic at all worth speaking of, I think ?—I should think we have about from 130,000 to 140,000 tons a year all over our line, that is, over nearly 300 miles of railway.

16,227. (*Capt. Galton.*) I see that your charges on the South-eastern railway appear to be nearly from 12 to 15 per cent. higher than those on the French railways, on this list of articles which you have given ?—Yes, I dare say that would be so.

16,228. (*Sir R. Hill.*) But are not the charges upon the South-eastern railway rather high as compared with those upon other English railways, for passengers, at least ?—No, that is not the case.

16,229. What do you put down as the average charge per mile for ordinary first-class passengers ?—2·50*d.*, that is, 2½*d.* ; that is the same as the Brighton Company's fare, I think.

16,230. The average first-class fare on all the principal railways, as shown by the Board of Trade returns, is about 2*d.*, I think ?—I was alluding to the Brighton Company. I dare say, taking the London and North-western Company, it would be different.

16,231. I am speaking of the average of all the ordinary first-class fares on all the great lines of this country ; that is about 2*d.* per mile, is it not ?—Yes, I believe that is so. Our fares are just the same as those of the Brighton Company. I think you are right as regards the London and North-western and some of the other lines. I am not quite sure about the Great Northern, but I think they have a higher fare.

16,232. I am giving the average, not of each, but of all the lines ?—Yes ; but then you take the short fares with the long fares. If you took our short fares together with our long fares you would bring the average down to a very low figure.

16,233. (*Chairman.*) Is there any other point to which you wish to call the attention of the Commission ?—There is one point which I should like to mention ; but perhaps it is scarcely within the province of this Commission, with reference to compensation for railway accidents. We have unfortunately been great sufferers from accidents, not as regards the number of accidents, but their character. The accidents on our line have been of a very serious nature, and we certainly have been terribly victimized. With reference to compensation some modification of the law is necessary, otherwise some small company might be ruined for years if they had such an accident as we had at Staplehurst. If the legislature could in some way or other fix the amount that should be paid in all cases, it would be a most desirable thing. There is a precedent for it in an Act of the London, Chatham, and Dover Company for working men, in which it is provided that the claim is not to exceed 100*l.* a passenger. Now we have had to pay even for people in a low class of life very large sums of money, and there is a desire on the part of solicitors, and even surgeons I am sorry to say, to connive at attempts to extort large sums of money from railway companies. As an illustration of that I will mention that I heard the other day of a case where a solicitor had said to a man who was injured in our Staplehurst accident that if he would give the case into his hands and leave it entirely in his hands, he would give him a thousand pounds. That is only one case out of a great number. We had one person who made a claim against the company and succeeded in getting compensation with regard to the Blackheath accident. He claimed again, alleging that he was injured in the Staplehurst accident, and we then discovered that he was an impostor and prosecuted him, and he is now in prison for two or three years. But there is such encouragement given to these enormous claims, and the railway companies are so much victimized, that I really think that something ought to be done to fix some reasonable price upon passengers who suffer

* "For registered luggage from London to Paris this company make no registration charge, and the rate is 1*s.* 6*d.* for each 10 lbs. weight of personal luggage over and above the allowance to the passenger. For the registration of luggage from Paris the charge to London in the same way is 1f. 75c. per 10 lbs, with 10 cents added for registration per transaction. The operation of weighing luggage on the French side is conducted with considerably more care than similar duty at this side, and the French employ besides much more accurate scales ('boscules') so that on the whole, as intended, the charges are brought to very nearly the same in each case."

Mr. C. W. Eborall.
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from accidents. With reference to the Merchant Shipping Act I may mention that there is a sort of limitation there, and I do not see that railway companies should not have the same consideration.

16,234. How came the London, Chatham, and Dover Company to get that special exemption from the General Act?—They undertook to convey passengers at a very low rate in and out of London, to and from their metropolitan stations, and in consideration of that low fare, which was I think about 1*s.* a week or something of that kind, they had this special clause granted to them. If I had known that I should be permitted to go into this matter I would have brought with me to-day some strong cases showing how oppressive the operation of the present system has been to the South-eastern Company; but I have not the particulars here.

16,235. You think that a maximum ought to be fixed, beyond which railway companies should not be liable for accidents?—Yes.

16,236. (*Capt. Galton.*) Do you say that the London, Chatham, and Dover Company have got a clause inserted in one of their Acts limiting the amount of compensation?—Yes, as regards workmen.

16,237. You would limit the liability of all railway companies?—Exactly.

16,238. (*Sir R. Hill.*) Would you make the liability in proportion to the fare paid or something of that kind?—That would be a difficulty, it is a difficult question to determine how it should be done.

16,239. (*Capt. Galton.*) Would there be a maximum fixed for 1st, 2nd, and 3rd class passengers?—Yes.

16,240. Would you beyond that allow any person to insure if he chose to pay the insurance?—Yes.

16,241. Would you make the company, in the event of an accident happening to a passenger who had paid insurance, liable to pay the extra amount he was insured for just as they are in the case of goods under the Companies Act?—Yes.

16,242. That would be satisfactory to the companies I presume?—I think it would meet the purpose.

16,243. (*Sir R. Hill.*) In determining the fare to be charged for each class of passengers of course this liability for heavy compensation is a circumstance to be taken into account is it not?—Yes.

16,244. Seeing that compensation is much heavier in the case of a rich man than in that of a poor man, and that the rich man does not pay a higher fare than the poor man travelling in the same class, does it not follow that the present system involves this unfairness, viz., that the poor man has to pay a part of the insurance on the life of the rich man?—Yes; that is so.

16,245. (*Capt. Galton.*) Should you be willing in case such an arrangement were made, that whatever was the nature of the accident, a compensation should be paid to the passengers injured, whether the accident was one of those traceable to the direct negligence of a servant of the company, or was one of those accidents of trains running off the line, which are sometimes said to be nobody's fault?—I should think myself that it must apply to everything. I do not think you could make an exception, I do not think companies could plead anything of that sort if there was a limit of compensation fixed.

16,246. Would not that then do away with an enormous amount of litigation, which is now very injurious to the morality of the country?—Yes, there is no doubt about it. I recollect a case of a passenger who was injured on the South-eastern railway, and made a very heavy claim against the company. He came in a train to Charing Cross after the accident, walked away from the station, and went to his hotel, and the day following he found himself to be very unwell. He suddenly lost his memory and the use of his senses, and was apparently very ill for a long time, Very eminent surgeons said that he would never be well again, his mind was so much affected, that he would become perfectly imbecile for life. This was a very bad case and we had to pay 5,500*l.* compensation. We did not pay the money at first, for he being imbecile, and having no representatives to whom it could be paid, we objected to pay it. Then an alteration seemed to have taken place with reference to the man's mind when he was placed in that position, and he became better, and then an order was made to pay the money. He had it paid to him and I believe now he is comparatively well.

16,247. (*Mr. Hamilton.*) Taking a general view of this question, do you consider that the amounts which the railway companies have had to pay during a period of years have pressed heavily upon their profits?—Yes, very much so. It made a difference of 1 per cent. in our dividend last year.

16,248. Take a series of years?—We have paid enormously, taking the last ten years it has cost us about 6,000*l.* a year for accidents.

16,249. Does that include the last great accident?—No, without that.

16,250. What per-centage would that be upon your profits?—Taking the last accident into account it would be about $\frac{1}{3}$th per cent.

16,251. You mean to say about 4*s.* in the 100*l.*?—Yes, that is upon our ordinary share capital dividend. I mean that it has affected us to that extent.

16,252. And therefore it is materially less upon your total net receipts?—Yes, that is exclusive of the last accident, which will cost us when it is all settled nearly 70,000*l.*

16,253. (*Sir R. Hill.*) If the legislature limit your liability in the manner you suggest, you would probably think it not unreasonable that you should be required either on your own account, or on account of some other company to give insurance to any extent that a passenger may demand, on his paying for it?—I think it would be necessary to limit the amount.

16,254. But to any reasonable amount?—There must be a reasonable limit. We labour under another difficulty, that a judge cannot legally grant annuities, and therefore we are obliged to pay a certain sum down. Now in the event of a case like that passenger who was injured, and to whom we had to pay that heavy compensation, I have just mentioned, I have no doubt that we might have been able to have arranged, if it had been within the letter of the law, with the consent of the judge for an annuity, which would have been better than paying this very large sum of money. It might have been arranged that it should be so much a year for a certain number of years, and if the man was better at the end of that time, that it should be reduced to a certain amount below that, but as it was we had to pay a sum of money on the testimony that this man was injured for life.

The witness withdrew.

The following remarks were subsequently added by the witness:

PRECEDENTS for the alteration of the law in regard to the liability of companies in the case of accidents to passengers by railway.

1st. That the railway companies are commercial undertakings carried on for the mutual benefit of the companies and the public. Large capital is invested, and the object of such investments is the obtaining a fair profit for the investment.

In the case of carriage of goods by railways the Legislature has interfered for the protection of the carriers, for where goods are of a certain class, such as silk, gold, silver, jewellery, &c., the company have no means of ascertaining the nature and value of the goods carried and the consequent loss to them if any injury happens to such goods or the goods be lost,

unless some knowledge of the nature of the goods be given them. The Legislature has therefore by the Carriers Act protected the companies by requiring, where such goods are of a value exceeding 10*l.*, that the value should be declared and a certain insurance rate paid, and the companies are compelled to carry such goods upon such insurance being paid, but if no declaration of the nature and value is given then that the company should be relieved from responsibility. It is evident the intention of the Legislature was that carriers should not be compelled to carry without their own knowledge valuable goods, and at the same time be made liable for loss or damage.

By the Merchant Shipping Acts it is expressly provided that ship owners shall not be liable for loss or damage to passengers or goods beyond the value of the ship itself, and as to the case of injury to passengers the tonnage of the ship is put at a certain value and as to goods at a certain value. These are instances of the interference of the Legislature for the protection of carriers by land and sea, and therefore there is a precedent for the interference of the Legislature in some way to protect carriers by railway. It is not as if it was there was no precedent on the subject. It of course constantly happens that a railway company will contract to carry three passengers from A. to B., say by first class. The same remuneration in the way of fare to the company is paid by each person. The company have no knowledge and cannot possibly have any knowledge of the value in a pecuniary point of view of the lives they are carrying, and therefore no knowledge of the damages which they may be liable to in respect of these three persons in case of accident, neither is there any comparison between the remuneration and the risk. One of them may be only a clerk at a salary of 50*l.* a year, another may be a professional man earning an income from 5,000*l.* a year and which might cease on his death or serious injury; and the other might be a bishop, whose income would also depend upon his life. It is difficult to define what form legislation should assume in reference to protection to companies in cases of this kind. But it is submitted that it would be fair to the public and to railway companies if railway companies should be made liable in any event to a certain sum which the ticket should cover, subject of course to the proval of damages to the extent comprised in the limit, videlicet, a certain sum for a 1st-class passenger, a 2nd-class passenger, and a 3rd-class passenger. If the public should wish to protect themselves beyond that amount, then they should pay an extra sum by way of an insurance ticket issuable by the railway company; but in this case, as in the case of the Carriers Act, the passenger should not recover the full amount of his insurance unless he proved damage to that extent.

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There is another defect in our law, with reference to railway compensations. It constantly occurs that cases are tried before the courts, in which the evidence goes to prove that the plaintiff is irreparably injured, and it turns out in the sequel that very shortly after the damages are paid, the plaintiff entirely recovers and is enabled to resume his former avocations. Juries should be authorized, in cases of trials where a question of the duration of the injury is brought in question, to give verdicts by way of annuity. There is, however, an objection to this, namely, that it is possible it would result in there being a second trial as to the question when the plaintiff had recovered. In order to avoid this it might be submitted in all cases to the arbitration of three medical men, to be appointed by the Board of Trade, and that they should have full judicial powers in the matter, and full power to deal with the costs of the arbitration, and it should be stipulated that it should not be in the form of a trial, that is, there should be no employment of attornies or counsel, but that the arbitrators should be empowered to call in before them such evidence as they thought proper.

Adjourned to Tuesday next at 12 o'clock.

Tuesday, 24th April 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE HON. E. F. LEVESON GOWER, M.P.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. ALEXANDER CLUNES SHERRIFF, M.P., examined.

Mr. A. C. Sherriff, M.P.
24 April 1866.

16,255. (*Chairman.*) You have had many years' experience in railway management?—I have.

16,256. Will you be good enough to mention the railways with which you have been connected?—Originally with the York and North Midland Railway, which by amalgamation with the Leeds Northern and the York, Newcastle, and Berwick, became the North-eastern. Then I was traffic manager of the North-eastern Company so constituted. I afterwards left the North-eastern Company and went to the Oxford, Worcester, and Wolverhampton, which in its turn was amalgamated with the Worcester and Hereford and another railway, the Newport, Abergavenny, and Hereford, in South Wales, which became the West Midland system. That railway has since been amalgamated with the Great Western Company, and is now part of the Great Western system.

16,257. Your attention has been called, I believe, to some evidence that was given before this Commission by Mr. Oxlade?—It has. Before offering any evidence to the Commissioners upon the points of railway policy, I hope they will allow me to refer to and answer certain scandalous and untrue statements relating to myself, personally, made by Mr. William Oxlade to the Commissioners in the month of May of last year. The evidence of this person is contained in answer to questions No. 1888, 1889, 1890, 1891, and 1892. The statement is in itself incoherent and contradictory; but apart from this, I beg most solemnly to assure the Commissioners that it is a fabrication from beginning to end—a tissue of untruths without one fact to hang them upon. I cannot account for this man's motives in attacking me so mendaciously, unless they arise from a malicious desire for revenge in consequence of the part which my position as traffic manager of the North-eastern Railway compelled me to take in reference to his traffic in 1854, and my subsequent evidence in the Court of Common Pleas in the action which Mr. Oxlade brought against the North-eastern Railway Company. He has, however, fortunately for me, invented circumstances which enable me to call in the rebutting evidence of others, which, if the Commissioners will allow me, I will do. In answer to question 1888, Mr. Oxlade states that I sent for him in 1854, that he waited upon me by appointment, and that Mr. Mason was the party who went with him to see me. Mr. Mason was at that time passenger superintendent of the North-eastern Railway. He is now assistant general manager of the London and

Mr. A. C. Sherriff, M.P.

24 April 1886.

North-western Railway, and I have received from him a letter, which I will take the liberty of reading to the Commissioners:—

"London and North-western Railway,
"Assistant General Manager's Office,
"Euston Station, London, N.W.

"My dear Sir, 20th March 1866.

"In reference to the allegations made by Mr. William Oxlade before the Royal Commission on Railways on the 10th May last (questions 1888–9), to which my attention has been recently drawn, I unhesitatingly give the statement the most absolute and unqualified denial. There is not an atom of truth in the assertion that I ever attended you with Oxlade by appointment or otherwise, or that any such conversation as that related to the Commission took place in my hearing. I am not aware nor do I think it at all probable that any discussion as to coal rates and arrangements was raised or debated between you and Oxlade in my presence, as, at the time alluded to, viz., in 1864, and for several years previously, I held the post of passenger superintendent, and had neither the power nor the wish to interfere in any way with the rates and arrangements for the mineral and merchandise traffic. I need scarcely add that I do not believe there is a word of truth in the scandalous aspersions contained in Oxlade's evidence, and speaking as I do from an intimate official acquaintance of seventeen years' standing, I do not believe that any of your acts, official or otherwise, at any time would afford the slightest foundation for a charge of favouritism, undue preference, or of conduct in any sense reflecting upon your position as a railway officer or your honour as a gentleman. I am quite willing and indeed anxious to attend before the Railway Commission to repeat the foregoing statement, and to answer any questions the Commissioners may desire to put to me.

"I am,
"Yours faithfully,
"Chas. Mason,
"Assistant General Manager, London and
"North-western Railway."

Mr. Oxlade then details a conversation with me, in which I am made to demand a partnership with him; that I offered in return to give him an unlimited supply of trucks, to grant him long credit, and that "we," which I presume must refer either to the company, or to Mr. Mason and myself, will get his bills discounted for him; that I threatened, if these offers were rejected, that "we" would stop his trade; that he did refuse, and that his trade in less than three weeks was stopped. In answer to a question put by the Chairman, he stated that he did complain of his conduct, and could get no relief. He then proceeds to assail the character of other gentlemen in a similar way. In reference to these statements, I cannot do better than read to the Commission a letter which I have received from Captain O'Brien, who, in 1854 was, as he now is, general manager of the North-eastern Railway. His letter is in these terms:—

"North-eastern Railway Company,
"General Manager's Office, York,

"My dear Sir, 8th March 1866.

"I stated to the Royal Commissioners that Mr. Oxlade's account of his interview with you was no doubt altogether untrue, and I did not go farther into the matter, because the Chairman said they preferred to have the evidence direct from yourself.

"On further consideration it appears to me that I ought to give some grounds for the opinion I then expressed, and also that on some points affecting you, the Commissioners might wish to have before them evidence from me, as being the general manager of the company at the time these occurrences took place. You are charged with promising Mr. Oxlade, in consideration of your having an interest in his coke trade, an unlimited supply of waggons, low rates for carriage, long credit, and that the company would get his bills discounted for him. If Mr. Oxlade had known the internal system of the company and the distinctions between the duties done in the separate departments, he would certainly have avoided putting such promises into your mouth, as he would have known that you had no power to fulfil them. With regard to waggons, you might for a time have given him some preference, but there is no point as to which rival coal owners are more jealous of each other than this; and before long complaints of favouritism would have been made to me, or to or by North-eastern directors interested in the coal trade, with the certainty of immediate investigation. As to low rates, it so happened that at that time these rates on coke to Staffordshire were very much discussed and watched with great jealousy by the directors. They were invariably settled in committee, confirmed subsequently by the board, always with my cognizance, and generally with that of Mr. Harrison, our engineer. As to these particular rates, the traffic manager had really no discretion nor any power of favouring individuals. With regard to long credit and discounting bills, Mr. Oxlade was certainly not aware that everything connected with payment, credits, and bills passed neither through your department nor mine, but through that of the accountant exclusively, who brought all such matters under a separate committee, viz., the finance committee, and who received his orders from them directly without reference either to you or to me. Mr. Oxlade further states, that in August 1854, you, because he would not enter into the alleged arrangement with you, threatened to stop his trade if he did not do it; that in three weeks you did stop his trade; that he complained of this threat, but no relief was given, and that a few months afterwards you ceased to be connected with the North-eastern Railway. It may be hardly worth while noticing, and I only do it as another instance of Mr. Oxlade's habitual inaccuracy, that you did not leave the North-eastern Company for two years afterwards. I therefore go on to say that I am perfectly acquainted with the whole history of the stoppage of the waggons, and the reason why they were stopped. There never was any doubt or question about it. The reason which he now gives for the company's stopping these waggons is altogether untrue, and he must know that it is untrue, because he brought an action against the company on this precise point, and the matter was fully investigated in open court. The facts, as then brought out, are as follows:—Mr. Oxlade purchased coke in Durham, and forwarded it to Staffordshire, chiefly in North-eastern waggons. These waggons being detained in Staffordshire beyond the usual time, the North-eastern Company required the Staffordshire Company to pay them demurrage, but they refused, alleging that the fault did not rest with them, but rather with the manufacturers into whose sidings and premises the waggons had been taken. The Staffordshire Company applied, with reference to this demurrage, to Mr. Oxlade, who answered, under date September 14th, 1854:—"Yours of the 12th inst. to "hand, and, to save you any further trouble respecting the demurrage, please note I will not pay any "demurrage to any railway company." The Staffordshire Company thereupon gave notice to the North-eastern Company in these words:—"We must "beg to decline receiving any more coke in your "waggons on account of Mr. Oxlade. He has evidently sent the coke here prior to its being sold, "and we now have some waggons here that have "been standing nearly a month." The North-eastern Company then applied to Oxlade himself to pay demurrage, who gave them notice in return that he would pay no demurrage. The North-eastern Company then gave him notice that they would not allow their waggons, loaded with his coke, to go off their own line. Oxlade persisted, however, in getting North-eastern waggons loaded and ticketted for Staffordshire, and the North-eastern Company then gave him notice that they would not allow any more of their waggons to be loaded for him for places off their line. Notwithstanding this, he surreptitiously got some of their waggons so loaded and ticketted, and

these, inadvertently, were hauled by the company to York. There, according to their previous notice, the waggons were unloaded, and the coke was stacked in the company's yard. Oxlade thereupon brought an action in the Court of Exchequer, averring, first, that we would not carry his coke beyond Altofts (Normanton), the southern terminus of the North-eastern Railway, for Great Bridge, in Staffordshire, where he had consigned them, and, secondly, that we had converted his coke to our own use. The case was tried at York, in July 1856. Payment for the coke which had been unloaded and stacked was made to the plaintiff in Court, which disposed of the second part, and he was nonsuited on the first, with leave to move. This he did, and the rule was refused with costs, Mr. Baron Martin using the words—"I am "most clearly of opinion, on the evidence which I "have before me, that there is no cause of action by "Mr. Oxlade in respect of these waggons of coke, "which are said to have been tendered them to con-"vey; I really am disposed to deal with this case on "the substance of it. On the part of the counsel for "the company the case is unanswerable." It is also clear to me that this allegation of Mr. Oxlade's against you is an afterthought, because if there had been any ground for it it would have been long ago stated either to me or to the directors, and would not have been kept secret for eleven years. Moreover, it was subsequent to this period that the very long investigation took place before Master Parke, at which Mr. Oxlade and his solicitor brought out every point they could think of—among others this particular one of not paying demurrage, and the trucks being stopped, but they never ventured on such a charge as is now alleged; indeed it never was suggested that the stoppage of the trucks was done on any other grounds, or for any other reason, than that Mr. Oxlade refused to pay demurrage if detention occurred off the company's own line.

"I am, my dear Sir,

"Yours truly,

"W. O'Brien."

"A. C. Sherriff, Esq., M.P."

In addition, I would refer the Commissioners to Brown's Railway and Canal Act Cases, page 24, and to the appendix, page 29, in which Oxlade's case is stated, and the judgment of Mr. Justice Creswell given, and it will be observed that in the judgment reference is frequently made to my own evidence. The evidence spoken of was given by me before the Master, Mr. Parke, and I may add to the remarks in Captain O'Brien's letter that, to the best of my recollection, I was ten days under examination in this matter, during three or four of which I was under the cross-examination of Mr. Oxlade and his solicitor, and that never during the course of this protracted inquiry was a single word of this story told, or even hinted at, although Mr. Oxlade was present during the whole time. I am really unable to give any further explanation to the Commissioners than that which I have now offered. The man is either revengeful or mad, I do not know which of the two.

16,258. Will you be so good as to favour the Commission with your opinion as to the principle of uniformity of rates?—I do not believe in the policy of establishing on railways one uniform mileage rate of charges for the conveyance of passengers, goods, or minerals, and I am strongly of opinion that if the legislature were to compel railway companies to adopt such a system they would commit a great injustice as respects railway property, and inflict on the commercial interests of the country a most severe blow.

16,259. Will you state in the first instance why you think they would be injurious or unjust to the railway companies?—If the principle of uniformity were forced on the railway companies, they must, in justice to themselves, adopt fares and rates much exceeding their present average, in fact sums equal to, or approaching the maximum charges authorized by their respective Acts. This change would not materially disturb the short distance traffic, because, as a rule, I believe maximum rates are charged for short distances, but it would vitally affect a vast proportion of the long mileage traffic. In fact the alteration would, I am certain, annihilate the bulk of it.

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16,260. (*Capt. Galton.*) Do you mean uniform rates for goods?—Yes. Some places and industries would benefit for a time, no doubt, but in the end all would suffer. Besides, if railway companies are compelled to adopt a system of uniform rates, so in common justice ought canal companies and persons trading on those canals, steam packet companies, and even carriers by road, for railway companies compete, as a matter of course, with all these classes of carriers,—coastwise, by inland navigation, and even by road. So that a uniform rate would certainly have to apply to all the carrying interests, whether on railways or outside of them.

16,261. (*Chairman.*) Do you know whether the rates charged on canals are usually more uniform than on railways?—I do not think they are. I believe that the canal rates are generally much less uniform. I believe that there is an immense number of vessels trading upon canals that pretty nearly take anything they can get at times, just to keep their boats working.

16,262. (*Capt. Galton.*) Are the tolls on the canals tolerably uniform?—Yes. On some canals, such as the Birmingham canal, they are very uniform, the traffic is large, and the works are all situated on the side of the canal. I fancy they are pretty uniform, at any rate I suppose they are, from my experience of them. I take it that those canals which are successful canals are pretty rigid with their tolls, and in the case of those which suffer a very considerable amount of competition, I daresay the tolls are elastic.

16,263. There is no uniformity between the charges made by the persons who carry the goods?—No; and there has always been a difficulty in such cases, for railway companies have been always anxious to get an understanding with canal companies, they sometimes charging a few pence more per ton, and at other times charging the same rate, according to the circumstances of the traffic, but they have never been able in any way to bind the persons who are the owners of the boats, or those who hire the boats.

16,264. A canal is more like a public road or highway on which any person may take a boat who pays the toll?—Yes, it is.

16,265. (*Mr. Horsfall.*) But that principle exists upon all railways, does it not?—Yes. Special rates certainly are in the same category, although not to the same extent, they are forced upon them. I take it that all parties are to meet the circumstances of the traffic in their respective districts by as low a rate as possible, if they find it will be in any way remunerative to them; but that is the difficulty, in fixing any average rate, which would, I think, prevent that practice being carried out.

16,266. You would not, I suppose, approve of a railway company charging a higher rate for a short distance than for a long one?—Yes, I should. A short distance rate is always necessarily a higher one than for a long distance.

16,267. In proportion to the mileage?—Yes.

16,268. Would you approve of a railway company charging a lower rate, for instance, from Birmingham to London, than from Liverpool to London?—I should not say that I should condemn that altogether; it by no means follows that the most profitable part of the bargain would not be the low rate, it depends upon the circumstances, the quantity and variety of the produce. I would not say that I should not approve of it. I have done it many times myself, and I think I was perfectly justified in doing it. If there is a large traffic, say between Liverpool and London, hundreds of tons of goods in train loads, it is easily gone about; it costs the company a great deal less than the traffic within 10 miles of London, which would be conveyed in smaller quantities, and there would be more trouble and expense attending it. I think it is

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objectional always to do it, if it could be avoided, but I should not condemn it without knowing the particular circumstances.

16,269. (*Mr. Glyn.*) You would, I suppose, leave the board of directors to regulate that as they think fit, being governed by their maximum charges?—Yes; their maximum charges are what Parliament has fixed as the boundary beyond which they shall not go. I think that it cannot be left better than it has been.

16,270. (*Mr. Horsfall.*) Is there a maximum charge with regard to parcels?—There is practically a maximum, but parcels are interfered with in two ways—by the packed parcels companies, and to a small extent by the Post Office; and although there is no maximum in many Acts of Parliament, still there is a long settled price, which is seldom or never exceeded.

16,271. You would not say, I suppose, that it was justifiable for a railway company to take a parcel 200 miles for less than they would take it 120 miles for?—I should like to know the circumstances of the case. I am not prepared off-hand to give an opinion even on a point of that kind, for I know very well it would neither be satisfactory to the Commission nor to me. I would deal with that as with the question of goods. There may be circumstances that would justify it, but I admit that they ought to be strong circumstances to justify such a thing.

16,272. On the London and North-western railway would it be right to charge a smaller sum for a parcel from Liverpool than on a parcel from Tamworth going only half the distance, but to the same place?—Supposing that there were between Liverpool and London half a dozen packed parcels ——

16,273. I do not speak of those; I mean single parcels?—If there were packed parcels companies trading between Liverpool and London, and a steamboat also trading between Liverpool and London, each taking parcels at low rates, I should not say that I would not take parcels to compete with those companies to London, and at the same time charge the ordinary rate as between Tamworth and London.

16,274. (*Capt. Galton.*) It would be more beneficial to the public that a railway company should charge a low rate for parcels where there was that competition going on, and charge the full maximum rate between the towns where there was none, rather than cease to carry parcels between the places where competition existed?—Yes. Although there may be no Parliamentary maximum for parcels, I believe that parcels, according to the maximum which railway companies charge for them, are not overcharged. I say that it is far better that they should be allowed at certain places to charge the maximum which is understood; and if Parliament has not limited it, it might be limited, and to charge a low competing price at other places, than it would be to confine them to one uniform rate throughout the country.

16,275. (*Mr. Horsfall.*) There is no maximum as to parcels, is there?—That is the fault of Parliament. I should have no objection, nor would railway companies, I think, that Parliament should fix a maximum rate on parcels as on passengers and on goods. The adoption of a plan of uniform rates would put an end to competition between railway companies and steam or sailing vessels trading coastwise, and also in most cases as between railways themselves, and give the traffic to the water conveyance in the first case, and to the shortest route in the latter, as will be shown in the following examples. Take first the immense traffic between Newcastle and other ports and places on the east coast and London. The railway companies, in order to compete with the steamers and sailing vessels which trade regularly between these places, have reduced their rates to an extremely low figure. At the same time they charge from and to certain inland stations on their own lines which cannot be served by water a different and higher amount, although such amount may be more or less under the maximum allowed by their Acts. The low-rated traffic the railway companies consider as competitive and exceptional, the station-to-station traffic as regular and ordinary.

If they were compelled to name an uniform mileage rate, they could not adopt the low exceptional charge, because by such a course they would so reduce their aggregate net income as to prevent payment of interest and dividend. But although the exceptional rate would not answer as an average one, the competitive traffic carried under it leaves a certain amount of net profit after payment of expenses, and may therefore, to a certain extent, be called remunerative.

The withdrawal of the low rate would it is evident be tantamount to a rejection of the traffic, and accordingly a certain amount of net revenue would be lost to the railway companies. This loss would of course form an element in the consideration of an uniform mileage rate, and the result would be the application of a higher charge between inland stations, in order to make up for the loss of the coasting trade. This trade would be handed over to the water carriers, and, inasmuch as the uniform rate adopted by the railway companies would leave a large margin within which the water carriers might safely operate, the traders would be called upon to pay an increased freight by sea; so that, with the exception of the shipping interest, it appears to me that all parties would suffer by the adoption of an uniform rate such as I have described, say between the east coast, Newcastle, Sunderland, and other places and London.

16,276. (*Mr. Glyn.*) In fact competition would be removed?—It would be removed entirely from the water, and the water carriers would have a margin for higher rates, which, I need not tell you, they would take the advantage of levying, and the consequence would be that all parties, except the water carriers, would suffer. I will next take a case as amongst railway companies themselves. Between London and Manchester there are four great systems of railways, the London and North-western, the Great Western, the Great Northern, and the Midland. They compete for the traffic at equal through rates and fares, although each of them differs, as respects mileage distance between the places. The public uses all of them, because, although the charges are alike, the number and times of trains, the position of stations, and other local circumstances ensure to each company a proportion of the traffic, and conduces greatly to the public convenience. Compel uniformity of mileage rate, and, as it seems to me, this accommodation vanishes, and the traffic must be carried by the company possessing the shortest route, who would retain it until a shorter route should be constructed. It would be useless to multiply instances, they occur at almost every large centre of traffic throughout the country. As between Birmingham and London, referring to the London and North-western and Great Western companies, the one is 112 miles, and the other 130, and if they were to charge an uniform rate, it would give the London traffic all to the London and North-western Company, but as between Oxford and London you would give it all to the Great Western Company, as their line is much the shorter route.

16,277. (*Earl of Belmore.*) Have not railway companies the right, even where there is no competition, to carry for a longer distance at the same or even lower rates than for a shorter distance, where by charging a higher rate for the longer distance than for the shorter distance they would destroy the traffic for the longer distance?—Yes; they have the power.

16,278. Have they the right?—I think so, and for the reasons I have stated. I see no one who is damaged by it; no one has any cause to complain about it if a man is paying within his maximum for 40 or 50 miles. It is impossible to create and to nourish traffic for 100 miles without charging a low rate; and I do not think that the man upon the 40 miles is damnified by the arrangement which the railway company makes. I will endeavour to illustrate it by giving

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the Commission an instance to explain my meaning, in a case in which I myself am a trader. In venturing to express an opinion that the present system is the only practicable one, and that it would be most unwise to meddle with it to any extent, I do not deny that there are attendant anomalies, and even cases of hardship, but in the main I believe that the public are admirably served, and I say so, not only as one who has had practical experience of over a quarter of a century in the management of railways, but also as a person largely interested in trading concerns which pay considerably over 100,000*l.* per annum for railway transit. With one slight exception I have not seen the evidence on this subject given by traders to the Commission ; but from my own experience I can easily understand the character of that evidence. I do not believe that established cases of favouritism, that is, of giving one trader in a district any advantage over another trader in the same district, can with justice be alleged against railway companies, because from what I know of boards and managers, such a preference could not be given. The utmost possible jealousy is always manifested on this head, and I firmly believe that equality of treatment is the invariable rule ; I mean with persons in the same district.

16,279. (*Mr. Horsfall.*) You are now speaking of the present system ?—Yes.

16,280. It has been stated in evidence that formerly the plan used to be adopted of giving one trader a preference over another ?—I am speaking now of what exists at the present moment. Many years ago when such things would have been done they would have been borrowed in a great degree from private carriers who had no fixed rates, and who charged just as much as they could get from anybody.

16,281. (*Capt. Galton.*) You have had experience both as a railway manager and as a trader ?—Yes.

16,282. You have very large works in Durham, have you not ?—Yes.

16,283. And also engine works at Worcester ?—I am the chairman of those works ; but I am a partner of the works in the north. It is very likely, I know it from experience, that the traders in one district may complain that the traders in another district have lower rates than are given to them. I have no doubt that that is so, because it has come under my own notice repeatedly ; and they do not appear to have the knowledge that, generally speaking, they have in their own district rates which are quite as low. For example, if a man wants a low rate for grain between Worcester and London, he generally comes and tells you that a certain low rate exists between Liverpool and London ; and I might point out to him, as I have done repeatedly, that there is no necessity for this low rate as between Worcester and London for grain ; but that they have in other industries between Worcester and London a lower rate probably than exists between Liverpool and London.

16,284. You contend that the present system of charging such rates as the railway company can obtain enables traders from different districts to compete with each other in a particular market?—Yes.

16,285. Which would be entirely prevented by a system of uniform rates ?—Yes, entirely ; and I can refer to a case in which I am myself interested, which will show, I think, the way in which this power of railway companies, which they consider a beneficial one, operates. I am partner in an iron-smelting concern at Ferry Hill, in the county of Durham. We are, as regards transit accommodation, entirely in the hands of the North-eastern Company, as neither coal nor iron ore is procured on the spot, but they are conveyed from places more or less distant on the North-eastern line ; and I need hardly say that the cost of carriage of these raw products is a material consideration with us. The North-eastern Company charge us a certain amount for coke per ton per mile from the various collieries, which is not excessive, and is not complained of. But the North-eastern Company, in conjunction with the Midland and London and North-western Railways, convey coke from the same places for iron-making purposes to the Midland, Cumberland, and South Staffordshire districts, and for this traffic they charge a rate per ton per mile considerably lower than is charged to us and other pig-iron makers in their own district. Now, as iron-masters, this low rate affects us in two ways : it cheapens the cost of fuel to our competitors in the districts I have mentioned, and it thus enables them to rival us in certain markets for the manufactured article. Next it is the means of withdrawing large quantities of coke from the Durham district, and consequently raises the price of the article to us. And thus by increasing the cost price of our pig iron still further reduces our capabilities of competition with these distant makers. We applied therefore to the North-eastern Company, and asked them either to raise the rates of carriage to the districts in question, which we should have preferred, or to reduce our rates to the same level as theirs, and we supported our views by the reasons I have just stated, and by an argument that we conceived to be perhaps stronger than the other, and which was that the railway company, by assisting to withdraw so large a quantity of coke from the district, were raising the price to themselves, inasmuch as they were by far the largest consumers of coke in the district.

The North-eastern Company did not accede to our request, and to justify their refusal pointed out many local advantages which we possessed, and many low rates which, in conjunction with the Midland and London and North-western Companies, had been quoted for the carriage of our pig iron to the stations of these companies, and among others, to an exceedingly low rate to South Staffordshire itself, which enabled us to send very considerable quantities of pig iron into the very district of our opponents. I will not say that these reasons were entirely satisfactory to many of us, because some of us considered that the coke rate should be advanced to distant makers, and that there were good reasons for continuing the low charge for pig iron from the Cleveland district to the places which now used the article ; but it is quite possible that an authority having no private interests to serve, and looking only at the public advantage, might decide that the North-eastern directors were right in the decision at which they had arrived, and that we, the Cleveland traders, were wrong.

16,286. By the system of charging special rates the railway company becomes the arbiter as to what the trade of a particular district shall be, does it not ?—Yes, and a very fit one, I think, because their own interests are involved in the matter.

16,287. You mean in developing trade to the largest extent ?—Yes, on their respective lines.

16,288. (*Mr. Glyn.*) It is therefore safe in their hands, you think ?—I consider it is quite safe in their hands, and I have given, I think, one of the best examples of it. Instead of building our furnaces where we might have had competition by water, we have built them in the very centre of the North-eastern district where we have no other railway, and in truth at the last amalgamation we advocated it, because we find it is better to have to deal with one large system of railways than with half a dozen systems with a view to getting our trade developed.

16,289. (*Capt. Galton.*) You think it is quite sufficient to trust to the railway company, its interest being to develop the traffic to the utmost extent ?—I do. At times it is possible that traders and railway companies may have different views on the subject, but I would as soon trust the railway companies as anyone. The trader may have a little difficulty at times in getting rates which he may consider to be low enough, but upon the whole it is safer, I believe, in the hands of the traders and the railway companies than in the hands of any other tribunal.

16,290. (*Mr. Glyn.*) They are working a very

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large capital, and they have always the greatest interest in developing the traffic ?—Yes.

16,291. (*Mr. Horsfall.*) Instead of leaving it in the hands of the railway company, would it not be rather more satisfactory to the trader to let the matter go to arbitration ?—I do not believe that arbitration is worth anything. I believe it would lead to more evils that it would cure. I do not know who would arbitrate. I know of no one who has the necessary information, and who could arbitrate upon the matter to satisfy either the one or the other. In my experience of 35 years I do not know that the public have been so interfered with or injured by the present system as to make any change desirable. I maintain that, although there may be a few discrepancies and hardships, upon the whole, the public have been admirably served by the railway companies.

16,292. That is no doubt your opinion, and I do not say that it is not correct, but supposing that the traders think otherwise, and are dissatisfied, why should you object to arbitration ?—Because it would lead to continual interruptions in the course of the traffic, and for one evil that it would cure, it would bring in half a dozen others. I would therefore leave the matter as it is.

16,293. (*Chairman.*) You think that the best plan is to leave it to the traders to fight out with the companies the question of rates ?—Yes, and they always do that. The railway companies are continually before Parliament unfortunately, and there is always an opportunity to make complaints ; if there is any hardship, it always comes out in those Parliamentary conflicts, but there are very few cases of hardship. I have heard very few indeed brought forward before Parliamentary Committees, and I believe that in reality, when they are properly sifted they appear to be causeless, or nearly so. I believe that the present system is better than any other, and that it is continually getting better.

16,294. (*Mr. Horsfall.*) No doubt it would be as you say in the case of a large trader, that he would fight the company and come before a Committee and make his complaint, but take the case of the small traders, they would not be so well able to do so ?—They could do it by combination, and they have again and again brought evidence before Committees in the case of the amalgamations of new lines ; not one trader alone, but a number of traders have combined together.

16,295. (*Mr. Glyn.*) I think you have said that a new classification of goods might be an advantage ?—Yes, I think so.

16,296. (*Chairman.*) Is the system at present in force on the North-eastern railway the same as that which prevailed when you were manager ?—I think so.

16,297. Was the system then to carry at equal rates from all the different ports ?—No.

16,298. You are probably aware that the traders of Hull complain that Hull is placed at a disadvantage as compared with other ports to the north, Hartlepool and ports on the Tyne ?—Yes. I lived in Hull some time, and I think if you were to make a mileage rate of it, that the next thing would be that Goole, from being much nearer, would get the traffic, and Hull would then complain that the traffic was taken to another place. Any place up the river, from 20 to 30 miles, would then have an advantage, which would draw vessels there, and I think upon the whole that the North-eastern Company have done right in making a uniform rate, leaving it to develop the respective ports.

16,299. You think, generally, that the enforcement of uniform rates would be destructive of a large part of the traffic that now exists ?—I do most sincerely believe that such a system would be one of the greatest blows that could possibly be given to the commerce of this country. I say that because I know that the average rates for goods and minerals have really been in course of reduction from year to year, and the tendency of railway management is really to reduce the average rates which are charged.

16,300. What are the causes in operation which lead to that gradual reduction of the rates ?—The fact is that railway managers and boards of directors have to obtain their information as regards traffic from their respective local agents and local managers. These men are in constant communication with the traders of the district, and their own position in the company depends in a great measure upon the increased trade which they bring to their respective stations. Therefore you will always find that the local agents are advocates for low rates, in order to bring a large increase of traffic to their respective stations. That is its effect ; I have seen it in my own experience. I believe that local rates have been very considerably reduced, and that they are in course of reduction now from that cause. The weight has been increased, and the average rates are reduced. There is one point connected with low special rates which I should like to bring before the notice of the Commissioners. Connected with the issue of low special rates there is one stipulation made now and then, much less frequently now than in the past, as a condition attendant upon their being given, which I believe to be unjust to the majority of traders, and injurious to the companies themselves—I mean when quantity is made the essence of such an issue. A contract strictly founded on such a basis is the nearest approach within my knowledge to acts of favouritism by railway companies, as its effect must often be to benefit large producers or consumers, and to inflict a penalty upon smaller ones.

16,301. (*Capt. Galton.*) You think that a special rate should not be given to individuals in consequence of that, but to the whole class of traders ?—Yes ; and I will endeavour to explain that. I do not question either the legality or fairness of making what are called differential rates when the circumstances are greatly disproportionate, and when the cost to the company for performing the service is manifestly dissimilar, but I will refer to cases of a more doubtful character, which I will endeavour to describe. I will assume the case to be connected with the transit of coal, and that the localities in question are South Wales and London, it being understood that I have no reason whatever for selecting these places to illustrate my meaning. It must be taken for granted that application has been made by one or more of the colliery owners to the railway companies occupying the country between South Wales and London, to reduce the existing coal rates between these places, with a view to a larger quantity being sent than had hitherto been transmitted. The first consideration of the railway companies would be whether the reduction applied for would ensure to them an amount of net revenue so much in excess of that at present derived as would justify them in reducing the existing rate, and their inquiries would naturally be directed to clearing that point from doubt. In the first instance I can easily imagine a large colliery owner who raises his thousands of tons per day being in a position to say to the railway company, I will relieve you from any difficulty on that head. The quantity sent from my collieries at present by sea and the increase which may naturally be anticipated from the convenience and certainty which attend railway transit, when compared with sea-going vessels, justify me in offering to send by your line two train loads of coal per day of 100 tons a train a day, or say 60,000 tons a year, provided that if that quantity is sent you will allow me a drawback of a certain amount per ton, and, if I fail in forwarding the weight, charging me as you change other persons sending a similar quantity. Such a proposal would be very tempting, and an arrangement founded upon it would not act unfairly, if he were the only colliery owner in the locality, or if all the others were equal to him in respect of the quantity of coal raised and forwarded ; but if the district contained a number of collieries varying in size and importance, producing the same character of coal, and sending it to the same market, the case would in my opinion be materially altered. Some of these collieries

might be able to send only one train per day, perhaps two of them might have to combine to send a train ; but it seems to me unjust, in circumstances where the expense of transit to the company must be nearly the same, to inflict a penalty upon the smaller trader, because it is physically impossible for him to comply with the conditions which would entitle him to the drawback or minimum rate. That is the only ground for an exceptional rate, which in my experience is highly objectionable to the public at large.

16,302. (*Mr. Glyn.*) You would give a reduced rate to the large traders in the same district ?—Yes ; I hold that it should be extended to the whole trade if it is worth while to do it at all.

16,303. (*Mr. Horsfall.*) Has not this system been already adopted on most lines of railway ?—I really do not know, I am afraid not ; years ago I know it was not adopted on lines of railway ; at all events there have been cases where it has not been adopted. But I think it is a most just principle, and ought to be universally applied.

16,304. (*Chairman.*) Do you think that it is beginning to be generally reduced as the duty of all railway companies so to deal with the traders ?—I think so ; I think there ought to be no departure from such a principle. Years ago it was a very common thing to make a bargain, and to say to a trader, if you will send 100,000 tons we will give you a rate lower than the ordinary one. I know that it must inflict upon small traders a hardship, because it either reduces their profit or keeps them out of the market altogether. I now come to a very important matter, viz., the employment of private waggons on railways.

16,305. Will you be good enough to state your views as to the employment of private waggons on railways ?—As connected with the transit, but especially with that of coal and coke, the subject of the employment by colliery owners and merchants of their own railway trucks has, no doubt, occupied much of the attention of the Commission. During my active connexion with the management of railways, this feature of railway traffic was being constantly and unpleasantly forced upon our attention. Whenever detentions occurred, no matter from what cause, they were set down, not so much to neglect on the part of the railway company, as to a systematic determination to give their own stock and that of other railway companies a priority of transit over the waggons of private traders. I am quite convinced that such an impression is ill-founded, because I believe that railway boards, as a rule, issue positive instructions that no selection of this kind shall be made, and that railway managers are really anxious to facilitate the working of these trucks ; yet I am bound to express my opinion that in very many cases these waggons do not run the number of miles which might be got out of them under different arrangements. It is true that very often the delays arise from faults of the consignors or consignees, involving delays at stations especially ; but it seems to me exceedingly likely that the absence of any active interest to prevent these delays on the part of railway companies does not tend to render the detentions less frequent or of shorter duration.

16,306. (*Capt. Galton.*) If a person to whom a waggon was consigned with goods was required to pay demurrage for it, as he would be in the case of the waggon belonging to the railway company, he would be more likely to send it back soon than when it came from a private trader, in which case he would not be called upon to pay demurrage ?—It is a matter between the seller and the buyer. The railway companies in many cases know nothing of the transactions between these men. A coal owner loads a quantity of coal for his customers at various places, and sometimes the customer says, I never ordered that quantity, and the consequence is that the coal stands in the waggons to the great disadvantage, no doubt, of the company, at the stations, blocking up the place, and a great deal of inconvenience arises from it.

16,307. What would take place in the case of the waggons if the whole of them were owned by the railway company. Would the persons sending the coal take care to send a smaller quantity, so that the waggon should not stand in the way, or would the person to whom it was consigned be more likely to unload it directly ?—I think if the railway company found all the waggons, and if the colliery owner was in the habit of sending more than was ordered, that they would unload their waggons, and charge the colliery owner with the expense ; but when the waggon is not the railway company's waggon, there is no inducement to take that trouble.

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16,308. (*Mr. Glyn.*) In point of fact the waggons are used as depôts ?—Yes. I think it is very injurious to the traders, because the number of waggons employed by each is greatly in excess of the quantity actually required to satisfy their separate average requirements, whilst in the case of exceptionable spirts in trade, they have no help from the surplus stock ; and because, although traders cannot control the transit of their stock, and are entirely in the hands of the railway companies as to its proper working, any irregularity involves them in increased expenses and loss of trade ; for example, if a man has 40 or 50 waggons, and they represent the average quantity that he sends out, unless they are kept working regularly, daily, he will sustain a loss ; a few hours' delay may cause him very great expense. Take the case of coal, or people who raise the coal over the pit's side, it is of very material consequence to their profits, that if there are 10,000 waggons in the trade, those 10,000 waggons should do all that 10,000 waggons can do, and I do not believe that they do anything of the kind. I say, therefore, that it is very injurious to the traders, because instead of having an opportunity, if they have a large call upon them, of choosing from a large stock, because some traders would probably not have that opportunity, when a large call comes upon them they are compelled to fall back upon their own limited number, and then the delay, either on the part of their customers, or on the part of the railway companies, throws them on their backs.

16,309. (*Mr. Gower.*) You would not prohibit railway companies from sending private trucks ?—No, but I should be inclined to compel them to find the trucks. I think it would be a compulsion that would do them good, if you enabled them to purchase the trucks, and gave them an opportunity of doing so. I think that the present system is injurious to them in the main. There are some cases of large collieries, like that of Clay Cross, from which train loads per day run to London, and I dare say it does not matter whether they are the railway company's trucks or not ; but take a great number of cases out of London, I think it is a waste of power for a number of people to have each of them a stock of trucks, when the whole might belong to one interest, and be distributed as they were required.

16,310. As I understand you, it would be to the advantage of both the railway companies and of the traders that a change of system should take place ?—Decidedly.

16,311. Would not the present state of things which you have described almost ensure a change without any compulsion ?—It has not done so yet, and the employment of private waggons has now got to an immense head. Upon any railway with which I have been connected I should gladly have found the waggons but for one reason, and that was poverty; and I really believe that poverty on the part of railway companies has been at the root of the matter, and the cause why these private waggons have been employed; it has been from the impossibility in many cases of railway companies raising the necessary amount to supply stock, and therefore it has fallen upon the public to do it, but I believe it would have been better if the railway companies had done it.

16,312. (*Capt. Galton.*) Do you think it would economize all the working expenses ?— I think it would, and I am coming to that point.

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16,313. (*Chairman.*) The practice I believe is different upon different railways as to the employment of private waggons ?—Yes; the North-eastern Company are a company that find nearly all the waggons, there are a few private waggons, but not many.

16,314. (*Mr. Gower.*) Would there not be this objection to compelling the railway companies to buy up the private trucks, that it would depreciate the property which the private traders now have in their trucks ?—I would oblige them to buy those trucks. I believe that the railway companies would buy those private trucks. I see no reason why they should not purchase the stock which is running on their own line The present state of things I think is a disadvantage, it costs a great deal more money than it ought to do. There should be an arrangement between the traders and the railway companies, and I think that there would be great advantage to be obtained by having all the stock in one hand.

16,315. (*Mr. Glyn.*) Upon the whole do you not think that there would be a saving of capital ?—Yes; and of great danger and inconvenience. I believe that there would be a very considerable saving in the number of expenses.

16,316. (*Capt. Galton.*) And perhaps the operation might be made to extend over several years ?—Yes.

16,317. (*Chairman.*) Have you any memoranda on which you could base any reduction in the amount of the rolling stock that was required, if it was all in the hands of the railway companies ?—Not at the present moment, but I believe that taking into account all the rolling stock of the private traders, two-thirds of it would do the work that the whole of it now does, if the whole were in the hands of one interest who could use it as it was wanted, and keep it as it were on its legs.

16,318. (*Capt. Galton.*) That is to say, one-third of the capital invested might be saved ?—Yes: and I will just mention to the Commissioners why I think that railway companies ought to be parties to this plan. The present system is most injurious to railway companies, because it involves the moving to and fro of a vast amount of useless dead weight. It necessitates at stations, sidings, and junctions a greatly increased amount of that very expensive and destructive operation of shunting in order to effect the proper marshalling of trains. It prevents the back loading of trucks, and consequently increases greatly what every railway manager is anxious to avoid, the conveyance of empty vehicles for which no charge is made. It is attended with an increased chance of break-downs during the journey, arising in many cases from the faulty construction of private waggons, poverty of materials, and lack of attention to their being in good running order; and lastly the combination of these circumstances involve delay and danger, the importance of which it is impossible to overestimate. There is nothing more usual than to have what is called a pick-up train, which consumes more time at the stations in shunting than upon any journey throughout. I know that, in consequence of shunting, pick-up trains, for months together on the West Midland line, did not make more than about eight miles an hour, and it is not only a loss of time, but it is dangerous at junctions, because at many places, at stations, the main line is generally fouled in the operation of shunting, and it always causes a very considerable increase of danger to have the line fouled at any time.

16,319. (*Earl of Belmore.*) What do you mean by the expression "fouled?"—While they are shunting, a certain portion of the train is standing on the main line. At all the considerable stations they have sidings, and they take the train off the main line; but at small stations where they have to be served with coal, there is nothing but the main line and the sidings where the trucks are put on.

16,320. (*Mr. Glyn.*) You cannot dispense with the shunting ?—No; but I want to dispense with it as much as possible. By having a number of waggons in one of the small stations, which have all to be put in separate places, you increase the time occupied in shunting, and you increase the danger as well as increase the expense. The shunting must go on, but it ought to be lessened as much as it can be. Then, as a rule, railway companies have not that control over the kind of stock which they run, or as to the condition in which it is. It is true that all private waggons are supposed to be examined by the company's engineer.

16,321. Is not that a very material consideration? —A very material one, for I believe that the stock of private traders is not, generally speaking, looked at with that minuteness which the stock of the railway company is, and it is in bad running order. On many occasions the vehicles themselves are defective in make and in quality, and they are not kept in that good running order which the railway companies would keep them in if they were their own. I think it would be an excellent arrangement if railway companies could find all the waggons that were required.

16,322. (*Chairman.*) Do you think that private traders would be willing to part with their waggons ? —On fair terms no doubt they would. Their transit now costs them a certain amount per ton; they can either hire them or buy them, and at the end of the year they calculate what the material moved in them costs them per ton. They have therefore all the data requisite for an arrangement with the railway companies, and which I believe must conduce to the interests of both.

16,323. (*Mr. Glyn.*) Would there not be a great saving of capital ?—A very large saving, and I think it would be very easy to get over the difficulty of the railway companies buying the stock if you gave them borrowing powers in addition to the power which they now have, which is about to the extent of one-third of their share capital. I would allow them on certain conditions to borrow the requisite amount of money to enable them to purchase these waggons, and I do not see that any harm would come to any one. It would be impossible for many of the railway companies to do it unless that power was given to them, because their borrowing powers are exhausted, and their share capital is also spent.

16,324. (*Chairman.*) Would it be possible to confine these additional borrowing powers to the purchasing of the rolling stock ?—Yes; I think there could be nothing more easy than to keep railway companies right with their borrowing powers. I would have them in the Gazette every three months. I would require them to make a declaration of the money they had borrowed, so that it might be perfectly well understood which company had and which company had not exceeded its powers. The present system is really no protection whatever, because railway companies can borrow money in other ways than by debentures, and they do so. I think that if a declaration was made, and no company would object to it, they would be kept right by being compelled to make a declaration that the sums borrowed are what they state they are.

16,325. Will you be kind enough to state your views as to terminal charges ?—This is a very vexed question, and I confess that I am unable to make any recommendation to the Commission, which, to my own mind, while it did justice to the railway companies, would also protect the public. Terminal charges must of necessity vary greatly at different places, inasmuch as the expense of the services performed vary as well. The cost of these services depends on local circumstances entirely. It is contingent on the quantity of traffic dealt with, upon its character, upon the different amounts paid for rates, gas, packing straw, labour, cost of land and sidings, expense of stations, distance of the consignor or consignee from the station, and many other items.

16,326. Will you state what, according to your view, railway companies are entitled to include under "terminal charges ?"—Everything but the transit.

16,327. The cost of the land, and the rails, or the sidings ?—Yes ; and the labour of shunting ; and, in fact, all the expense off the main line.

16,328. Do you think that all these properly come under the terms "loading" and "unloading" ?—I think that the tolls given in the Acts of Parliament are for the mere transit of an article on a railway, and that whatever is plus that they have a fair right to charge a reasonable sum for.

16,329. (*Earl of Belmore.*) Do you think that a railway company has a right to receive any profit out of terminals ?—No.

16,330. (*Mr. Horsfall.*) Should you include the cost of the stations ?—Yes, a per-centage upon the cost of the stations.

16,331. (*Mr. Glyn.*) You mean, I suppose, that part of the station appropriated to the goods traffic ?—Yes.

16,332. (*Mr. Horsfall.*) Do you see any objection to fixing a classified maximum ?—Yes, I see an objection. If there is anything to be done it is by fixing the maximums afresh, and if you did that you would give to railway companies an authority to charge a maximum, independently of what it cost.

16,333. (*Lord Stanley.*) You would perhaps prefer to leave it as it is now, and that it should be a reasonable charge ?—Yes, because in the county court they will say whether it is so or not.

16,334. (*Mr. Horsfall.*) Would you compel a railway company to say how much was for mileage rate, and how much for terminals, or otherwise ?—No, it only comes in when the railway companies charge their maximum rates ; the terminal is only a question there.

16,335. You mean where there is no competition ?—Yes.

16,336. And no special rates ?—Yes, a special rate ; but in many cases the rate is not altogether so much as they could charge for mileage ; the question of maximum only comes in where it is plus the tolls.

16,337. In such cases would you make it compulsory upon a railway company to exhibit both charges separately ?—I do not see what good it would do, because the Act tells what the dues are, and the charge made would tell what the dues are, with the terminal added.

16,338. (*Chairman.*) When you were manager of a railway did you find that many complaints were made by traders as to the terminal charges ?—No, it is quite a new outcry, that about terminal charges. We had only one rule, and that was this, we calculated what the cost was per ton at any station to which rates were given, and then if we charged the maximum rate from any station to that particular one, we added on that cost.

16,339. (*Mr. Glyn.*) If the trader chose to do the cartage himself you would allow him to do it ?—Yes, and we have an allowance for that.

16,340. (*Mr. Horsfall.*) What is the test of what a reasonable charge is ?—A case might be taken to a county court jury, and of all people in the world they are the last to whom I should like to entrust railway interest.

16,341. Then suppose it to have been heard before a county court judge, and you were dissatisfied with the decision, you could take it into a higher court ?—Railway companies do not do that, they think it is better to endure the ills they know of than to run the risk of others.

16,342. Would you have any objection to make the decision of the county court final ?—Not the slightest, for I believe there is nothing to be feared from the county court judges. I would take their decision as soon as anybody's decision, but I was speaking of the county court jury, who generally decide the question in the county court, and these juries are composed of the very people who are interested in such cases being decided against the railway companies.

16,343. You would be satisfied with the decision of the county court judge ?—Yes ; but certainly not with that of a county court jury. The judgment of the county court judge is his own opinion, and without putting the question to the jury I think it would be quite satisfactory.

16,344. (*Chairman.*) Upon the railways with which you were connected formerly, were there any considerable varieties of terminal charges for goods at different stations ?—Yes ; according to the expense of that particular station.

16,345. Do you think that the terminal charges which are recognized at the clearing house are a fair index of the average expenses which railway companies incur ?—I do not think they have much connexion with the matter ; it is merely a give-and-take matter.

16,346. They are not founded upon a rough estimate of what might be expected to be the cost ?—I believe that I was amongst the first persons that agreed to terminals ; at all events I was amongst the first managers who did so, but I am afraid it was rather a rule of thumb then. From time to time at various places there have been applications for increased terminals on some particular grounds.

16,347. Are the terminal charges which are recognized at the clearing house tolerably satisfactory to all the railway companies ?—We hear now and then of a company saying that they have peculiar burdens, and wanting more money. I think they are satisfactory to the companies, and throughout the kingdom, generally speaking, it is something like, I think, 4*s.* for a terminal in the country and 8*s.* 6*d.* in London.

16,348. Do you see any objection to railway companies publishing at a station what the terminal charges are there ?—I do not see any objection to it except this, that everybody must do it ; all the carriers must do it if the railway company does it.

16,349. (*Capt. Galton.*) Are you now speaking of the rates generally ?—Yes.

16,350. (*Chairman.*) I was referring to the terminal charges ?—Then I do not see much advantage in that. I do not see any objection to its being carried into effect, but it depends upon the character of the goods ; some are very different from others, there are light and bulky goods, and goods that come to a place in large quantities which must be dealt with in a different way from goods that come in small quantities, and I think it would afford no criterion, because the cases are so dissimilar, and the goods——

16,351. What I mean is, that at each station there should be a board hung up in some conspicuous place from which every trader might know what the terminals for goods were at that place ?—At some places they could not say anything of the kind, for if goods are carried from that station at a special rate the railway company cannot tell what is terminal and what is mileage, they get just as much as the traffic will bear under their Parliamentary rates ; the mileage sum may be 2*s.* and the terminal sum 4*s.*, but I am sure they could not publish it because they do not know it. With regard to the exhibition of the goods' rates themselves, if all carriers did so, I do not see any objection to it, except that in places where there are thousands of rates it would be rather a lengthy and expensive thing to do.

16,352. (*Capt. Galton.*) Is that great complication of rates inevitable ?—I think so. I believe they cannot get rid of them, if they could they would. At large stations they employ clerks who attend to nothing else but that.

16,353. (*Mr. Horsfall.*) That is as much in the interest of the trader as in that of the railway company ?—Yes.

16354. (*Mr. Glyn.*) There might be no difficulty in having a book of rates to refer to ?—No ; except that I should not like, if I had, for instance, a station at Newcastle, to have my rates exhibited in order that the trading companies might come and see what I was charging to the public, and then go to the parties and offer to take a few shillings less, so as to secure the traffic. I think it should be a give-and-take business.

16,355. (*Lord Stanley.*) That is to say, if one company does it, all must do it ?—Yes.

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16,356. (*Capt. Galton.*) Not only railway companies ?—No, I mean all carrying companies. Then again it is not so much the rates that one company has to guard against as against another thing; there is a system of drawbacks upon rates, and a variety of other things of that kind. If the rate named is 20*s.* a ton, and if one steamboat company gives six months credit and a railway company gives one, that amounts in reality to a great reduction of the rate by the steamboat company, and so they must declare that those rates were independent of drawbacks, discount, and so on. I do not see why any railway company should refuse to exhibit these rates on their walls, or in the goods office. If it were done by every one, I do not believe there would be any objection made to it.

16,357. (*Chairman.*) I believe that the objection made by several of the railway managers is that they would amount to several millions of rates ?—Upon the whole, the rates are very large, no doubt. There are stations where there are hundreds of thousands of rates.

16,358. You would refer merely to the rates charged from each station ?—Yes, that could be done, and I do not think that the railway companies ought to object to that.

16,359. Are you of opinion that there should be some alteration as to the classification of goods ?—Yes ; I think that the classes in the Acts of Parliament are altogether inadequate to the present circumstances of the times, and that they afford no indication of what should be charged. I should have supposed that the best way would have been to take the railway classification which from year to year is an index of the commerce of the country in some shape, and so regulate the tolls and dues to be charged.

16,360. (*Mr. Glyn.*) That is, in fact, the result of the experience gained during the years since the railway system was first introduced ?—Yes.

16,361. (*Chairman.*) There is a classification of goods in several of the railway Acts ; is that the same now as it always has been from the commencement ?—It was borrowed, I believe, in the first instance, from the canals, and it has been very little altered indeed during the last 25 years.

16,362. Would you recommend that some general Act should be passed superseding all these, which are no indication of what is charged ?—Yes. I would take the classes which railway companies have adopted, and which I think ought to be made public, and which give a variety of classes of goods, and a certain index as to what is charged by the railway companies throughout the country. I believe that that classification, although it is not used exclusively, is to a very great extent used, not only for the through traffic, but for the traffic on the company's own lines. I do not know that the public ever see this classification, but I think that they are materially affected by it.

16,363. (*Capt. Galton.*) All the goods in any particular class, except a special class, are charged alike, are they not ? If you wanted to give a special rate upon any article in class 3, for instance, it would have to be removed into a special class, would it not ?—I will take an article, which will illustrate what I have to say. Supposing that flax is, over the whole kingdom, in the 3rd class, but suppose, at the same time, that between two points, Hull and Leeds, it forms the largest item of traffic between the two places, then you would, if the 1st class was low enough to get it, remove it out of the 4th or the 3rd class into the 1st for that particular district. But that would not take it out of the general classification for the whole kingdom, as there might be only one ton of flax carried between two places in the interior, and 500 tons carried between Hull and Leeds ; still, that is the mode in which it is done—they take it out of one class and put it into another when they can.

16,364. The normal condition of things is that each article in the same class is charged at the same rate ?—Yes ; there is a special rate between certain places, including the whole of the articles in one class.

16,365. (*Chairman.*) Are there any very material discrepancies between the classifications of the several railway companies that have been adopted by the clearing house ?—The Acts of Parliament are really so meagre that I can hardly answer the question, and when you consider that the classification is to be composed of all the articles enumerated there, you will see how very few there are in the railway Acts.

16,366. (*Capt. Galton.*) Do you think that the classification of the goods should be published ?—Yes.

16,367. If a certain article is removed, as between particular stations, from one class to another, do you think that at one of the stations there should be a notification of it ?—Yes. If you carry out the principle of every company publishing the rates, it would be shown in that way at each station, by being taken out of one classification and put into another.

16,368. Is not the classification very frequently revised at the clearing house ?—It used to be revised, I think, once a year.

16,369. According to the interests of the traders ?—Yes ; when certain new articles are very often introduced. If a certain article has become one of importance in any part of a district, and a trade has sprung up in that district, I dare say this would take place,—first, the manager on whose line that article was, would wish for a low rate in order to have it introduced throughout the country, and if it goes on, he applies to the clearing house to have it put into a class in the classification which, in reality, bears out the position which experience dictates it should be in. But the circumstances of the country are altering, so that it is impossible, I think, to fix any definite rule.

16,370. (*Chairman.*) If the alteration in the classification of goods which you recommend was carried out, would it not be necessary also to alter the toll classes, or would one include the other as a matter of course ?—I rather think it would.

16,371. (*Capt. Galton.*) Would you propose to have a given classification, sanctioned by Act of Parliament, in a general Act, subject to be amended periodically by the clearing house ?—Yes.

16,372. (*Mr. Glyn.*) When you talk of the clearing house, you mean a meeting of the managers, do you not ?—As all they do is to go before the delegates at the clearing house, I take it that when I speak of the clearing house, I speak of all.

16,373. No rates are altered by the clearing house ?—Not rates. I was speaking of the classes.

16,374. (*Chairman.*) You do not mean that it is necessary there should be a uniform system of maximum charges for all the railway companies ?—No.

16,375. You would leave that matter open ?—Yes.

16,376. Each company should have its own tolls ?—Yes. I mean simply a classification on which the rates should be founded.

16,377. You have recommended that the goods rates should be exhibited at the stations. Is anything of the same kind required as to passenger fares ?—I believe that some railway companies do adopt that plan, and that they hang up in their booking offices the number of places to which they book, and the fares are also set out. I think that is a very serviceable thing, and, as compared with goods, it is an extremely easy thing to do, because there are so few of them. I think it would be a very considerable benefit to the passengers, and that it would not be very difficult to carry out.

16,378. You are of opinion that other companies, such as canal companies and shipping companies, should also be required to publish their charges ?—Yes ; because I think it would be unjust to railway companies if the other companies were not also required to do so.

16,379. Are not shipping companies in a position different from railway companies ; that is, that they have not received any special privileges from Parliament ?—But in this case I take it that there have been no special privileges given to the railway com-

panies. These railway companies are competing, and really they are competing at a disadvantage with the steamboat companies, and therefore anything that you have given to railway companies in this particular case I do not think appears.

16,380. Shipping companies may establish themselves without asking the leave of anybody, but railway companies must go to Parliament?—Yes, that is true, and therefore the steamboat companies would have a very great advantage, because they can establish themselves without going to Parliament, and thereby saving expense.

16,381. (*Mr. Horsfall.*) Are you speaking now of the shipping from the various parts?—Yes, of the large shipping companies that carry goods in competition with railway companies. I say distinctly that railway companies have to compete with the steamboat companies, and if you cannot get steamboat companies to adopt rates and publish them to the public, you cannot, as it seems to me, in justice to railway companies, expect them to do the same thing. Their rates must fluctuate with the rates of the steamboat companies whenever they compete for the coasting trade.

16,382. Speaking generally of the coasting trade only?—No; I refer to the interior also; the water carriage by canals.

16,383. (*Chairman.*) I believe through booking arrangements are now carried on to a great extent between different railway companies?—Yes.

16,384. Are they carried on as far as you think is desirable?—I think they are extending. I have had considerable experience in negociating for and arranging through rates, and I have never found much difficulty in arranging them. Occasionally some company may have objected to through rates on the plea that their share of the mileage division was too little, and they have advanced claims on some ground or other to an exceptional proportion, but such cases are very rare. I believe there is but little difficulty in establishing through rates between railway companies throughout the kingdom.

16,385. Do you think that in some cases it is fair that a company with only a short mileage should have a larger proportion of the gross toll than its mileage would justify?—Yes. I have found cases where it would be only fair. Take this case, of two or three miles coming on to a junction, and then off again at a junction two or three miles off, they have to shunt the goods at each end, and I think it is only fair that they should get in such a case a little more than their proportion of the mere mileage.

16,386. Are most of the large companies inclined now to enter into arrangements for through booking with one another?—Yes, they are, and have been within the last few years. Under the Great Western Amalgamation Act there were powers given, what are called compensatory powers of arrangement, which have been carried out very beneficially indeed to the public; it is a sort of give-and-take policy between companies. I will take, as an example, the London and North-western and the Great Western Companies. By an arrangement they were enabled to exchange in a variety of ways traffic at various points, and from what I have seen of it I consider that it is a very beneficial thing, especially for the public. I will give you an instance of how it works between two companies, which will probably show you the character of the arrangement. The London and North-western Company carry between South Wales and the Birmingham district. Their route is by way of Hereford and Shrewsbury, and is circuitous, and many miles longer than the route of the Great Western between the same districts. The rates for that character of traffic are low, but still the traffic is very large and valuable to both companies. Under the agreement carried out by the Act of Parliament which I have mentioned the London and North-western Company are enabled to exchange their roundabout and expensively-worked route for a shorter and more convenient one by way of Tenbury and Kidderminster over the Great Western system. This agreement enables the London and North-western Company to compete more successfully for traffic to Wolverhampton, Birmingham, London, and other places common to both systems, and is so far an advantage gained by one company over the other; and it gives a further advantage to the London and North-western Company in enabling them to work more expeditiously and cheaply the traffic from and to their own uncompetitive stations and South Wales. The advantage thus given is reciprocated by the London and North-western Company, who enable the Great Western to dispense with their equally incovenient and lengthy route from Wolverhampton, Birmingham, Oxford, and London to Manchester *viâ* Chester and Warrington, and adopt a much more convenient and economical one by way of Crewe. I do not know exactly how the accounts balance, and I do not think they will ever know it in any arrangements of that kind; but I know that it has been an immense advantage to the public, and I do not believe it has been a loss to the railway companies. I think it must be a gain to both by carrying out such an arrangement, for the consequence is, that as between those two companies they have established points of junction which they never had before; there is one at Oxford and one at Leamington for the exchange of traffic between them. If that principle can be carried out, where one company can make a compensatory arrangement with another, it must be an advantage not only to their systems, but to the public to use the lines.

16,387. As far as these particular arrangements are concerned, have the companies given each other mutual running powers over certain portions of the line?—Yes; it does not exactly amount that, although it does in some places; in the main it does not come to that. They give what they call facilities, and they give what they call contingent running powers; that is to say, if the traffic is not worked as well as the company could work it, then they go to an arbitrator, and if he decides that it is not so worked, then they have running powers. It is always advantageous for a company to keep the working of their own line in their own hands rather than have two or three doing its work; that is, if they can manage it. If the one working used its power for the purpose of preventing the traffic of the other company from having fair play, they would go before an arbitrator and get actual running powers.

16,388. (*Capt. Galton.*) What you mean is, that the London and North-western Company would take on the traffic that was to go to Manchester from Crewe?—Yes, running the trains themselves; that is to say, running a train through, not in any connexion with their own trains, but running a train through, simply employing an engine for it, and so the other running between South Wales, by way of Kidderminster and Stourbridge, both of them have these contingent running powers which I have mentioned.

16,389. (*Mr. Horsfall.*) Is the same system being adopted upon other railways?—I am afraid not. An arrangement of that kind is very easily adjusted with a company that has something to give as well as to take; but the great difficulty is of course with those lines which have been sanctioned, and which are competitive with others, and which have nothing to give for any advantage they may gain in through booking. I will just instance the case of the Great Western line from London to Cheltenham by way of Swindon and Oxford. There is a line which is sanctioned from Oxford by way of Bourton-on-the-Water to Cheltenham, and it is narrow gauge. The broad gauge is by way of Swindon, and there is a line that stops at Oxford called the Whitley railway, and attached to that is the line of the East Gloucestershire Company, which goes to Cheltenham. You may say that there is a line antagonistic to the Great Western between Oxford and Cheltenham, and that they have running powers into Oxford. If the East Gloucestershire Company, so constituted, ask the Great Western Company to book through to Cheltenham with them from their stations it is evident that every passenger or every ton of goods that there is

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booked through is a dead loss to the Great Western Company, as it will be simply confiscating their own line from Oxford to Cheltenham. If the East Gloucestershire line had anything to give in return to the Great Western Company, I see no difficulty in carrying out an arrangement by which both should book through from Cheltenham to all those places; but there is a difficulty, as between such lines, when either of them, either by design or otherwise, acts as a competitor for the traffic of the established railway; and I think it would be very unjust to say to the Great Western Company, you, who have laid out a large sum of money in making a line between these two points, shall immediately book through with a company who have nothing to give you in return, but who must abstract all they get from your system. I hardly know how we are to meet a case of that kind without doing grea injustice to one of the parties.

16,390. (*Earl of Belmore.*) I suppose that these compensatory arrangements between the North-western and the Great Western Companies are the results of the schedules contained in the Amalgamation Act?—Exactly so.

16,391. (*Chairman.*) You do not think it would be desirable for Parliament to introduce any new regulations which should be compulsory upon railway companies with regard to through booking?—Through booking upon railways cannot take place without through arrangements; and I am much afraid that if Parliament, or any other tribunal, were to interfere with the arrangements at junctions, and with the running of trains, they would most materially reduce the responsibility of the railway companies to the public, and by so doing they would inflict a very great hardship upon them without any corresponding benefit. After all, taking the case that I have mentioned, what very great hardship is there in a man continuing in his carriage, or a ton of goods in its waggon, between two points? There is no great public advantage to be gained by changing the traffic to another line; but there is nothing so common as this, that those who get up new railways contrive to enlist the public sympathy with them, and make public cause of what is simply a quarrel between the railway companies. It is no benefit to the public that any one should get out of one train at Oxford and get into the other; and I think it will be found that these local railways cannot afford to run express trains for the benefit of the towns in their route to the same extent as a large company like the Great Western can.

16,392. (*Mr. Glyn.*) Is there not a certain quantity of local traffic that must be served?—Yes, there is; and there is no difficulty whatever at any station on that same East Gloucestershire line in having fair through rates to all places; where no competition comes in no difficulty could arise.

16,393. (*Capt. Galton.*) It would only be for the through traffic from Cheltenham?—Yes; and I do not say even that that is not capable of solution fairly if both parties are reasonable. They might give up some portion of the mileage; or an arrangement might be made by which the traffic could be booked in both cases, but it is not so easy of arrangement as in the case of two large systems, which can afford to give and take in that way.

16,394. (*Mr. Horsfall.*) Do you think that through rates would enable railway companies to reduce their rates for the carriage of goods, or the passenger fares?—I think not, because if there are two routes between the places, the shortest mileage is always the rule; if the more convenient route is 20 miles shorter than the longer one, and you are charging your maximum, then you charge the short route and not the long one.

16,395. (*Mr. Glyn.*) Is the East Gloucestershire line made?—No, but it is sanctioned. I believe it is begun. I have merely instanced that as one that struck me.

16,396. (*Chairman.*) You think, as a general rule, that upon competitive lines they have seldom any compensating advantages to offer in return for the advantages they ask for?—I think that a great many of them have not. A great many of these lines are got up in a certain way for a certain purpose; the more mischievous they are the better, the more likely they are to be taken up by the companies around them. If they touch upon one company, and touch upon another, they afford the means to one company of inflicting an injury upon its neighbour, and their price is enhanced accordingly. I do not believe that many of them are taken up purely for the convenience of the district. There is a difficulty in dealing with these, but hitherto they have been dealt with by amalgamation and leasing; but all that kind of thing has its limits, and nowadays they cost so much money, from the peculiar way in which they are got up, as to put it out of the power of the old railway companies, even if they were inclined to deal with them, to do so, in any way in which their capital may properly come in. I know of one railway in my locality which ought to have been made easily for 10,000*l.* a mile, but it has cost between 30,000*l.* and 40,000*l.* a mile.

16,397. It has really cost that sum?—I do not know that positively, but there are shares, and debentures, and Lloyd's bonds, and all sorts of things of that kind, which raise their capital up to what I have stated, between 30,000*l.* and 40,000*l.* a mile; an excellent profit could have been made out of it by constructing it for 10,000*l.* a mile.

16,398. (*Capt. Galton.*) When you were connected with the West Midland Company, I believe that line was made by the company itself from Honeybourne to Stratford?—Yes.

16,399. Do you know what it cost per mile?—About 5,000*l.* a mile, or a little over.

16,400. That is very much like many of the lines one sees, the cost of which comes to 12,000*l.* or 14,000*l.* a mile?—Yes; we made the line, we had no contractor but our own officers, and it cost between 5,000*l.* and 6,000*l.* a mile; but I am sure that if it had been in such hands as I have described it would have cost quite the money you speak of.

16,401. (*Mr. Horsfall.*) Is it a single line?—Yes, it is in that case. The first thing is in these cases that the contractor is to take all the shares, and the contractor puts down the shares, not quite as the whole, but I take it that in fact his object is that the debenture debt, and as many Lloyd's bonds as they can get, will pay for the line. I see how difficult it would be to deal with lines got up in that way hereafter by the companies near them, because their capital stands in the way. In the case that I speak of there is an arrangement going on by which the debenture holders will take a smaller amount for their Lloyd's bonds, and they will take a smaller amount still for the shares; they are not altogether valueless. I think that arrangements between companies might be much facilitated, however, if there was some sort of tribunal within themselves which could take up the practical difficulties which sometimes are very properly urged as to working at stations, as to trains meeting, and a variety of other things, which only practical men can take up. If they had a tribunal amongst themselves, and there is one which I think might be made available for the purpose, and that is the railway clearing house, I think in many cases the interchange of traffic would be greatly facilitated.

16,402. (*Mr. Glyn.*) What powers would you give to the railway clearing house?—I really am not prepared to say what power, except that I would make this a rule, that any one joining and taking the advantages which the railway system affords through the clearing house should be amenable to the regulations of the clearing house as to traffic.

16,403. Are you aware that the present powers of the clearing house are very limited?—I know that its powers are very limited, but I think they might be made larger to the public advantage.

16,404. (*Capt. Galton,*) Would you enable them to arbitrate between companies upon questions relating to the interchange of traffic?—Yes, upon questions of interchange and working; in other words, their re-

sponsibility to the public should not be lessened by their hanging a peg of responsibility upon any outside tribunal, which would enable them to say that this accident or that arose from circumstances beyond their control. But it should be done within themselves, and I believe it would be a very considerable advantage to all the railway companies to have such a tribunal to go to easily.

16,405. (*Mr. Glyn.*) Are you aware that in some cases they have acted as arbitrators amongst themselves by consent?—I was not aware of that, but I am glad to hear it is the case.

16,406. (*Chairman.*) Do you contemplate that there should be an Act of Parliament conferring certain powers of arbitration on the clearing house?—Yes.

16,407. (*Capt. Galton.*) And that it should exist under the powers of an Act of Parliament?—Yes; to do certain things, for their powers are exceedingly meagre.

16,408. Do you think there would be any jealousy on the part of the railway companies in such a case?—I do not know; but I should think there are many companies who would view it with considerable jealousy.

16,409. Do you think it would be a fair tribunal as regards the interests of the railway companies, or unless some modification was made?—I think some modification, perhaps, would be required for the election of delegates, for at the present time I believe that a line only 10 miles in length has about the same power as a line 1,000 miles in length.

16,410. In fact there should be rather a committee chosen from the clearing house?—Yes; no doubt that would be a practicable plan of working it out.

16,411. (*Chairman.*) How is the clearing house now constituted; are the members elected by the several railway companies?—Yes; they are delegates, one from each company; but there are a variety of committees, composed of general managers, and goods managers, and passenger superintendents. The minutes of the passenger superintendents and goods managers pass through the hands of the general managers, and from them they go to the delegates, and they are passed by that body; but this refers more to matters of account than to matters of exchange.

16,412. (*Mr. Horsfall.*) Do you think that any material reduction of the passenger fares might be made with advantage to the public and to the railway companies?—I dare say in some cases it could be. The great thing that the public have to wish is that poor companies did not exist, for I believe that it is the greatest curse to any district to have a railway company that does not pay a fair dividend. I cannot imagine anything so prejudicial to the convenience of a district as that. I have had to do with poor companies, and I know the difficulty and hesitation there has been to start an extra train, or to reduce a fare or a rate for fear there should be a reduction in point of net money when you are put to it to pay your debenture debt. If anything could be done to give the companies a fair position, and to limit their numbers so that they could pay 4 or 5 per cent., I think it would be the best thing that could be done. I believe then that there would be a chance of their making the necessary experiments in the way both of additional working and a reduction of the fares and rates. I believe that this would conduce to the public convenience greatly.

16,413. (*Lord Stanley.*) You think that a company that is not doing well for itself cannot do well for the public?—Precisely.

16,414. (*Mr. Gower.*) But it may do better than no company at all?—Yes, I should not like to say otherwise, because a railway, if its fares are high, and its trains few, must of necessity be an advantage, but it would be of greatly more advantage if it were a company in itself, or if it were allied to some system by which the shareholders would receive a fair amount of interest for the money that had been laid out.

16,415. (*Chairman.*) Are the principal railway companies making experiments on a considerable scale in the reduction of rates and fares generally?—Yes; I will take the case of the North-eastern Company, with which I have had a great deal to do as a trader. They have been habitually year after year reducing their rates, as their success in a financial point of view is insured, as indeed is that of the London and North-western, and also the Great Western Company, they do as much as they can. But there is always more hesitation on the part of a company like the Great Western, who are paying only 2½ or 3 per cent., than on a railway which is paying only 5 or 6 per cent.

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16,416. (*Earl of Belmore.*) If any large reduction of rates is to be made, do you not think it will be safer to do it gradually than in a wholesale manner?—No doubt of it.

16,417. (*Chairman.*) Have the reductions which have been made upon the North-eastern Railway been profitable to the company?—Not for a time; I do not know enough of the matter to be justified in saying no, but I believe for a time they were not so. I have no doubt that it would require some considerable time to elapse before the same gross amount was earned as before the reduction, but the last time I spoke to their chairman upon the subject, he said they were gradually getting back to the old figure, I mean the amount earned under the high prices; but it requires a little time to do it.

16,418. Do you see any possibility of making a reduction in the cost of running trains?—No. I have mentioned one or two cases in which a reduction might be made, but I believe that with railway companies, as much time has been given to the consideration of that subject as perhaps to any other. They have introduced the burning of coal instead of coke, and in a variety of ways they have endeavoured to cheapen their cost of working. I believe it is more likely to be increased than to diminish. I believe that the more the rates go down the more relatively will the expense of working go up. I believe they have got to the limit, and that they cannot reduce materially the amount of their working expenses at the present time.

16,419. (*Mr. Glyn.*) The expenses of maintaining the permanent way are rather on the increase than otherwise, are they not?—Yes. They may lessen them by putting steel rails at the stations, but I do not anticipate that you will have the working expenses any less than they now are.

16,420. (*Chairman.*) Do you think it would be impracticable to diminish the dead weight in passenger trains, and to reduce the number of the carriages?—You would have all the public against you immediately. You will find that if there are half a dozen first-class carriages, half a dozen people will almost immediately take a place in each, and there is a great outcry if there is anything like five or six people put in.

16,421. If the public would submit to a reduction in the number of the carriages there would be a considerable reduction in the cost of them?—I think so. I think that you might run fewer carriages.

16,422. Enough to have any considerable effect upon the railway accounts?—No. I do not think so.

16,423. (*Lord Stanley.*) Is it not the fact that first-class passengers almost expect two seats instead of one?—Yes; as a rule people will not go into a first-class compartment if there are three or four people in it, if they can get into another.

16,424. (*Chairman.*) Have you any acquaintance with foreign railways?—Nothing material. I have never seen anything upon them that would make me wish to exchange our system for theirs.

16,425. I think in answer to one of the questions put to you you referred incidentally to Ireland, are you at all acquainted with the railways in Ireland?—I have been over in Ireland, and I know persons who have been engaged there. The engineer that I was last employed with on the West Midland line had been engineer of a line in Ireland, and, speaking

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generally, he did not seem to think that there was the same amount of energy in developing the traffic there that there is in this country.

16,426. Do you think that there is much traffic to be developed in that country?—There is not so much as there is here, but the last time I was in Ireland I was shown some specimens of ironstone which had been discovered in a district, and it was about the best I had seen for a very long time.

16,427. In what part of Ireland was that?—I think it was on the Midland Great-western line, or some line off there. I saw it laid down, and it struck me that if we had had anything of that kind in England we should have been making a great deal more of it; but still there may have been circumstances with which I was not acquainted that prevented it.

16,428. Are there any other matters upon which you think you can give the Commission any further information?—I do not know that there are.

16,429. (*Earl of Belmore.*) Do you think it possible, supposing there was to be an amalgamation in Ireland on a large scale, to put a value upon the stocks of the different companies, even of those not paying any dividend on the ordinary shares, so that they might be all cancelled or fused into one, and so to make it a fresh concern?—I think, if you selected your districts properly, it would be the very best thing that could happen to them.

16,430. Taking it from me that in one of the districts which have been proposed, there is one company, the Ulster, paying its 4 or 5 per cent., and another company paying no dividend upon its ordinary shares, and, in fact, not doing much more than paying interest on its debentures, would there be any great difficulty in putting a value upon the stock of the latter company, so as to ascertain what proportion of the new stock each of those two companies should have after the amalgamation?—I think that if an amalgamation were to take place, such as you suggest, they could do considerably more than they do now. I should not think it fair that those two companies who had shown what they could do, should be amalgamated on equal terms; but an amalgamation of some kind would benefit both.

16,431. Could their stocks have a value put upon them, or should both be cancelled and fresh stock issued, giving to each company such a proportion of shares as would be represented by what the shares are now worth?—I think there would be no difficulty whatever about it as to the proportions. If you once arrive at the relative value of the two, there is no difficulty about it—two or three shares might be fused into one.

16,432. The difficulty would be to arrive at the value of shares, which in point of fact have only a prospective value, and not a present one?—Yes; that is the difficulty; when that is solved, there is no difficulty in carrying out in practice what you have suggested.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

Thursday, 26th April 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE HON. E. F. LEVESON GOWER, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEORGE CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
E. T. HAMILTON, ESQ., M.P.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. S. Teulon.

26 April 1866.

Mr. SEYMOUR TEULON, examined.

16,433. (*Chairman.*) You were for some time a director of the South-eastern Railway Company?—Yes, for 12 years.

16,434. While you were a director, was your attention called to the subject of rating railways?—It was, and with your permission, I will give you the result, as far as the South-eastern Railway is concerned, together with some particulars relating to other railways. I hold in my hand a list of the parishes through which the railway passes, and I have divided it, in consequence of the account being so minute, into two portions, the one containing the metropolitan parishes, and the other, the remainder of the parishes. The remainder of the parishes amount to 151 parishes, and the average of the rates upon the 151 parishes amounted, for the year ending December 1865, to 3*s.* 1*d.* and 29/100ths of a penny in the pound. I thought that that would be the better way to treat it, because an isolated parish could be no criterion.

16,435. Do you speak of the average rate in the pound?—Yes.

16,436. (*Mr. Glyn.* Are you confining yourself now to the South-eastern Railway?—Yes, I am, just at the present moment. I have had, for the sake of convenience, the account which is before me prepared. It is a statement of the amount of the parochial rates paid for one year ending the 31st of December 1865. This account will differ somewhat from the published account, because there are other rates that are not contained in this return. This return contains the whole of the poor, highway, and church rates for sundry parishes, that is, the 151 parishes, the amount being 24,502*l.* 17*s.* 11*d.*; the metropolitan parishes, 9,167*l.* 12*s.* 2*d.*; making for poor's rates, 33,670*l.* 10*s.* 1*d.* For highway rates, which I have separated, in the 151 parishes, or so many of them as appear distinctly rated, 878*l.* 17*s.* For church rates in sundry parishes—the 151, or so many of them as appear distinctly rated—I have made the amount 989*l.* 16*s.* 11*d.*, and the metropolitan parishes, 372*l.* 12*s.* 7*d.*

16,437. (*Chairman.*) Do you mean for church rates?—Yes. The total for church rates is 1,362*l.* 9*s.* 6*d.*; and these will make a grand total of 35,911*l.* 16*s.* 7*d.* for those three rates. Now I will take off from that the rates for the metropolitan parishes, 9,540*l.* 4*s.* 9*d.*, which will leave the figures I shall now deal with, 26,371*l.* 11*s.* 10*d.* The length of the railway is 319 miles, from which the following deductions will have to be made—seven miles contained in the metropolitan parishes; eight miles of the Croydon Railway, on which the rates are paid by the Croydon Company; and six miles on the South-western Railway, for which the South-eastern Company pay a toll. That will leave the number of miles included in the 151 parishes, 298 miles. The ordinary quantity of land taken for a mile of railway is 10 acres, but I find I have taken the figures out in excess. I have given 10 acres a mile for the land taken for the railway, and 120 acres for the land taken for stations. I have allowed 3,100 acres altogether. The result is this, that taking the sundry parishes, the 151, the rates are 3*s.* 1*d.* and 29/100ths of a penny in the pound, and the value of the land for agricultural purposes, would certainly not exceed 20*s.* per acre. I question myself whether it would exceed 15*s.* per acre, through

the whole length of that line; but take it at 30*s.* per acre, and instead of 3*s.* 1*d.*, to avoid fractions, take it at 4*s.* 8*d.* on the acre, the result would be, that if it had remained agricultural land, it would have paid rates, upon the same acreage as the railway has been paying, 723*l.* 6*s.* 8*d.*; in other words the railway company has been taxed for an excess of 25,648*l.* 5*s.* 2*d.* over what the land would have raised if it had remained agricultural land.

16,438. (*Capt. Galton.*) Do you mean if you take the rates at 4*s.* 8*d.* in the pound?—Yes; if the land is taken at its real value of 20*s.* per acre, but I take it at 30*s.* per acre.

16,439. You have 3,100 acres altogether?—Yes.

16,440. You have taken about 200 acres for stations?—Yes; I have taken the balance. 3,100 acres at 4*s.* 8*d.* would be 723*l.* 6*s.* 8*d.*, leaving an excess, which the railway company pays, of no less a sum than 25,648*l.* 5*s.* 2*d.* Having arrived at that conclusion, I thought the better way would then be to work it out in my own parish. I live in the parish of Limpsfield, in the county of Surrey. I live, by the road, four miles from a station, and the road is so hilly, that, although it is an exceedingly good road, it has this effect in my immediate neighbourhood, that the railway has not enhanced the value of the land, the value of the rental has grown from 10 to 12 per cent.; but that I take not to be more than the ordinary rise in the value of land, perfectly irrespective of the railway. I think I am right in coming to that conclusion, for this reason—we had a carrier from Limpsfield to London before the railway existed. That carrier has an equally good business now, and although I was connected with the South-eastern Company, I frequently employ him to fetch goods from London, because it is as cheap as the railway, or the difference of cost between tugging the things up the hills that intervene between me and the railway quite balances any difference in the freight by railway.

16,441. (*Earl of Belmore.*) How far is Limpsfield from London?—The church is 21 miles by road from London, and it would be 5¼ miles from the station.

16,442. (*Sir R. Hill.*) The carrier fetches goods all the way from London?—Yes, and delivers them to me at a little more than the railway charge; but the convenience of the thing overbalances the difference, because I should have to send to the railway station, a distance of four miles, if I sent my own cart.

16,443. (*Mr. Glyn.*) And the goods are delivered at your own house?—Yes, and the carrier fetches them from wherever he may be required in the town.

16,444. (*Capt. Galton.*) Is not the railway company charging more for the carriage of the goods than it ought to charge?—I do not know, but probably the amount of the goods that I require to be carried, not being so large as to make a special agreement, I may pay a little higher for larger quantities. The fact is borne out by the tenant of my farm, he has been there I think for 30 years. I have not thought it right to increase his rent from what it was in the first instance, and he has not thought it worth while to have a lease, although he did have one formerly.

16,445. (*Chairman.*) Has the population in the neighbourhood of Limpsfield increased?—No.

16,446. (*Mr. Horsfall.*) To what distance from the station does the railway deliver goods?—It would deliver them to me, and it does.

16,447. Then where is your difficulty?—Because the carriage by the railway and by the road costs me as much as if I employ the carrier, or nearly so, to bring the things direct from London, and there is always a convenience in this, that when goods are once shipped, whether upon a railway or any other mode of conveyance, it is better that they should be carried through to their destination without change.

16,448. (*Sir R. Hill.*) The carrier would go to any part of London?—Yes, he would fetch them from anywhere. Then I thought it would be better to try this question in another way, taking my own parish and taking the valuation of that parish to see what effect the railway had had upon it; and in the course of the inquiries which I made as to the increased value of the land, one of my neighbours said to me, "Yes, I get an increased vaule for my farm, but I "question whether it is much more than I get by the "railway reducing the rates." I have obtained a valuation of the parish; it is a recent valuation under the new Act, and the result is this:—The gross value of the houses, for I had them separated, is 2,290*l.*; the rateable value is 1,848*l.*; the acreage occupied by those houses is about 186 acres; the gross value of the farms is 2,663*l.*, which would work out to 14*s.* 4*d.* per acre. I should say that the acreage is 3,711 acres, and that amount would work out to 14*s.* 4*d.* as the gross value of the land in Limpsfield parish. The net value is 2,302*l.*, which gives 12*s.* 4*d.* as the net rateable value. The railway in that parish is valued at the gross value of 750*l.*, the rateable value is 603*l.* 2*s.* 6*d.*, and the acreage is 7 acres 3 quarters and 32 perches, a little under 8 acres. The net value at which that is rated would be 75*l.* 7*s.* 6*d.* per acre.

16,449. (*Earl of Belmore.*) For the year?—Yes, as against 12*s.* 4*d.* There is this peculiarity in the railway in Limpsfield parish, it goes through some very indifferent land, which, I think, at the time when the railway was made, would not have fetched 12*s.* an acre, but now it would fetch probably from 15*s.* to 20*s.* an acre. In the intermediate distance between the stations I think 15*s.* is the actual rent paid. The result is this, and it rather startled me. The poor's rate that I have paid for the years 1865–66, ending in March, was 3*s.* 6*d.* in the pound, and that, upon 5,261 acres, would produce 920*l.* 13*s.* 6*d.* The railway, if valued as land, at 8 acres, getting rid of the fractions, would be 8*l.*, and if you take it at 20*s.* an acre, and take the 8*l.* from 603*l.*, 595*l.* would remain to be deducted from the valuation of the parish; and the result is this, that 4*s.* in the pound would produce 933*l.* 4*s.*, the rate to be raised being 920*l.*, and 3*s.* 11½*d.* which is the nearest to it, would raise 923*l.* 9*s.* 7*d.*, that is, every acre of land in Limpsfield is benefited to the amount of 2¼ per cent., and I should pay 2¼ per cent., or 2*l.* 5*s.*, upon every 100*l.* that I received as rent, or the tenant, more than I now pay.

16,450. (*Capt. Galton.*) The fact is, is it not, that the railway company is treated just as any large works would be treated?—No, they are not so treated; I do not think you can tell me of any works that are treated in that way.

16,451. Suppose there was in a parish large steam engine works, would not those works be rated upon the profits they made?—Certainly not.

16,452. (*Sir R. Hill.*) That is the grievance, that the railways are rated upon their profits, and that other works are not rated upon their profits?—Yes. I will, if you please, go to the case of the carrier. He pays for his house and his stable—what his house would let at, and what his stable would let at; whether he makes 500*l.* a year or 5*s.* is never taken into account, and yet in my case the carrier is a competitor with the railway.

16,453. (*Mr. Glyn.*) Has the South-eastern Company appealed at any time against this rating?—They have occasionally.

16,454. Have they appealed to the quarter sessions?—Yes; they have frequently.

16,455. Have they gone to the higher courts?—I do not know that they have gone to the higher courts.

16,456. They have never carried an appeal to one of the superior courts?—No; it is a very expensive process; and also the maintenance of a staff for looking after the railway, for there is a staff maintained, I believe, by all railway companies of any extent for that express purpose; at all events it is so with the South-eastern Company, with the South-western Company, and with the Brighton Company. I will just mention a circumstance as to rating that took

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place last November. Being treasurer of the Society of Arts, I was detained in town upon the occasion I refer to, and upon arriving at the Edenbridge station I met a gentleman who had been waiting there some hours for me. It is very seldom that I go by so late a train, and he said to me, "I have come to tell you "that the South-eastern Company is greatly robbed." I was afraid that there had been some defalcation at the station; but he said, "You have to pay church "rates." I said in reply, "I suppose we have." He said, "But do you know that we make and raise a "church rate, and that the South-eastern Company "pay it; and that when the money is spent we make "another—we do not get the rates from other par-"ties?" I said, "I think there must be some mis-"take in this." He said, "If you doubt me, look "here," and he pulled a piece of paper out of his pocket with this upon it:—"Church rates, so much "in the pound; arrears, so much." He said, "I "do not pay any arrears, and I don't intend to do so; "and I think it is a shame that the railway company "should pay them." On the following day by chance a cheque came before me for signature for the South-eastern Railway Company, for these church rates of Edenbridge parish. I turned it down, and I directed an inquiry to be made, and the result of the inquiry was this, that the church rate to be raised was only 65*l.* Over 28*l.* were either excused or not collected; and of the balance of 16*l.* 1*s.* 9*d.* was the demand on the South-eastern Company. It was not quite so bad, but it was something like 50 per cent. of the residue which they called upon the South-eastern Railway Company to pay.

16,457. (*Sir R. Hill.*) What is the length of the line at that part which passes through the parish of Edenbridge?—Under three miles.

16,458. (*Mr. Glyn.*) Are you aware of the principle which the superior courts have laid down as to rating railways?—I am not; but I believe it is pretty much of this kind, that certain deductions shall be made for the maintenance of the line and stations and working expenses, and then upon the balance the rating is effected at so much per mile.

16,459. Upon the balance of what?—Of the traffic passing through the place. In my own parish there is no station; the company has no cottage, and they neither take up passengers nor put down any upon the line, and yet it contributes 2¼ per cent. of the rating.

16,460. (*Earl of Belmore.*) Although the railway passes through your parish, you do not mean to state that the station which is five miles distant from the parish church is in your parish?—The station is not in the parish, it is in Edenbridge parish; there is no station and no cottage in my parish. I may mention, in connexion with this, two cases which probably have been mentioned before. We pass through the parish of Coulesden, just beyond Croydon, and on the other side of Merstham tunnel we pass through the little station of Merstham. Coulesden parish is rated, I think, at 3,150*l.* per mile for the land, which certainly at one time would not have been worth 12*s.* an acre.

16,461. (*Sir R. Hill.*) Do you mean rated upon a rental of 3,150*l.*?—Yes, per mile. I could have spoken a few years since confidently upon it, but there has been a small branch made which goes partly through the parish of Caterham, which has added to the amount of the rates. I cannot separate them, but on this part of it the company have no station. The only house they had in the parish of Coulesden was a small house at the top of an embankment for the signal man to be in; that was all. The rates from September of last year to March of this year were 429*l.* 4*s.* 10*d.* for each half-year, making together 858*l.* 9*s.* 8*d.*

16,462. (*Mr. Glyn.*) For how many miles of railway through the parish?—I do not know; I think not two miles. As the rateable value, as I find on my memorandum is 5,726*l.*, it would be under two miles. I should add that in this particular instance, as well as in the next, the rating includes the whole of the Brighton traffic as well as that of the South-eastern Company under the arrangement that I spoke of in the Merstham parish.

16,463. Is that the adjoining parish?—Yes; it is on the other side of the tunnel. In Merstham parish the company is rated to 12,663*l.*, which, at 1*s.*, gives 1,266*l.* for the year as the rates paid. If the land where it is not used for stations was rated as land,—make it if you please some fair advance upon the value of the land as agricultural land, the parish would have a benefit by it,—let the stations be rated in the same manner as carriers and other parties would be rated for their houses and warehouses.

16,464. Has not the South-eastern Company appealed upon these rates?—Yes, frequently; but the principle, I think, is admitted of rating them upon the traffic passing through the place.

16,465. That has been decided by the superior courts?—Yes; I take that to be the law.

16,466. (*Chairman.*) Do you say that it would be just that railway companies should be rated only for the value of the land they occupy?—Yes, and I think there is a precedent for taking it in that way; it would be this; a clause or rather clauses are very common in all Acts of Parliament, and they exist in those of the South-eastern Company and the Brighton Company and others, to this effect. I have two of them here; they are rather verbose, but the effect is this, that wherever a company takes in land, or a house, or a stable, or any premises whatever, that they shall pay upon the rates that such premises or such land would have paid until the railway was made. The parishes therefore lose nothing, they are fixed at the old amount, and I cannot see at all why it should not in some manner be carried out. I think there should be some clause enacting in what manner the rates should be made; it is certainly most desirable, and I would rather carry the mails free, and let them go by every train that goes out of London, than that this continued question of rating, and the expenses attending it, should be raised. The carriage of the mails upon the South-eastern line would cost considerably less than the amount of the excess of rates paid.

14,467. (*Earl of Belmore.*) How long is it since the law was laid down as you have described it?—I cannot say.

14,468. (*Sir R. Hill.*) It has not been decided by statute law, I believe?—No, it has arisen by custom.

14,469. (*Capt. Galton.*) Is not the principle of rating assumed by the judges to be the same principle as that upon which other undertakings in which money is earned are rated, and is not the rating really fixed by what the railway would let for, if it were let to some individual?—Probably it may be so, but I think it may be impossible for application in that way. I do not think it would be a fair thing, taking it as a whole, as in the case of Limpsfield parish, we have taken a piece of land which is of very little value so far as to its being land taken from agricultural purposes, it is scarcely worth anything; it is the surface of the railway, and the banks still produce grass as much as they did before, and probably more.

16,470. Is not the principle upon which railways are rated assumed by the law courts to be the same principle as that upon which other descriptions of property are rated; and if so, and railways are to be exempted from it, would it not be making a new law for them?—I will give you, if you please, the instance of the carrier. He has his income, which is derived from the different parishes and places through which he passes between Limpsfield and London, he is not rated upon his traffic, or upon what his business might let at, but for the place he occupies.

16,471. Do you think that that is a case in point?—Yes, I think it is.

16,472. Is it not like a dock, which may extend into several parishes being all part of the same works, and is it not therefore, looked upon as a whole by the judges?—It may be so, but I do not think it is fair to do so.

16,473. (*Mr. Horsfall.*) On that principle the railway company which did not pay any dividend could not be rated ?—I do not know an instance in which land is not rated, but I do know an instance where a line does not pay.

16,474. Going upon the principle that has been laid down, it would imply that a railway company ought not to be subjected to rates ?—It might be so, but I do not know of any instance where land has been rated at less, even where a railway does not pay the smallest amount. I know of none, and part of the line is something like 50*l.* a mile, which would be still much higher than the land would be rated at for agricultural land.

16,475. (*Sir R. Hill.*) Your complaint is this, that railway companies are rated upon their ascertained profits. Is not that so ?—Yes.

16,476. If a person takes a warehouse to carry on his business he is not rated upon his profits ?—Not at all.

16,477. He is rated upon the estimated rent of his warehouse ?—Yes.

16,478. A railway company is rated upon its profits, and is not the mode of rating this, that the total profits of the line having been ascertained, it is assumed that every mile of the line affords a proportionate profit, and that if it passes through a given parish the estimated profit in that parish is determined by the length of the line in the parish as compared with the total length ?—It is, as far as they can ascertain, the amount of profit earned on the traffic passing over the line.

16,479. In the parishes of which you have spoken, does your railway add at all to the expenses or to the rates of the parish ?—Not in any way.

16,480. To the cost of the poor ?—Not in any way, but on the contrary ; being great employers of labour they have rather relieved the poor's rate in my own parish, and I know that it has extended to a considerable area round me. We are now paying 15*s.* for labourers, and before the railway was constructed there we paid 10*s.*

16,481. The effect of making a railway in a rural parish has frequently been to reduce the cost of the paupers in the parish, has it not ?—It has.

16,482. It has further enhanced the value of a great part, and perhaps the whole of the land in the parish, and in that way it has in effect reduced the rates upon such land ?—It has reduced the rates in the pound.

16,483. Nevertheless the company has been required to pay a very large proportion of the total rating—in some parishes I think as much as a half of the total rating—in consequence of the line passing through a parish ?—I cannot speak to that.

16,484. You have told us that the South-eastern Company has to pay a very large part of the total receipts of the parish in which you live ?—Yes. In the case of Coulesden, I believe the company pay more than two-thirds of the rates, and in Merstham they pay more than three-fourths.

16,485. Such being the case, whatever may be the technical mode by which the amount of the rates to be paid by the company is determined, you think that practical injustice is done to the railway company ?—There is no doubt of it, and I will give you an instance as to the increased value of land by railways passing through the property. In the last session a bill was passed for enabling the Brighton Company to make a line from near Croydon to Groombridge. The Goldsmiths' Company held a large amount of land in that neighbourhood ; the value of the land there certainly did not exceed 20*s.* an acre, and a great deal of it was of much less value. The line is not made, but I heard this morning of a gentleman having let 35 acres of land on a building lease at 3*l.* 10*s.* per acre in anticipation of the railway being made ; that is 350 per cent. advance already.

16,486. (*Mr. Glyn.*) Was that land adjoining the station ?—It was within half a mile of it. The same thing takes place almost everywhere as to the increased value of land within a reasonable distance of a station. At Reigate there was a large estate called the Ray Park estate, and it sold, I think, probably at about 35*l.* an acre, but the last sales of land upon that estate have been at 1,000*l.* an acre ; the value has gone up gradually from 35*l.* There is another line running out of the South-eastern, called Caterham line, and that line was made for the purpose of letting the land to builders, and without letting the land as building land it was of very little value as agricultural land, but from about 25*l.* or 20*l.* an acre it has grown up, and I believe the price is now 400*l.* an acre.

16,487. (*Sir R. Hill.*) Was that an extensive district ?—Yes ; it was considerable as to extent, and the parties thought it worth their while to make the Caterham branch, which cost 42,000*l.* The South-eastern Company afterwards purchased it for 16,000*l.* from those who made it.

16,488. (*Earl of Belmore.*) Do you know how much the company that made the Caterham branch paid for the land which they took for their works ?—No, I do not, but I think they came into it unusually cheap ; the land owners along there were so anxious to get a line made that I believe the company bought the land on very good terms.

16,489. (*Mr. Glyn.*) Have you been able to make any comparison between the rating on the South-eastern line with the rating upon other large lines of railway out of London ?—I have prepared a statement containing all the lines out of London, but first I have a very good return from the Brighton Company which they have had made out for me, and which I will put in, "London, Brighton, and South Coast Railway : " Return showing the number of parishes, with the " amount paid for poor rates in the year 1865, " together with the average rate in the pound." The number of parishes is 157, which are beyond three miles from Victoria station or London bridge. The amount of rates paid was 19,653*l.* 3*s.* 6*d.* This is for poor's rate only, the average of which would be 2*s.* 4*d.*, they are better off than the South-eastern. The next is a return showing the number of parishes, with the amount paid for highway rates in the year 1865, together with the average rate in the pound, excluding the parishes within three miles of London Bridge or Victoria stations. There are 87 parishes, and the amount paid is 1,737*l.* 5*s.* 9*d.* The average rate is 6½*d.* in the pound. To this there is this note : Our payments under the head of highway rates have been much reduced, owing to the expenses of repairs being paid in some parishes out of the poor rates, by virtue of the new Highway Act, 25 & 26 Vict. cap. 81. Then there is a similar return for church rates, 78 parishes, the amount is 768*l.* 14*s.* 10*d.* or 2¾*d.*, in the pound. Then I have taken from the published statements of the different companies this :—" London, Brighton, " and South Coast, six months ending 30th June " 1865, 14,092*l.* ; six months ending 31st December " 1865, 19,481*l.* 2*s.* 7*d.*," and the result of that would be 33,573*l.* 2*s.* 7*d.* for rates and taxes. " London, " Chatham, and Dover, six months ending 30th June " 1865, 6,350*l.* 7*s.* 2*d.*; six months ending 31st De- " cember 1865, 6,609*l.* 0*s.* 1*d.*," making together " 12,595*l.* 8*s.* 2*d.*" for rates and taxes. " London " and North-western, six months ending 30th June " 1865, 44,501*l.* 14*s.* 7*d.* ; six months ending 31st " December 1865, 41,327*l.* 10*s.* 7*d.*," making together " 85,829*l.* 5*s.* 2*d.*" for rates and taxes. " Great " Eastern, six months ending 30th June 1865, " 16,727*l.* 8*s.* 6*d.*; six months ending 31st December " 1865,18,325*l.*19*s.*," making together "35,053*l.*7*s.*6*d.*" for rates and taxes. The Great Northern accounts include, differently from any of the others, the costs of appeals, and the total for the two half-years is 31,303*l.* 0*s.* 3*d.* Midland, the total is 44,670*l.* 15*s.* ; South-eastern, deducting tolls that were included in their account, 54,084*l.* 4*s.* ; Blackwall, for the half-year ending 30th June 1865, for the following half-year is included in the Great Eastern accounts, 1,704*l.* 7*s.* 8*d.*,

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making for rates and taxes on these railways, having their termini in London, no less a sum than 299,177*l.* 10*s.* 9*d.* The South-western railway printed accounts, showing rates, taxes, and Government duty, in one amount, is not included.

16,490. (*Sir R. Hill.*) You have spoken of taxes, but does the statement include the passenger duty?—No; I have had that separated; that is not so much as the taxation, but it is 225,266*l.* 15*s.*

16,491. (*Mr. Glyn.*) You have not divided it to show how it bears upon each mile of the line?—No, not the mileage, and that brings me to another point. I think it is very desirable that all railway accounts should be published in the same form; it is desirable for the railways themselves, for there are certain matters in railway accounts which would throw great light upon and assist them in checking the expenses if they were all in the same form. I was astonished in looking over this account, to see that the South-eastern Company, with the exception of the London and North-western Company, pay the largest amount of rates and taxes and Government duty of any line out of London, and this result I was not prepared to find. They pay 82,966*l.* 6*s.* 3*d.* rates, taxes, and Government duty; the Midland Company pay 68,404*l.* 6*s.* 3*d.*

16,492. (*Mr. Glyn.*) I understand you to say that the South-eastern Company has not appealed against any of these rates as the northern companies have. They have all appealed and obtained great deductions?—I thought you asked me whether we had carried the question of rates to the superior courts. Appeals are constantly taking place in the country in the different parishes, but they generally stop there without going any further.

16,493. You have been satisfied with their assessment?—Until the mode is altered in which we are rated, I think it is of no use to carry a case into the superior courts.

16,494. (*Capt. Galton.*) Are the railways rated in a different way from water or gas companies?—I do not know much about those companies. The rates paid by gas and water companies to the parishes through which they pass are in the nature of royalties for the use of the land of which the ownership is not in the companies.

16,495. Do you know whether in the case of turnpike road trusts, when the tolls were let, any rating was laid upon them, or is there any rating of the turnpike roads?—Not that I am aware of, but I think not. On the contrary, besides the letting of the tolls, the landholders were called upon in the shape of highway rates or statute duty frequently to assist in maintaining the roads.

16,496. (*Mr. Gower.*) Is the principle upon which railways are rated universal throughout the country?—I apprehend so, I am not aware of any difference.

16,497. Have they been always rated upon the same principle?—That I cannot say.

16,498. You are not aware of any change in the law?—During the time that I was a director of the South-eastern Company they were rated upon the same principle.

16,499. (*Chairman.*) The general principle on which all properties are assessed is the value that they may be supposed to be worth for letting?—Yes.

16,500. And that, in the case of railways, might leave a very wide margin for different judgments to be formed?—No doubt.

16,501. There are, in fact, no data to go upon?—I cannot say that.

16,502. Have any of the railways ever been let?—Yes, railways have been let. They have these data to go upon, that is to say, they make out their valuations upon the amount earned by the railway company as it appears in the published accounts of the railway.

16,503. Do the parochial authorities consider that they have a right to take into account the value of the rolling stock, or merely the value of the line itself, and the rails upon it for letting purposes?—I apprehend that their mode of dealing with the rates is this; they make a deduction from the earnings for the rolling stock and its maintenance, and another deduction for the maintenance of the road, and some other minor deductions, and the residue they would deal with as the rateable amount. I think that is the mode of doing it.

16,504. (*Mr. Gower.*) As far as you are aware railways have been made with a full knowledge of the principles of rating to which they would be liable?—I should say certainly not, in the case of the South-eastern railway, because it was made before that question had come into operation.

16,505. (*Mr. Horsfall.*) Have you considered the principle upon which the present system of which you complain could be improved?—I should propose that the land, where it was agricultural land and would remain so, were it not for a railway being made, should be rated still as agricultural land, and that an amount should be added to that, either of 50 or 100 per cent., and give it a superior value for that purpose. I would have all the stations rated as stations at what they would be let for if they were occupied for any other purpose, and give the parishes where those stations were built the benefit of it.

16,506. Upon what principle would you value those stations?—There would be first the station master's house, that would be valued as an ordinary dwelling house, at what it would let for to any other person, and sheds in the same way.

16,507. You would not consider it at all with reference to what the value of the station was to the company?—Certainly not. Messrs. Rothschilds and other merchants occasionally make enormous sums of money, and nobody ever heard of an inquiry into what the profits might be.

16,508. Except for income tax?—We pay that too.

16,509. (*Mr. Glyn.*) You would not admit or take into account the possible letting value?—It is a fictitious value, not a real value, not a letting value. You might get another company having the necessary capital and all the appliances to take it, but I think the other is the fair and proper mode. No railway passes through a district, however remotely, but what some part of it is greatly benefited, and I do think it is not right, although I am benefited by the taxation of the railway individually as a landholder, that the railway should be taxed to pay my taxes, and to relieve me.

16,510. (*Sir R. Hill.*) Within the last eight or ten years the dividends upon some lines of railway have fallen considerably, have they not?—In the South-eastern Company they have fallen in the last two years.

16,511. Has your rating been diminished with the fall in the dividends?—I am afraid not; we should have to appeal in every case to bring it down, but then they would go up, we should hope, in a better year.

16,512. (*Capt. Galton.*) If an alteration were made in the system of rating, should you be prepared to recommend that the company should give up any of its powers, in consequence of the exemption it would acquire, by reducing its fares or in some other way; for if an alteration took place now in the system of rating, it would have the effect of putting so much money into the pockets of the shareholders?—Yes, and that would be in the case of the South-eastern Company, 6*s.* upon 100*l.* worth of stock.

16,513. (*Sir R. Hill.*) If you were relieved from rates and taxes it would add 6*s.* per annum upon 100*l.*?—Yes, it would add that to the dividend.

16,514. (*Capt. Galton.*) In return, should you propose to benefit the inhabitants of the parishes in any way by a reduction of fares?—That would be a matter for consideration; no doubt the company would be in a better situation if they had less to pay; but in the case of my parish, to refer to that again, we take up no passengers and put down none; we have no one of the company's servants residing in the parish.

16,515. (*Sir R. Hill.*) There is no station?—No.

16,516. (*Chairman.*) The appeals which have been made by the different companies have always been with the view of getting a certain amount of reduction, never on the principle that you advocate—that a line ought merely to be rated at its agricultural value?—Never, that I am aware of.

16,517. (*Sir R. Hill.*) That is to say, not recently?—No.

16,518. You are not, I suppose, prepared to say that in the early history of railways, appeals were not made against the principle of rating?—No; I guarded myself expressly against that.

16,519. (*Mr. Gower.*) Has the fact that railway companies pay so large a proportion of the rates, led, in your opinion, to extravagance in the administration of the rates?—I should think not. The only case that I know of was the church rate case which I have mentioned, and that is not a solitary instance as to church rates.

16,520. (*Earl of Belmore.*) I suppose the effect of the case you mentioned would be that very often a larger church rate would be struck than otherwise would be necessary, in order that the railway company should pay a larger proportion?—I cannot say that; they obtain the railway company's cheque with great punctuality, and they do not get the other, and it is quite sufficient.

16,521. (*Chairman.*) Is this a grievance on the part of the railway companies exclusively, or are there any other descriptions of property that are affected unjustly?—I am not aware of any that are affected in the same way, unless it might be in the cases of water companies and gas companies, to which Captain Galton referred.

16,522. (*Mr. Glyn.*) Do you know how the rating upon canals is carried out?—I believe that in some cases there are express clauses in the Bills to prevent this state of rating, and I think some other undertakings come under the same category as railways, but as I have not looked into any accounts I cannot speak to it.

16,523. (*Chairman.*) Has there ever been any concerted action on the part of railway companies generally to effect an alteration in the law, or do they consider the grievance so great a one that they have a right to appeal to the Legislature to have it remedied?—I believe that in the early times of railways they did feel it exceedingly, but in later times, like many other things, it has grown into a custom.

16,524. (*Mr. Glyn.*) Are you aware whether, in some of the more recent Acts, the Board of Health Acts and some others, there has been a clause introduced by which the rating upon railways is defined?—I am not aware of it.

16,525. You do not know that it is taken very much, as you have said, at the original value of the land, with a certain per-centage added to it for the purpose of rating?—I am not aware of that, but I am aware of this, that there are clauses common in all metropolitan Acts, and certainly in many others, that when land or houses of any kind are taken for the purpose of making a railway, upon notice being given, the railway immediately becomes chargeable for the rates.

16,526. You are not aware whether there is any actual limitation in those Acts as to rating on railways?—I think not.

16,527. (*Chairman.*) Have you considered the question of compensation to passengers for accidents, and whether that is on a just footing at the present time?—I think it is not on a just footing. The passengers are all taken at fixed rates, according to the tariff of the respective companies, and it appears to me to be very unjust to a company, that one person may claim many thousands more than another person who is riding in the same carriage, and under precisely the same circumstances.

16,528. (*Capt. Galton.*) You mean that the company is bound to carry both at the same fare?—Yes.

16,529. They cannot charge more for the man who can ask for thousands than for the man who can only ask for a few pounds?—No. Some arrangement has been made, I believe, in a recent Act of Parliament obtained by the London, Chatham, and Dover Company, by which a very low rate is obtained for the carriage of workpeople, and I think there is a limit of something like 50*l.* put down; and it would be, I think, quite right to have some limit, such a limit as Parliament might fix for first, second, and third class passengers.

16,530. On the same principle as the limit which is fixed in the Carriers' Act?—Yes.

16,531. Or in any traffic Act, in which a limit is put for horses and cattle?—Yes.

16,532. The Merchant Shipping Act limits the amount to be paid for compensation in case of accident?—That rather differs. The Merchant Shipping Act differs from the other two; in principle it is somewhat the same, but the Merchant Shipping Act, I believe, in certain cases, limits the amount to be paid to the value of the vessel; the division is a different matter, it depends upon the number of persons, and what freight there might be on board. I think it is right there should be a limit, it is right irrespectively of the question of compensation itself. The present mode of obtaining compensation leads to gross immorality in the class of men who are employed to obtain it. An accident happens, and there are repeated instances of passengers who have been travelling in a train, being looked-up by these persons. They say, "You were a passenger in a certain train, "I will get you compensation," and between a doctor and a lawyer, these cases are got up. I remember a case, or rather some cases of the kind, some years since where this happened. There were some 14 cases in which applications had been made for compensation, and two parties, that is, the lawyer and the doctor fell out; one of them said that he would have nothing more to do with the cases, and then the lawyer, I believe it was, was determined not to lose his fees, and 14 writs were issued against the South-eastern Company for compensation, and of course the cheapest thing for the company to do was to pay the compensation in all those cases. There was a recent case, which arose out of the terrible accident that occured at Staplehurst. I was told this by one of the stipendiary magistrates, last Friday week; he said, "You were speaking to me about the Staplehurst "accident. I had a friend in it, and your company "very liberally compensated him, as he thought, "with 300*l.*; they have paid his expenses, and he is "quite satisfied, but his attorney offered to give him "a cheque for 1,000*l.*, and run the risk of what he "could get from the company." I believe that compensations of that kind are not of unfrequent occurence.

16,533. (*Sir R. Hill.*) Do you know whether that offer was accepted?—It was not. He received the 300*l.*, and declined the offer.

16,534. (*Mr. Hamilton.*) Would not the objection you have made apply equally, whether the amount of compensation in each case was limited or not?—I think not; it would in some cases, but not generally.

16,535. In degree it might be lessened, but in principle it would be the same?—I think in the majority of cases the compensation would be paid.

16,536. The maximum amount would be paid?—Yes, in many cases, where they would ascertain distinctly, through some respectable medical man, irrespectively of the legal profession, and where they would get the best evidence, and if they were satisfied that a serious injury had been done, within a reasonable amount of compensation, they would pay it rather than contest it. In many of the modern cases, the contest between the company and the applicants has not been whether the accident has happened through the carelessness of the company or not—that has been admitted. The question has been, what should be the compensation. I remember one case, in which two commercial travellers were sitting in the same carriage, the train I believe, passed over a stone, and

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they got thrown to the other side of the carriage, one of the two received 10*l.*, and thought himself very well compensated. However, as they passed on one them said to his companion, "I have long "wanted to retire from the road, and I shall now "do so." He went down to Ramsgate, and made a demand upon the company for a few hundred pounds. The company sent down, not only their own medical man, who said there was nothing in it, but they sent down an eminent London surgeon, who reported that he thought there was nothing in the accident at all, and that it was quite a got up case. It went on, a larger demand was made, and at last, after about 18 months or two years, the case was tried at Guildhall. The man came into court with a seton at the back of his neck, and he looked in a very dreadful state. The counsel, as they will sometimes do, said, "We will not give the jury any "trouble; let the surgeon (the eminent gentleman "before referred to) take this man out of the room, "and if he thinks it is a serious case, we will accept "his opinion." He went out of the court, and came back again and he was then of opinion, that this man was suffering so dreadfully, that the grave was shortly before him; and that man had a large amount given to him as compensation, and became perfectly well immediately afterwards. I forget whether it was 2,500*l.*, but it was over 2,000*l.* It was, however, so bad a case, that the man left the place where he had been living, and went to reside somewhere on the south coast, but the people in the parish finding that he was a strong man, and hearing of the case, fairly drummed him out of the parish.

16,537. (*Mr. Hamilton.*) Do you think that the seton was put in his neck for the purpose?—Yes, no doubt of it.

16,538. (*Mr. Gower.*) Your complaint in this case is not against the law but against the administration of it?—It is so far against the law that the law gives no limit.

16,539. (*Earl of Belmore.*) What sort of limit do you think would have been fair in this case?—I think that for a first-class passenger travelling a long distance upon a railway, and perhaps you would say that the limit should be the same in all Acts, it might be 1,000*l.* for a first-class passenger, 500*l.* for a second-class passenger, and 250*l.* for a third-class passenger. But I am certain that it would be cheaper for the companies to pay in many cases than to have to pay the fees for medical examinations and consultations and so on, and run the risk of juries, which is very great in cases of this kind, for they are no judges of the circumstances.

16,540. (*Capt. Galton.*) You would pay, I suppose, whatever the nature of the accident was?—I mean one affecting life.

16,541. Of course the full amount of 1,000*l.* would be paid in case of death, and the same would be payable in case of serious injury; but what I mean is this, that in whatever way the accident occurred, you would have the compensation paid, and not have the company dispute whether the accident occurred from the fault of themselves or their servants or not?—No, I would make it as simple as possible, to avoid any necessity for legal proceedings.

16,542. (*Sir R. Hill.*) You would pay the same maximum compensation to any man who rode in a first-class carriage, whether his life was a very valuable life or not?—Precisely; we are no judges. Under the Carriers' Act the companies would only have to pay a certain amount unless the parties declared for an increased value.

16,543. Is there not a rule already applied in certain cases; for example, with respect to horses, is there not a maximum to be paid if a horse is killed?—Yes, it is so.

16,544. What is that maximum?—I think it is 50*l.*

16,545. And that whether a horse is a valuable racer or not?—No; I think not.

16,546. The owner of the horse may, by insuring, obtain a right to a larger compensation?—Yes, he may.

16,547. But in the absence of any such insurance the demand upon the company is limited to 50*l.*, whatever may be the value of the horse?—The amount to be paid is 50*l.* whatever the demand may be.

16,548. The amount is limited to 50*l.*?—Yes.

16,549. (*Earl of Belmore.*) In the case of a claim being made, is it open to the company to say, the horse that has been killed is not worth 50*l.*, and so refuse to pay even to that limit?—Yes it is.

16,550. Would you apply that principle to the maximum compensation for accidents to passengers?—I would apply it in this way. If a man was killed I think the limit should be paid, but with regard to other cases, if it were for an injury, fair evidence should be given as to the nature of the injury and the compensation to be given.

16,551. (*Mr. Glyn.*) You watch these cases of compensation pretty closely, and have you not observed continually a disposition on the part of juries to go very much beyond the summing up of the judge with regard to damages?—Yes, in almost all cases.

16,552. Therefore in such a case would it not improve the present system if the question of fact only was left to the jury, and the question of compensation to some other tribunal?—I think it would. I would draw that distinction, referring to what I said, that companies would avoid, if possible, going before juries; and I also said that companies generally admit the fact of an injury arising from carelessness on the part of the company, and only contest the question of value and the nature of the injury done.

16,553. At present the assessment, unless it is agreed to between the parties, is left in the hands of the jury, who are generally influenced against the company?—Almost always.

16,554. (*Mr. Horsfall.*) Are there not cases in which parties sustain a loss but make no claim?—Many; but they are generally small injuries.

16,555. There were some instances when the Staplehurst accident occurred?—There were some, and there was one in which it commenced in that way, but it got ultimately into the hands of a professional man, and 100*l.* had been offered, and was about to be accepted, was declined, and a larger sum was afterward paid.

16,556. Was there not the case of a gentleman who lost his wife but who declined to receive any compensation?—I think that originally the case went very much in this way. I think that the gentleman had a son injured as well, and being a gentleman of very high respectability, he proposed to receive simply, I think, 100*l.* by way of not making a profit out of the misfortune of the railway, but to pay certain expenses. I think, before it was settled, other parties interfered, and a large sum was paid.

16,557. But no claim was made for the loss of his wife?—I think not; but these are rare cases.

16,558. You stated just now that the limit under the Merchant Shipping Act was confined to the value of the ship. I think it is the ship and the freight?—Yes, of the goods on board.

16,559. (*Chairman.*) Has the present state of the law any tendency to encourage additional care and caution on the part of railway companies?—I do not think so.

16,560. Do you think that there would be as much care and caution taken if the law was altered as you recommend?—Yes, entirely. Take the two great accidents which happened upon the South-eastern during the last year, as appears in the South-eastern accounts. I think that 73,000*l.* have been paid for compensation in the last twelve months, and I do not think, whatever law was passed, that you could make the railway company more particular than the South-eastern company was in both the cases I have referred to. Their provisions ought to have been sufficient to have prevented the accidents. In the first case a man made a mistake, a train was divided in the Blackheath tunnel, the duty of the signal man was perfectly clear,

that no train should enter the tunnel until the other had come out. That signal was obtained at the further end of the tunnel properly, and the man there made an inquiry whether the former train was out of the tunnel, when the signal man lost his presence of mind, and gave the signal all clear ; he was frightened when he had done it, he could have stopped the other train, but he had not the nerve, for there was another intermediate signal which he could have given. As far as the company is concerned they could have made no regulation that would have put that man's brain right for the moment.

16,561. (*Mr. Hamilton.*) You say that the company have paid excessive penalties ; has not that led to increased caution on the part of the company ?—I think there is every caution taken upon the South-eastern line that is possible with advantage to the public and to the company.

16,562. Do you think that more limited penalties would diminish the precaution that is taken ?—I do not think it would ; I think the company have so large a stake in their reputation, in their rolling stock, and in everything that appertains to public carriers, that no penalty and no alteration of the law in that way would affect the care which they take.

16,563 (*Sir R. Hill.*) Do you think that moderate penalties would produce as much effect as excessive ones ?—Quite ; and there is no instance of excessive penalties ever effecting their end under the law.

16,564. The sum paid in the shape of compensation is by no means the only loss which the company sustains in consequence of an accident ?—Certainly not.

16,565. A serious accident like the one referred to for a time checks the traffic upon the line ?—Yes, it checks it greatly, and that throws the traffic for a time on to the London and Chatham line, as it did in the case of the Staplehurst accident.

16,566. Therefore, even if there were no compensation paid the companies would still be punished for the accident by the loss of traffic and injury to their own reputation ?—No question of it, added to which there is the loss of stock, and the damage done to the line, which, in the case of the Staplehurst accident, amounted to a large sum of money.

16,567. (*Mr. Hamilton.*) That I suppose is found not to be sufficient to induce that precaution in the working of a line which the public have a right to expect, otherwise the law of compensation would not exist ?—I do not know that, for there is damage done irrespective of the question of care by the railway company to an individual if he is injured, or to his representatives if there is loss of life.

16,568. Then you would say that there are two objects in the law, one to make the railway company cautious, and the other to compensate individuals who sustain injuries ?—Yes ; but the last is the great principle.

16,569. Upon the whole, taking a survey of the accidents which have occurred in your time, is it your opinion that the compensation granted by juries in proportion to the injuries suffered by individuals, or by their families has been excessive ?—Exceedingly so.

16,570. You think that the compensation has gone beyond the injuries that were sustained ?—No doubt.

16,571. Looking at it as a whole ?—Yes, there is no question of it.

16,572. (*Capt. Galton.*) If you limited the amount of compensation to be paid in case of accident, do you consider that a company ought, if called upon by an individual, to insure his life for a greater sum upon his paying a certain price ?—Yes, there is no objection to that. I think that is quite fair. I would allow each passenger to know his own value best.

16,573. (*Chairman.*) You have stated the sums that you think it would be reasonable that a company should be liable to pay for 1st, 2d, and 3d class passengers ?—Yes ; I think it might be 1,000*l.* for a 1st class passenger, 500*l.* for a 2d class passenger, and for a 3d class passenger you might, I think, take half again, and say 250*l.* ; I should have no objection to that.

16,574. (*Sir R. Hill.*) Should not the compensation in each case be in proportion to the mileage rate ?—I think that would make it too complicated ; in justice it might be so, perhaps, but I think the simple rule is the better one. It is really a matter of little consequence, if a man loses his life, whether it is on the first mile or the last mile of any length.

16,575. But I asked whether it should not be in proportion to the mileage rate ; that is to say, if you charge 3*d.* a mile for 1st class passengers, 2*d.* for 2d class passengers, and 1*d.* for 3d class passengers, the compensation to the 2d class passenger should be two-thirds of that which was paid by the 1st class passenger, and so on ?—It would come to pretty nearly the same thing. I take it at half. I made, in the middle of last year, with reference to some of the early cases of compensation, and for the Staplehurst and Blackheath accident, two or three jottings down, and I found that the settlement of a great number of them, including costs and including medical fees, turned very frequently upon whether the injured person or his representative obtained a settlement of the fees.

16,576. Can you state how the money expended in litigation compares with that which is paid in compensation by the company ?—I could in a few cases, but not in many ; my jottings do not go to that extent. I see here one case, 180*l.*, expenses 41*l.* 10*s.* ; in another case, 197*l.*, costs 60*l.* ; and in another case of a verdict for 600*l.*, costs 131*l.* 1*s.*

16,577. Do the costs of the company include those of the passenger or the claimant ?—In some cases they may, but generally speaking they are the charges of the medical man, and for the legal assistants.

16,578. If the maximum compensation were fixed by law in the manner you propose, litigation to a great extent would become unnecessary ?—It would. I think in many cases it would be left, where there was a question, perhaps, to two respectable medical men, with permission to call in a third if it was found necessary.

16,579. (*Mr. Gower.*) In that case would not the maximum always be given ?—In many cases no doubt it would. There is another matter which I wish to mention. I think that an alteration is required in the 24th and 25th of Victoria, chapter 97, and in the 24th and 25th of Victoria, chapter 100. There are two clauses in those Acts, the 35th and 36th in the first Act, and the 33d and 34th in the other Act ; they are Criminal Consolidation Acts. There is a clause with regard to the case of injuries done by persons throwing stones at trains ; and under the alteration of the law made by those Acts, it is made felony in a child of nine or ten or eleven years of age to throw stones at a train ; it is made felony, and I think it ought to be left for the magistrates before whom the case is taken, to deal with cases of that kind, and in the event of there being graver cases, let them send them to the sessions to be dealt with ; but in the case of children of tender age, the magistrates ought to be able to deal with them. The result is that many of these cases are not proceeded with.

16,580. (*Chairman.*) Is there not a general Act referring to all offences committed by young children? —Yes ; but it does not take in these particular cases. The Criminal Consolidation Acts are of more recent date ; before they were passed, the law enabled magistrates before whom the case came, to deal with it summarily ; and there is this peculiarity in the law, that if in London or in the district of the Metropolitan Police, a boy throws a stone at a train, you can proceed against him under the Police Act, and the utmost penalty that can be inflicted is 40*s.* But if a boy, instead of being upon a bridge or upon a road, be on the railway, under a bridge, or on the slope of the railway, and throws a stone, it is felony ; and while in the one case he might have done serious

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injury, in the other he may have done none. The magistrate must send that case to the sessions; he cannot deal with it.

16,581. (*Capt. Galton.*) How does that arise?—The framers of the Criminal Consolidation Acts divided persons from property, and in doing that they made this great mistake. I have had some correspondence with Sir George Grey upon the subject, for an amendment of that Act, for I think it ought not to remain as it is.

16,582. (*Sir R. Hill.*) To what distance from the line of railway do you consider a benefit is conferred upon the land and other property by the construction of a railway?—I should think from five to six miles, if the roads are tolerably level; it depends upon that.

16,583. And that throughout the length of a line?—I think so.

16,584. Can you give the Commissioners any idea of the average benefit per acre which under average circumstances would be conferred throughout a distance of five miles?—I should think that the increased value along the line itself would at the present time be 35 per cent. immediately adjoining a line or near to a station—within a mile. I think that within two miles of a station it would be probably something like 25 per cent., and at four miles from the station, if the roads were good and not hilly, very likely the improvement would be from 15 to 18 per cent.

16,585. (*Chairman.*) Do you mean upon the agricultural value of the land?—Yes. Of course if you get near to stations within a distance of 32 miles from London land will acquire many hundred per cent. above its original value as agricultural land. For instance, if they come within a distance where a gentleman may come to town to business and go back again, to a place where he can acquire 20 or 30 acres of land, and build himself a good house, land will go up several hundred per cent. Railways follow the ordinary rule in all countries,—where there are good roads land increases in value. With the permission of the Commission I will hand in the forms of two clauses which I think might be adopted.

The same were handed in as follows:

And be it further enacted, That if it shall appear to any justice on the examination of any person charged under the 33rd section of the 24th and 25th Victoria, cap. 100, with throwing, dropping, placing, or scattering any stone, gravel, rubbish, or other matter or thing upon any railway or works of the said company that it is not expedient to the ends of justice that the same shall be prosecuted by indictment, the justice may proceed summarily to hear and determine the same, and the offender shall on conviction thereof, at the discretion of the justice, either be committed to the common gaol or house of correction, there to be imprisoned, with or without hard labour, for any term not exceeding three months, or else shall forfeit and pay such a sum of money not exceeding ten pounds as to the justice shall seem meet; provided also, in the case of the offence having been committed by a child under the age of 12, or by a person of weak intellect, the justice may in lieu of imprisonment accept and take from the parent or person having the custody of the child or person of weak intellect, security for the offender's keeping of the peace and being of good behaviour.

Provided always and be it enacted, That (if upon the hearing of any such complaint he shall think fit) it shall be lawful for such justice, instead of deciding upon the matter of complaint summarily, to commit the person or persons charged with such offence for trial for the same at the quarter sessions for the county or place wherein such offence shall have been committed, and to order that any such person so committed shall be imprisoned and detained in any of Her Majesty's gaols or houses of correction in the said county or place in the meantime, or to take bail for his appearance, with or without sureties, in his discretion; and every such person so offending and convicted before such court of quarter sessions as aforesaid (which said court is hereby required to take cognizance of and hear and determine such complaint) shall be liable in the discretion of such court to be imprisoned, with or without hard labour, for any term not exceeding two years.

The following papers were handed in:

SOUTH-EASTERN RAILWAY.—RATES, TAXES, DUTY, PER MILE, AND RATES PER ACRE.

	£	s.	d.
Rates, taxes, and tolls 31st January 1865 -	27,175	19	0
31st July „ -	29,815	3	5
	56,991	2	5
Less tolls included in the above -	2,906	18	5
Rates and taxes for 12 months on 298 miles or 191*l.* 4*s.* $10\frac{86}{100}$*d.* per mile.	54,084	4	0
Government duty, £ s. d.			
31st January 1865 - - 15,063 15 2			
31st July „ - - 13,818 7 3			
	28,882	2	5
On 319 miles worked by the company averages 90*l.* 10*s.* $9\frac{48}{100}$*d.* per mile.	82,966	6	5
Debenture stamps on average of years, or 1*l.* 10*s.* $7\frac{88}{100}$*d.* per mile.	489	0	0
	83,455	6	5

Summary.

	£	s.	d.
Rates and taxes, per mile -	191	4	$10\frac{86}{100}$
Duty „ -	90	10	$9\frac{48}{100}$
Debenture stamps „ -	1	10	$7\frac{55}{100}$
	283	6	$4\frac{29}{100}$

STATEMENT of Amount of PAROCHIAL RATES paid for one year ending 31st December 1865.

	£	s.	d.	£	s.	d.
Poor rates,						
*Sundry parishes - -	24,502	17	11			
Metropolitan parishes -	9,167	12	2			
				33,670	10	1
Highway rates,						
Sundry parishes - - -				878	17	0
Church rates,						
*Sundry parishes - -	989	16	11			
Metropolitan parishes -	372	12	7			
				1,362	9	6
				35,911	16	7
Deducting,						
Metropolitan poor rate -	9,176	12	2			
„ church rate -	372	12	7			
				9,540	4	9
				26,371	11	10

	miles.
Length of railway	319
Metropolitan parishes 7 miles	
Croydon railway 8 „	
South-western 6 „	
	21
	298
at 10 acres per mile -	2,980 acres.
Extra land for stations	120 acres.
	3,100 acres.

*151 parishes contained in sundry parishes, the rates average 3*s.* $1\frac{29}{100}$*d.* in the £, and the value of the land for agricultural purposes would *not* exceed 20*s.* per acre, but say 30*s.* per acre, the rates 4*s.* 8*d.* per acre on 3,100 acres - - -	723	6	8
	25,648	5	2

Poor, highway, and church rates paid in 1865 in 151 parishes on 298 miles of railway amounted to 26,371*l.* 11*s.* 10*d.*, averaging 88*l.* 9*s.* $10\frac{3}{4}$*d.* per mile, or at 10 acres to the mile £8 16 11 per acre.

Parish rates at 3*s.* 1*d.* in the £ on 30*s.* - 0 4 8 „

£8 12 3 excess paid by railway.

RATES, TAXES, AND GOVERNMENT DUTY.

	Rates and Taxes.	Total Rates and Taxes.	Government Duty.	Total Government Duty.	Rates, Taxes, and Duty.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
London, Brighton, and South Coast :—					
Six months ending 30th June 1865 -	14,092 0 0		11,461 0 0		
31st Dec. „ -	19,481 2 7	33,573 2 7	15,398 0 7	26,859 0 7	60,432 3 2
London, Chatham, and Dover :—					
30th June 1865 -	6,350 7 2		3,375 17 8		
31st Dec. „ -	6,609 1 0	12,959 8 2	4,690 7 6	8,066 5 2	21,025 13 4
London and North-western :—					
30th June 1865 -	44,501 14 7		37,344 0 4		
31st Dec. „ -	41,327 10 7	85,829 5 2	46,253 17 3	83,597 17 7	169,427 2 9
Great Eastern :—					
30th June 1865 -	16,727 8 6		11,691 15 2		
31st Dec. „ -	18,325 19 0	35,053 7 6	15,736 9 11	27,428 5 1	62,481 12 7
Great Northern :—Includes costs of appeals - - 30th June 1865 -	15,455 14 4		11,028 18 7		
31st Dec. „ -	15,847 6 4	31,303 0 8	13,978 9 0	25,007 9 7	56,310 10 3
Midland :—					
30th June 1865 -	22,036 11 9		13,393 6 6		
31st Dec. „ -	22,634 3 3	44,670 15 0	10,340 4 9	23,733 11 3	68,404 6 3
South-eastern :—					
Includes tolls - 31st Jan. 1865 -	27,175 19 0		15,063 15 2		
31st July „ -	29,815 3 5		13,818 7 3		
	56,991 2 5			28,882 2 5	82,966 6 5
Less tolls - - - -	2,906 18 5	54,084 4 0			
Blackwall :—					
30th June 1865 -	1,704 7 8	1,704 7 8	1,692 3 4	1,692 3 4	3,396 11 0
		299,177 10 9		225,266 15 0	
London and South-western :— Twelve month ending 31st Dec., 1865 Rates, Taxes, and Government Duty	- -	- -	- -	- -	64,322 0 0

PARISH OF LIMPSFIELD.

	Gross Value.	Rateable Value.	Acreage.	Net Value per Acre.
	£	£ s. d.	A. R. P.	
Houses - - - - -	2,290	1,848 0 0	186 0 8	—
Farms - - - - -	2,663 (per acre, 14*s.* 4*d.*)	2,302 0 0	3,711 0 0	12*s.* 4*d.* nearly.
Railway - - - - -	750	603 2 6	7 3 32	75 7 6
Tithe rent-charge - - - -	656	508 0 0	—	—
		5,261 0 0	3,905 about.	

The poor rate for 1865–1866 at 3*s.* 6*d.* on £5,261 would produce £920 13*s.* 6*d.*; railway valued as land, 8 acres at 20*s.* would reduce the 603*l.* by 8*l.* - - 595

£4,666 at 4*s.* „ £933 4*s.* 0*d.*
at 3*s.* 11½*d.* „ £923 9*s.* 7*d.*

The witness withdrew.

Friday, 27th April 1866.

PRESENT :

The Right Hon. the Earl of Belmore.
The Right Hon. Lord Stanley, M.P., F.R.S.
The Hon. E. F. Leveson Gower, M.P.
T. B. Horsfall, Esq., M.P.
George Carr Glyn, Esq., M.P.
Capt. Douglas Galton, R.E., C.B., FRS.
William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. George P. Bidder examined.

Mr. G. P. Bidder.

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16,586. (*Chairman.*) The first point upon which I will ask your opinion is with respect to the expediency of Government interference with railways, and, in the first instance, with respect to the purchase of railways by the Government?—I have given this matter a good deal of consideration. Seeing that Government interference, especially through purchase, must end more or less in Government management, my opinion is decidedly that it would be neither advantageous to the public, nor in any way that I can see, to the Government. I believe the management of railways, otherwise than by parties who are directly interested in the commercial results, would be injurious in every respect.

16,587. Your evidence with respect to Ireland was that you recommended the purchase of railways by the Government?—But I think that was accompanied by the further observation that the Government should settle the terms upon which the railways should be purchased, and that they should be worked by a commercial company.

16,588. Do you consider the scheme which you recommended with respect to Ireland as applicable only to Ireland, or do you think it applicable to railways in general?—I said specially to Ireland, because the railways of Ireland, and the aggregate amount of their capital, are of a different character to those of England. If I recollect rightly, that was the substance of my recommendation.

16,589. What is your opinion, then, with respect to the expediency of any aid to be rendered by Government to railway companies by means of guaranteeing their fixed liabilities?—On that point I think both financially, and as regards railways, a very important question may be considered as to what shape it will ultimately take. It is a question which need not now be decided; but the aggregate I presume the Government credit would take is the railways fixed liabilities at 3½ per cent. on the average, or if that is converted, which I should recommend, into terminable annuities at 4½ per cent., in 44 years the whole of them would lapse, and the Government would then be in possession of the whole of the railways to deal with as they thought fit. Those who had the strongest feelings with regard to railways,—and I will mention the late George Stephenson, I am sure he never anticipated, and I am sure Mr. Robert Stephenson did not,—the enormous extent to which railways would develope the resources and the traffic of the country, and if, when railways were established, the Government had taken upon themselves the debenture debt I need not say that at 4½ per cent. there could have been no possible loss, whilst in a very few years a large amount would lapse which could either be used for national objects or in an abatement of the railway charges.

16,590. (*Mr. Glyn.*) But at the end of 43 years would there not be some inconvenience in consequence of the railways passing into the hands of Government?—No; because the Government would be receiving some five or six millions a year from the railways. They would take care to receive that weekly out of the receipts, and the Government would deal with that as they thought fit. If they thought at the end of that period that the desirable course for the benefit of the public would be that they should surrender the whole of that, they would do so upon the condition that their charges should be abated to that extent, but whether it was so applied, or whether it was applied to national purposes, the whole of that would lapse to the State to be dealt with as they thought fit. Government would not incur one shilling of responsibility, because assuming that they took any railways whose liabilities, we will say for the sake of argument, are about a million a year, the net revenue of that railway would probably not be less than three millions a year. The Government if they took on themselves that guarantee would be paid by the railway company into the Bank of England at the rate of 20,000*l.* week by week, in the same way as, before the amalgamation, the Eastern Counties paid the Norfolk Counties. At the end of that period the Government would cease paying, but they would not cease receiving.

16,591. In point of fact they would be in possession of the income of the railways?—So far as regards fixed liabilities.

16,592. In the fixed liabilities you include all the capital?—All the preference charges.

16,593. All capital?—All the preference charges not the share capital. I mean simply the preference charges. The debentures, the debenture stock, the guarantees, and preference follow one another according to the period at which the various Acts of Parliament were obtained.

16,594. (*Chairman.*) The debenture debt bears a fixed proportion to the total capital?—It does.

16,595. But the preference capital varies very greatly on different railways?—There is a great delusion about that. Parliament, originally before experience had been obtained, had enacted a sort of rough rule that railways should borrow in accordance with the extent of their subscribed capital. That has been adhered to up to the present period, and it has been adhered to under the supposition that these debentures are in the place of a first mortgage upon the railway. The legislature dealt with it like a landed estate which had a value in itself irrespective of trade. For instance, if you were calling on an insurance office to advance upon an estate at a certain agricultural rental, and they had advanced to the extent of 14 years' purchase they would have good security. But the estate of a railway consists entirely of its trade. The North-western railway, irrespective of its trade would not fetch half the value of its debentures. The Kilsby tunnel which cost 200,000*l.* or 300,000*l.* is really worth nothing. In fact the whole security is its trade. Supposing there are two railways each costing a million of money, they would each be entitled to borrow to the extent of 300,000*l.*, and if one railway is paying 5 per cent., and another railway is paying nothing, it is perfectly clear that the security is entirely different. Therefore the amount of the debentures which railways should be authorized to issue should be in respect of the value, and not in respect of the cost; one is a security, whereas the other is no security at all.

16,596. But that point it is impossible to decide beforehand until the railway is constructed?—They cannot decide it then. Up to the period of the opening of the railway it would be quite right to limit the issue of debentures; but after the railway is opened the amount of debentures the railway should be authorized to issue should be in relation to its value, not in relation to its cost. The Great Northern pays 7 or 8 per cent., while the Great Eastern is only paying, if it were free, about 1½ or 2 per cent. Surely the Great Northern should be authorized to issue a larger proportion of debentures.

16,597. (*Mr. Horsfall.*) Would not that render very uncertain the amount of the debentures if it were dependent upon the revenue of the railway, because at one time the revenue of the railway might be very good, and at another time very bad?—You are quite right in that. It should be done upon the average. It should not be the minimum of every six weeks, or every three months even. That brings me to the question of debentures, and the security that the public derive from debentures under the assumption that I have already stated, that they are the first charge on railways, and there is no other charge whatever which can come in in competition with them. Now, that is a pure delusion, and in fact, the legislature itself has recognized that state of things. There are charges which must come in before them. For instance, all contract debts, at whatever time they are due, come in in priority before debentures. It is quite a common thing for railways to order 100,000*l.* or 200,000*l.* worth of rolling stock, either waggons, carriages, or engines. They do not pay that amount down, but they pay so much every quarter or every half year. I know the practice with regard to that, because the Rock Office of which I am a director, had a proposal from a manufacturer, who had taken a large contract, to lend a certain sum of money upon it. We requested our solicitor to inquire into the nature of the security; and we were advised that it was a perfect security in the nature of a judgment of the court, and that every time we presented the coupon for the quarterly payment they must pay it, and it would come in rateably with the debentures that were at that time due, and in priority to all subsequent debentures. Therefore it came to this indirectly, that it was in priority to all debentures which were issued subsequent to the period at which each of those payments became due.

16,598. (*Mr. Glyn.*) In fact, a simple contract debt takes the preference?—It takes preference to all debentures due subsequent to the date at which that is due. It is not unusual, in fact, the railway companies had come under liabilities for a very much larger amount under that species of arrangement and which they were to meet in the mode that I have stated. If Parliament said that we could issue preference stock under the idea that we should get better terms if it received Parliamentary sanction, and we issued a large amount of stock, I say that these securities should be dealt with in some different manner, and that the public should not be deluded, as I say they are now deluded, entirely under the sanction of the legislature.

16,599. (*Earl of Belmore.*) Is it not the case that the Lloyd's bonds which are given *bonâ fide* for work done, take precedence before debentures?—I understand that is so, that is to say, they take precedence of debentures, which are subsequent to the date at which they become due. If I have a judgment debt against a railway for 10,000*l.* due to-day, and if there is a debenture of 10,000*l.* due to-day, I come in *pari passu* with that, but I come in before a debenture which is due to-morrow for 10,000*l.* Parliament is wrong in laying down rigid rules for the conduct and guidance of commercial men. What Parliament should take care of, in my opinion, is, that the public shall not be deceived, and that they shall not take up any railway security without the fullest information.

16,600. (*Mr. Glyn.*) Is there not another disadvantage that debentures have, compared with simple contract debts, and that is, that the mode of proceeding in the case of a simple contract debt is much more in favour of the creditor than it would be in the case of debentures?—I believe it is more summary. I think it should be left to the public entirely to advance money to railway companies upon such terms as they may think fit; but Parliament should take care that periodically, whether it be every three months or every six months the railway accounts should comprise, not only every item of expenditure but every liability, and every contract that they have entered into for which they may become liable, and leave the public to judge for themselves. It is impossible in the state in which the commercial money market has been for the last three or four years to lay down any conditions on which money shall be raised in the public market, whether you fix it 4, 4½, or 5 per cent. There have been periods when railways of necessity must raise money whose securities can hardly be placed at all.

16,601. (*Chairman.*) Then you would do away altogether with the present condition of things, as to a fixed amount of debentures?—Yes.

16,602. You would allow the railway companies to borrow what they like; but you would require that all their proceedings should be made known?—Everything should be known.

16,603. (*Mr. Glyn.*) How would you provide for that?—Half-yearly accounts should be published and registered, and the auditors of the company should be liable for them.

16,604. (*Mr. Horsfall.*) Would there not be a difficulty in assimilating the proceedings of railway companies who have already got Acts, and those who have not?—Not in the least.

16,605. Not with reference to debentures?—No, not in the least, because if any legislation took place with regard to this the Legislature would take care that all subsequent advances, whatever they are, must come in after the stock which is now issued; and when those debentures come in the re-issue of them would be under the new state of legislation; but of course Parliament would take care that all existing contracts should be fulfilled until they are cancelled in some shape or other. Parliament, by Standing Order 157, has declared expressly that when a railway company applies for an Act seeking to raise new capital, that capital, for whatever term it is raised, shall come in subsequent to that which is already issued, and that the existing issue shall have priority. It also enacts that clause 2 of the railway company's Clauses Act shall be embodied in the Act of Parliament that the railway companies are obtaining. That is evaded now in a very ingenious way. A new line is projected; an independent company is created; the directors probably are the directors of the company who are promoting it; but this independent company having an independent capital, do not come in under that Standing Order, and not coming in under that Standing Order, they need not embody article 2 of the Companies' Clauses Act, and therefore they are free. Then what do they do? They say that the revenue of their line shall be applied in the first instance to the payment of a certain amount of dividend, whatever the rate may be, and any surplus beyond that may be applied as the railway company think fit. Just see the operation of that. Suppose it takes 100,000*l.* a year to pay 5 or 6 per cent., and suppose the revenue does not exceed 100,000*l.*; the whole of its revenue is taken up in the payment of the dividend, and the expense of working that line, which is paid every week, comes in positively as a matter of fact, before all the existing debentures and preference stocks, so that it has, in effect, practically a priority over all existing liabilities without its being recognized.

16,606. (*Mr. Glyn.*) But the working expenses must always take priority, must they not?—I say that the working expenses must take priority. Everything in the shape of working expenses, of course, must be paid, and if there is no more revenue sufficient to pay the dividend, or perhaps not so much. It is quite clear that the working expenses on that line are a charge which come in before the existing debenture debt.

16,607. (*Mr. Horsfall.*) Did you not say that the first thing was the dividend on the new capital?—Yes.

16,608. Before the expenses?—The first charge is the dividend; then, if there is anything left it is applicable to general purposes, but if there is nothing left the working expenses must come in before the existing preference securities.

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16,609. I thought you said that the dividend on the new capital came in before the working expenses ?—It does ; therefore I say, if there is no more even than meets the dividend, the working expenses on that line are a charge which must be met before the debentures, so that the existing debentures are not a prior security.

16,610. (*Mr. Glyn.*) Would not the working expenses even in that case come in first of all ?—Not before the dividend on that line. Supposing there is a new line from London to Birmingham, and the capital of that line is 3,000,000*l.*, and the dividend is 5 per cent. Then the clause enacts that from London to Birmingham the first charge on that revenue shall be 150,000*l.* a-year, and, after paying the 150,000*l.*, if there is any surplus it is applicable to general purposes ; it is the first charge on even the parent line. Supposing the North-western, for instance, made a new line from London to Birmingham they would have to appropriate first of all 150,000*l.* on the capital of 3,000,000*l.* ; having done that if there is any surplus they must apply it to general purposes, but if they do not get more than 150,000*l.* the working expenses of that new line will have to come out of their general revenue.

16,611. Is that the usual practice ?—No, that has been the course this year for the first time. If Parliament do not leave these things to their natural course people will be driven to adopt irregular courses ; the ingenuity of man is such that, I believe, do what you will, you cannot control them when necessity arises, in the mode of raising money ; and, as I have said, I would recommend that periodical accounts, so that the public might be enabled to judge for themselves.

16,612. Then, in fact, your alternative would be to have a statement laid before the public, either of half-yearly accounts or some other mode ?—I say, let those accounts have a statement appended to them setting forth every liability of the company. For instance, supposing a company has bought rolling stock on the terms I have mentioned, I say that should be set forth ; or, suppose they have entered into a contract for the construction of a branch or a station I say that should be set out, and if they have got any fresh powers granted, by which they are liable to alter their system, every positive contract should be set out, and that should be done under very stringent clauses.

16,613–14. (*Chairman.*) Does your view of the matter go as far as this, that railway companies should be wholly unlimited as to the amount of their capital and should be always perfectly free to raise as much money as they liked, and in any manner that they liked ?—I do not carry it as far as that, although I think, logically, it would come to that, because I think, at present, it affords no real security to the public, nor any information. In many cases that I have seen the estimates have been over-stated in the last few years, and in other cases they have been understated in some shape or another. When railway companies come to Parliament for an enlargement of their capital, if they show a necessity for it, Parliament always grants them the power. If a railway is respectably supported they will always get their capital. I think what Parliament has to do is to see that the railway itself is a useful public work on the whole, and if it is a useful public work, and the owners of the land are favourable, and there is no over-riding grievance, I think the parties should be left to raise the money in the best way they can, but care should be taken that the public are not deceived.

16,615. (*Mr. L. Gower.*) Then you would not fix any proportion between the debenture capital, the ordinary capital, and the preference share capital ?—I think I should leave each railway company to take its own course ; I should leave them to say at once what proportion, in regard to revenue, they propose to raise in the nature of mortgages, or in the nature of preferences, and, having stated that, they should be bound to adhere to it.

16,616. But if Government were to guarantee the debentures that would alter the case ?—That would be a different state of things. I am supposing that Government left them as they are ; if Government came to the North-western, for instance, and gave a guarantee for all their charges, subject to 4½ per cent., then if the company wanted any further capital of course they would have to come to the Government to know whether they would impress the Government credit upon it, or whether the company should raise it in any other way that they thought fit. The Government would not be bound by that, but the Government charge would then be the first charge.

16,617. (*Mr. Horsfall.*) Do I understand you correctly that, on the principle which has been recently laid down, the revenue of the company is applicable, first, to the dividend on new capital, secondly, to the expense of working the line, thirdly, to the debentures, and fourthly, to the old capital ?—That is, a new line being promoted by an old company ?

16,618. Yes.—The revenue, in that case, is first applicable to the dividend, and then to the debentures, if there is any receipt in excess of that.

16,619. I thought you said the expense of working the line ?—That is so with old debentures. I have given the case of the North-western projecting a new line from London to Birmingham, which would cost 3,000,000*l.*, in respect of their subscribed capital there would be a million of debt issued by the present legislation. Then upon the revenue earned upon that line, the first charge would be 5 per cent. assuming that to be the interest on three millions, whatever the debentures may have been, and then the surplus to be applicable to any purpose whatever; but it would come in before their own debentures or preference stock.

16,620. You recommend that Government should step in to guarantee the fixed liabilities of any company which should make such an application ?—Yes, I do ; in fact I am rather inclined to go further. The results are so large that I am very much inclined to think (and of course I only offer this opinion with the greatest possible diffidence) that Government should enact that all these guarantees should be taken to by Government. By no possibility could there be one single shilling of risk incurred by the State, and eventually if that were done the State would certainly have, within the next half century, from six to seven millions a year to deal with. I am quite certain that can be done with much advantage to the railways generally, and also with advantage to even the holders of these stocks. And it is so large an object, that as far as I can judge, I think it is a matter which ought to have very serious attention.

16,621. (*Mr. Glyn.*) Taking the English railways, have you at all calculated the amount of guarantee which the Government would take up ?—I have not taken it at all with any accuracy.

16,622. I thought from the fact of your giving six millions that you had ?—I say that it might be at least seven millions a year.

16,623. (*Chairman.*) The aid would be very unequal to different railway companies, would it not ?—It would.

16,624. Do you think it would be just that some companies should receive a much larger amount of assistance from Government as compared with others ?—No company would be damnified that I can see. Unquestionably, some companies would get more relief than others. As regards those companies who got the most relief, of course it would be in the power of Government to exact advantages in favour of the public to meet it where those cases arose. The difficulty is in suggesting any large general measure of that character, which is not attended with some partial injustice, that is to say, some parties always get more advantage than others.

16,625. There are cases at present where a railway company are only able to pay the interest on their debentures and preference stock ; if those amounted altogether to a large sum, and the Government were

to lend money to meet these charges, there would be a large surplus suddenly left for payment to the ordinary shareholders ?—Yes.

16,626. You would be conferring a very large sudden value upon shares which are now almost worthless ?—I take that case; I assume that the Government take up the whole of the preference charges, then of course the debentures would have to bear a higher present value than the others according to their standing. But I will take the case that your Grace mentioned of a railway in which the whole of the value is absorbed in payment of its debentures and preference charges with the Government impress of credit, and there is a sum of 100,000*l.* or 200,000*l.* a year surplus. I say that Government should have the power, with regard to that company, of saying, if we give you this relief you must give some equivalent advantages to the public. No doubt, as I said before, I believe that railways generally would be benefited, and some more than others, no doubt.

16,627. (*Capt. Galton.*) You would leave it in such a case to be settled by agreement with the Government ?—With the Government or by some tribunal to be established to adjust the thing upon an equitable basis. That was originally the view of the late Robert Stephenson at the time he was President of the Institute of Civil Engineers, he had some conversation with the Postmaster General at that time, and I regret that Sir Rowland Hill is not present, because he had a feeling at that time that the Government, by making some arrangement with the railway companies, might get their postal service done in many cases gratuitously.

16,628. (*Chairman.*) Do you consider that there is such an essential difference between railway companies and other commercial undertakings, that it is expedient for the Government to step in and give that aid to railway companies which you would not recommend to be given to other commercial undertakings ?—Yes; because Government would deal with regard to railways with certainty. They have evidence before them to show that they can incur no risk and there is a positive certainty of an enormous gain to the state. There are many other companies on a similar footing, and I do not know any reason why they should not receive the same assistance.

16,629. (*Capt. Galton.*) How do you estimate that there will be a eventual gain to the state ?—There are two ways; in the first place, at the present price of consols, I assume if you impress it with the Government credit, that 3½ per cent. would be a sufficient rate at which the security should be issued, and that would be at least from 1 to 1½ per cent. saved. What I would rather suggest is this, as a matter of general financial consideration that instead of 3½ per cent. I would make it 4½ per cent., which would more than meet any guaranteed charges, and then, at the end of 43 or 44 years, the whole of those annuities would lapse, and the Government would be receiving 6,000,000*l.* or 7,000,000*l.* a year, or whatever it might be, and there would be no charge upon them.

16,630. Then you would make them terminable annuities ?—Yes, in 43 or 44 years. I think a great mistake has been made in dealing with the annual surplus. There is a surplus of three millions. You might put that at three millions of consols. There are a great many claims upon the Government for remission of taxation; that three millions a year should not be applied to liquidate three millions of consols, it should be applied to convert 10 millions of consols into terminable annuities.

16,631. (*Mr. Glyn.*) The foundation of your calculation is, that the Government could raise this money at 3½ per cent. ?—Yes.

16,632. It is a very large sum to raise at 3½ per cent., is it not ?—I would not raise a shilling. I simply think it is a case in which strong measures would be justified by the great result. I should convert them all at once, by enactment, into Government annuities, which would be, at the present monetary value, of advantage to the holders.

16,633. (*Mr. L. Gower.*) Would not the Government have to pay a greater interest if they increased their liability ?—No; I would not raise the money, but I would convert them into Government annuities. They have had large monopolies granted to them, and Parliament have given them their powers because it is for the public benefit that they should have them, or at least it must be so assumed. I think the time has arrived when Parliament should deal with these schemes. Many people would like to hold their present securities with the Government impress of credit if that were possible, and I should convert them into Government bonds at once.

16,634. Would you make it compulsory ?—I should.

16,635. (*Mr. Glyn.*) Would you compel every person who is the holder of preference stock or debentures to take 3½ per cent. ?—4½ per cent.

16,636. One per cent. sinking fund, then there is only 3½ per cent. interest ?—Yes, I would; I think the results are so important that I should.

16,637. (*Lord Stanley.*) Do you think from another point of view that it is desirable to encourage very large numbers of people to turn their stock into terminable annuities; would you not be encouraging a large number of people to place their capital where, after a certain time, unless they re-invested it, it would be dispersed ?—I do not know of any reason why they should not, because there are large numbers of people who have done it very much to their own advantage through the errors in Government calculations; they have done it on lives.

16,638. (*Earl of Belmore.*) Might not the effect of this large alteration be to depreciate the value of the existing consols ?—No; it would not interfere with the consols; if you convert 10 millions of consols in a a year into terminable annuities, instead of buying up three millions, you raise the price of consols by it.

16,639. (*Mr. Glyn.*) Then you rather recommend this as an operation of the state ?—Certainly.

16,640. And not for the immediate benefit of the holders of these railway securities ?—I should not make it a great benefit to them; I should take care that the monetary value was more than the present market price of the securities.

16,641–2. (*Capt. Galton.*) You would give such an amount of this new stock to the holders, as would fairly represent the value of what they held; for instance, a man who held six per cent. stock of the North-western, if there were such a stock, would of course receive more than a man who held 6 per cent. stock, in the Great Western ?—I know a great many 6 per cent. stocks which are now at par although they are perfectly secure. It arises from this circumstance, that where securities are so small in amount, there is no market for them. They are all very well to hold, but when you want to realize you can get no market for them. You have a large amount, say 100 millions, of one great stock; that of itself would be like consols; it would be like bank notes capable of being used in any emergency which might arise, there would always be a market for it; whereas these securities, from their not being of so large an amount, would find no market.

16,643. (*Chairman.*) Do you know what is the average interest that the railway companies pay on their debenture ?—I can ascertain it.

16,644. Do you imagine that it exceeds 4½ per cent. ?—I think it does; because owing to the state of the money market I know that the North-eastern Railway company have been raising money at more than 4½ per cent., and many first-class railways have been raising money at 5 per cent.

16,645. (*Mr. L. Gower.*) To what extent does it vary, what is the highest and what is the lowest ?—I cannot tell you; I know of 6 per cent. debentures, and I know some that have been issued in former times, when the money market has been very easy, at 3½ per cent., but I know at the Rock Insurance Office that we will not now advance on debentures under 4½

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per cent. which formerly we were very glad to do at 4 per cent.

16,646. Until recently all the larger companies have borrowed at a lower rate than 4½ per cent. ?—I know some of them who have borrowed at 3½ per cent.

16,647. Unless the average rate of interest at present exceeds 4½ per cent. railway companies would not have any further gain by having Government assistance ?—I am taking all the stocks, all the preferences and everything else, and I feel convinced that they average more than 4½ per cent.

16,648. I suppose there is very little preference stock under 5 per cent. ?—Very little, what has been issued has been issued years ago. I know when the Great Northern were discussing with the Great Eastern that they said even with their security they could not get anything out under 5 per cent. It is only by chance during the last six months that large railway companies have got 5 per cent., and where there is the slightest row or suspicion they cannot get that, although their security is as good as can be.

16,649. Do you know whether preference stock generally is redeemable or irredeemable ?—Some has been redeemable, but generally speaking I think the bulk of it is irredeemable.

16,650. But you would treat it all equally as irredeemable ?—Yes. For instance, I take Captain Galton's 6 per cent. I hold 6 per cent. stock; I am quite certain to-morrow, if I wanted to sell it, I could not get par for it, although it is a perfect security. You would not give me more than 4½ per cent. by terminal annuity on that because I could not get par for it now.

16,651. Would you require in return for this aid from Government any advantage to the public in the way of reduction of fares or otherwise ?—As I said before, I would deal with it in two ways: where this 4½ per cent. would leave a large margin to a railway company, in that case I would exact an abatement of charges on certain classes of goods traffic. Where a reduction of rates is most wanted is, in my view, upon all the heavy articles of traffic. Upon all articles of manufacture, and heavy articles consumed in agriculture, a reduction is required, such as coal, iron, stone, bricks, timber, and mangold wurtzell for the London market. I have known the normal value of mangold wurtzell in Norfolk to be 7*s.* a ton, and it has been selling in London for 20*s.*

16,652. (*Lord Stanley.*) Do you not think there would be a continual pressure upon Government if they were making such pecuniary advantages out of such an arrangement as you propose, to sacrifice those advantages for the sake of lower fares ?—The Government would have no pecuniary advantage until the annuities had lapsed. Then what pressure would be brought to bear upon the Government at that period I can hardly anticipate. I should hope that it would be applied to general State purposes.

16,653. (*Capt. Galton.*) At the end of the 43 years, to whom would the greater revenue go ?—The Government. The Government are to receive from the railways in perpetuity 4½ per cent. Of course, at any time they might say to the railway company, "We will give up our 4½ per cent., but you must "reduce your rates *pro rata.*" Of course the Government would have the power of doing so, but the Government would continue to receive that sum from the railways.

16,654. (*Mr. Glyn.*) In fact, your proposition is, that the Government should take from the railway companies a certain benefit ?—Yes.

16,655. Guaranteeing for their preference stock, upon the credit of the Government, a lower rate of interest, and the revenue is to go into the pockets of the Government eventually ?—Yes.

16,656. (*Capt. Galton.*) For instance, if that 4½ per cent. was not lower than what the railway companies could borrow at, what advantage would it be to the railway companies to do this ?—I say that I believe the 4½ per cent. to some railways would be of no advantage at all, while to other railways it would be of very great advantage; it would generally improve their credit, but I fix it at 4½ per cent. with a view that the annuity should lapse, and the Government or the State should have the whole amount to deal with. Of course there are other ways of dealing with it which would give a pecuniary advantage, one of which is to make it 3½ per cent. perpetual stock; then you would have 1 per cent. profit, which you would either give to the railway company or use for State purposes. If you gave it to the railway company you would exact from the railway company advantages in favour of the public traffic.

16,657. You would not make it at all optional on the part of any railway company to come into it ?—I think it is so important, and the objects to be achieved are so wide, that I should be inclined to make a positive enactment.

16,658. You would make it compulsory upon all companies ?—Yes.

16,659. (*Mr. Horsfall.*) Would you impose any obligation upon the Government as to giving up the 6,000,000*l.* or 7,000,000*l.* of surplus ?—I think 43 or 44 years is a long way to legislate.

16,660. (*Mr. L. Gower.*) Would you in that case fix a proportion between the fixed liabilities of the railways and the ordinary shares ?—No; I should take the fixed liability of the same period, and then, if the railway company for its own objects seeks to require further capital, as probably they will, then it will be for the State to say whether, upon the additional fixed capital, they will give the State credit or not. If they do not give the same credit it must be raised in some other way, subject to re-charging it. I take it the State should take care that its payments should be before any subsequent debt of any character whatever.

16,661. (*Mr. Horsfall.*) Looking at the period when this 6 per cent. premium will arise you do not propose that it should be operated upon in any way for the benefit of the railway companies, or for the travelling public; you are only looking of course to the general interests of the country ?—Yes, I do not know that you can put it in any better way, but whether it is better that you should apply it to a reduction of general taxation or the liquidation of the National Debt, or a reduction of charges will be matter for consideration, it is a great public object.

16,662. (*Lord Stanley.*) What you propose, as I understand, is simply this, that the Government should make a profit out of its credit and its command of capital by borrowing money upon easier terms and lending it upon higher terms ?—I do not propose to borrow any money.

16,663. Practically you do ?—I would convert them into Government stock, and of course the Government would meet that upon its credit. It is quite a common thing for one large railway company to guarantee the liabilities of a smaller one, the smaller one getting the advantage of the larger one's credit. This would be on a large scale.

16,664. (*Capt. Galton.*) In the case of a railway company desiring to borrow additional money for new works would you place any limit on the amount which it should be able to borrow under the general guarantee ?—No; it would be quite open to the Government then to deal with that independently, they would raise that money subject to any charge which the State would have on their revenue. The Government might say to the company, we think it desirable that the railway should be made for Government objects, and if you construct the line we will then lend you the money on favourable terms. If the railway is projected by the company for its own objects they would come to the Government and say "These are our objects will you assist us or "shall we go into the open market ?"

16,665. (*Chairman.*) Are there any railway companies in England who are not able to pay their guaranteed preference stock ?—They must be very small indeed.

16,666. (*Mr. Glyn.*) Are there any instances of that sort at all ?—I do not know of any, if there are any they must be very small. They have been remarkably well sustained.

16,667. (*Chairman.*) There are cases of that kind in Ireland, are there not ?—Yes.

16,668. Supposing such cases to arise, might not the best way of giving Government assistance, be to enable them to get rid of their ordinary stock which is worth but little, and then convert the preference stock into ordinary stock ?—I do not exactly see the operation of that.

16,669. The preference stock in such cases, is, in fact, ordinary stock ?—What benefit would the preference stock get by that operation ?

16,670. One complaint has been that some Irish railway companies are in such a position that they are managed by persons who have no real interest in improving the position of the railway ?—Yes ; I think the case of the Caledonian Railway has some analogy to that. In the early stages of the Caledonian Railway its stock went down to 16 or 17 on account of its preference shares absorbing so large an amount of its revenue. The ordinary shareholders said to the preference shareholders, "If you do not meet us we "shall not go on working it for your benefit entirely;" and they made an arrangement by which they all abated the rate of interest, and they got parliamentary sanction to it. I need not tell your Grace that the ordinary stock of the Caledonian is 130 or 140 ; I do not think that that was exactly an equitable transaction.

16,671. Many complaints have been made by witnesses who have appeared before this Commission with regard to the great inequality of mileage rates ; what is your opinion upon that question ?—It is absolutely essential. There must be an inequality of mileage rates.

16,672. Will you state more fully the reasons why you consider an inequality of mileage rates is necessary ?—I think I have already stated that the great object of railways should be, if possible, to assimmilate them to the Post Office, and to have one charge to every place where all manufactures and necessaries of life may be fairly put in competition with each other. That of course on railways is practically impossible to that extent; and the only way you can meet it is this by having terminal charges properly apportioned, and that the mileage rates should be reduced as much as possible and should be particularly reduced with regard to the length over which the traffic passes. To a great extent you meet that state of things by a properly arranged terminal charge so as to reduce the mileage. If possible the mileage should simply be the actual cost of working. The whole thing should be covered by terminal charges, I mean that out of a ton of coal or anything else the railway should have three or four shillings profit, I will assume it to be 2*s.* 6*d.* I should fix that profit and then above that charge no more than the actual expense of conveying that coal to the manufactures at any distance so that the only different rate to which they would be subject would be the actual cost of transport.

16,673. (*Mr. Glyn.*) Why is that to be settled by a terminal charge ?—The terminal charge is in another sense a mode of settling the legitimate profit which you have to derive from the conveyance of goods.

16,674. The terminal charge is for actual work done ?—The terminal charge only includes the profit.

16,675. The Act of Parliament, if I remember right, says that the terminal charge must be a reasonable charge, and therefore that will not include more than the profit on the actual capital laid out ?—What I said was that the terminal charge as soon as you could fairly raise it should be made to attain that object. The only way to attain it would be to fit a profit which you mean to derive upon any particular article whereas in the case of a terminal charge you must over and above that profit only allow the actual expense you are at.

16,676. (*Mr. Horsfall.*) Then you will have one charge, including the cost of conveying the traffic on the line and the terminal charge ?—Yes. For instance, the Post Office do that ; they charge a penny for a letter which is conveyed from this building to Great George Street, and they would charge no more if that letter was sent to the extremity of Scotland. They can do that because the Government receive 300*l.* per ton for the letters that are conveyed. That is so enormously above every charge, that whether it goes to the north of Scotland or anywhere else is quite immaterial, therefore they can afford to charge the same rate to every place. But with regard to railways you cannot do that, therefore you must approximate to it as much as the nature of things will allow. London has become a great manufacturing place ; very large establishments are growing up on the River Thames, such as ship-building yards, and a variety of works. It is an enormous disadvantage to the manufacturers in London that the price of coal is so great as compared with what it is in Newcastle or Staffordshire. I say upon those articles, it is very desirable that the rate should be reduced as much as possible, and equalized.

16,677. Do you think that if there was one uniform charge, including terminal charges, that that would obviate the objections which are now urged as to most of the terminal charges ?—The object I have in view is, that raw articles of consumption should be supplied to manufacturers, wherever they may happen to be, with the least possible difference of charge.

16,678. At one fixed rate ?—You cannot have one fixed rate. Take the case of a ton of coals ; the railway are to have 2*s.* 6*d.* profit, so that they should only superadd to that 2*s.* 6*d.* the actual cost of the transport of the coal to any place, that is, the actual expense they are put to in the conveyance of that ton of coal.

16,679. And the actual expense of the terminal ?—Yes, which might include the 2*s.* 6*d.*

16,680. You do not recommend that the maximum fares and charges should be diminished, but that the railway company should be allowed to charge something in addition not at present legal, included under the term terminal charges ?—I believe the railway companies do, all, under their present rates.

16,681. It would be merely an alteration in their system ?—I think they could do it themselves, pretty nearly, if not quite.

16,682. (*Mr. Horsfall.*) That would obviate any difficulty about terminal charges ?—It would.

16,683. (*Chairman.*) In your experience as a railway director have complaints been frequent with respect to inequality of rates ?—No. Complaints with regard to the inequality of rates do not happen to have prevailed in our district, that I am aware of.

16,684. Are you aware that the traders in some towns complain that the traders in other towns have great advantages over them ?—They did complain before I joined the company. That was tried at law. That was a complaint by the coal importers at Ipswich who complained that the company were conveying inland coal from Peterborough at the rate of $\frac{1}{2}d.$ or $\frac{3}{8}$ths of a penny per ton, whereas they were charged 1*d.* per ton, and that they paid a larger rate for a short distance. They said either raise the rate from Peterborough up to 1*d.* or whatever the rate was, or lower us to the rate you charge the people at Peterborough. That is a case in point. The railway company said, it does not pay us to find you waggons occupying our station and only carry your coal 10 or 12 miles at a $\frac{1}{2}d.$ per ton per mile, whereas it is worth our while to carry 60 or 70 miles from Peterborough at $\frac{1}{2}d.$ per ton per mile. In France they are carrying coal at $\frac{3}{8}$ths of a penny per ton per mile, all the way from Dunkerque to Paris.

16,685. (*Capt. Galton.*) Was the inequality of rates which prevailed upon the Great Eastern due in any

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way to competition ?—No, not to competition ; because they had no line at all in their district to compete with them. It was simply from the fact that they encouraged the traffic which travelled the longest distance over the line, because they thought they got more out of it.

16,686. (*Chairman.*) They were desirous to favour the traffic which travelled the longest distance ?—Yes. The Ipswich people might have sent 60 miles for a ½*d.* if they pleased, or the Peterborough people would have been charged 1*d.* if they only sent 12 miles. There was no inequality as per ton ; anybody might have sent on the same terms.

16,687. Provided they sent full train loads the same distance ?—Yes.

16,688. Then in fact the inequality of rates was used by the Great Eastern Company solely as a means of obtaining the greatest amount of traffic on its line ? —Yes. With regard to the cattle trade they were charging 12*s.* per head from Yarmouth or Lowestoft to London, which cattle were only charged 5*s.* per head by steamer from Tonning. The steamer said, we having a vessel in steam and full of cargo can only compete at a certain rate to London ; because the General Steam Navigation Company have steamers which run to London direct. The parties cannot afford to pay more than 5*s.*

16,689. Did the Great Eastern make a rate all the way from Tonning to London ?—No. The General Steam Navigation Company were running their steamers, and they charged the same rate to London. The shippers running to Lowestoft said we cannot afford to pay you more than 5*s.* per head to London.

16,690. (*Capt. Galton.*) Then it was an advantage to the parties to have those cattle conveyed in that way, was it not ?—Yes, the cattle came up in better condition.

16,691. (*Mr. Horsfall.*) Will you explain what you said just now, that it would pay the railway company better to carry 60 miles at a ½*d.* per ton than 10 miles for 1*d.* ?—The company in carrying 10 miles at 1*d.* of course could only get 10*d.* Therefore they could not get more than 10*d.* profit. And assuming the profit is 50 per cent., they would only get 5*d.* ; whereas out of 60 miles at a ½*d.* you get 2*s.* 6*d.*, and instead of getting 5*d.* you get 1*s.* 3*d.* upon the coals. Therefore every ton of coals that went from Ipswich to Stowmarket, or Bury, would yield a very small profit ; but upon a ton of coals that came from Peterborough they would get the increased profit which I have mentioned. It would be carrying coals 60 or 70 miles as compared with 10 miles.

16,692. (*Capt. Galton.*) But perhaps you would not get the same proportion of profit out of goods carried at ½*d.* per ton per mile as you would out of goods carried at 1*d.* per ton per mile ?—Yes, it is a long run. If you have to start a train from Ipswich, and you have not a full train load at Stowmarket or Bury, you would have to start with a train of perhaps 20 carriages, and two or three of them would have to be left at places along the line, the engine would be running the whole way, and you might as well take that ton of coals an additional distance, because the additional cost of the locomotive power is inappreciable.

16,693. (*Mr. Glyn.*) In point of fact the profit arises from the character of the traffic ?—Yes ; we had that carefully considered in the project of the Northern coal line. We had a special rate for that.

16,694. (*Capt. Galton.*) By dropping the traffic at places ?—Yes. According to distance the rate came down to ¼*d.* a mile.

16,695. That was for a long distance ?—Yes.

16,696. (*Chairman.*) Do you think it is a right principle for railway companies to receive all the traffic they possibly can if it leaves any margin of profit, however small ?—Yes.

16,697. If they can make a profit they should take traffic at a low rate ?—Yes. It is just like trade ; you must fix your price if you want to get the business ; there is no other way of making a profit.

16,698. (*Mr. Glyn.*) You cannot lay down any fixed rules ?—No.

16,699. There must be a commercial principle applied to railways as well as to other matters ?—Yes.

16,700. (*Chairman.*) I believe you have some observations to make with respect to capital accounts ? —I think what I have said to a great extent relates to that, because I have alluded to the fact that, with regard to railway capital, you will find, if you were to go through a list of railway capital accounts, 20 or 30 descriptions of capital, and the consequence is, that there are many descriptions of securities so small that there is no market for them ; therefore I say one great advantage would be if all these different descriptions of securities could be thrown together under one head, so as to make it as large as possible, but that would be of course over all the railways if the whole of the companies were merged in a Government guarantee, but even without that, if you cannot do that, it would be of very great importance to railway companies, as well as to those holding stock, if, upon an equitable basis, the whole of the preference capital of the company could be consolidated.

16,701. What is there to prevent railway companies proposing to do that now if they think it desirable ?—In the first place you must get legislative enactment ; in the next place you must get all parties to agree. If I hold 100*l.* worth of stock out of 100,000*l.* worth of stock, and I choose to withhold my sanction, I do not believe Parliament would give it.

16,702. What measures would you recommend, supposing the Government not to interfere ?—I should recommend that power should be given to railway companies to consolidate their stock, and if the parties could not agree on the terms on which such consolidation should be effected, that then there should be some tribunal created with a view to adjust it, presided over by some eminent judicial authority, aided by the advice of a public accountant and an actuary.

16,703. You think, speaking generally, that the value of all preference stock is reduced, from there being a great variety and different classes of stock ?—No doubt about it.

16,704. Then why should the holder of that stock object to its being consolidated if it would increase the value ?—It arises in this way. I hold a 6 per cent. stock which is not marketable, however amply secured. I am content with 6 per cent. ; I do not want that brought into the general stock, on which, instead of 6 per cent., I should be receiving 5½ per cent. in lieu of my 6 per cent. I prefer going on with my 6 per cent., and I prevent the majority, who desire the consolidation, from being able to carry out their views.

16,705. Would you require the assent of a majority of the holders of that stock ?—Certainly.

16,706. Do you think that in general could be obtained ?—I should think to a great extent.

16,707. Does it require the consent of every individual holder ?—Certainly ; you cannot do it legally without, and I believe you would have great difficulty in getting Parliament to sanction it if any individual holder chose to go to the expense of opposing it.

16,708. (*Capt. Galton.*) In the case of the Caledonian they overrode those objections ?—They were frightened into it.

16,709. Parliament would not listen to any objection of that kind ?—No. I imagine the recommendation of this Commission that such a thing should be favourably considered by the Legislature would probably have all the effect that we want.

16,710. (*Chairman.*) Is there not an advantage in having different classes of stock ; does not the 6 per cent. stock suit a certain class of holders, while another class of holders would prefer other stocks ?—If it was a large stock, that would be easily convertible, but it is the small stock which is quite inconvertible to the bulk of those who hold it ; and what is inconvertible in a case of necessity must be converted at a great sacrifice.

16,711. As I understand you, you think that companies, when they require new capital, should be allowed to raise it in such a manner as they think best, either by creating additional shares, or by borrowing ?—Yes, only taking care that they do not come into the market until the public are thoroughly informed of the whole financial state of that company.

16,712. In that case, if the company does not require to buy any additional land, it would not be necessary for them to come to Parliament if they wanted to raise additional capital ?—If they did not want the capital of course they would not come.

16,713. I thought you would allow them to raise it by borrowing ?—Yes.

16,714. Would you allow them to do it without the sanction of an Act of Parliament ?—Yes; if they had got powers over the land, but of course they must have it first.

16,715. (*Capt. Galton.*) I believe in America they can borrow any amount they choose ?—You never know where you are there, I believe; the last debt overrides the first. I certainly do not propose that under any circumstances. What I propose is, that a railway company shall be allowed to raise its capital in the best way it can under the particular state of the money market, but taking care that they do not come into the market before the whole of their financial statement is fairly before the public, the public having ample means of judging for themselves.

16,716. How would you ensure its coming before the public ?—I should think that in addition to the statement of their costs for the previous half year, that they should set out the whole of their liabilities, of whatever kind they may happen to be, whether they are contracts for land, contracts for works, or payments for rolling stock, which are frequently paid for by annual instalments instead of by payments of money down. All these are charges which come on revenue, and therefore come into their liabilities.

16,717. How would you ensure that there was a correct statement put forward; would you make it a misdemeanor upon the part of the directors or secretary if a correct statement was issued ?—Certainly.

16,718. (*Mr. Glyn.*) I understand you to say not only all payments, but all contracts ?—All payments of any kind.

16,719. (*Capt. Galton.*) You would not have the Government aid, but would leave it to the common law ?—Yes. At present a railway company is not bound to set forth its cash liabilities. I think they should be bound to set forth every possible liability, whether actual or contingent, that can come upon them.

16,720. Do you think the inducement which occasionally exists of concealing some of their liabilities would not be sufficient to cause a concealment if it was made a misdemeanor ?—I think not; I think they have very little desire to conceal. There may be various ways of viewing the thing, and no desire generally to conceal anything. There have been only two or three cases of the kind, one of which was the Hartlepool Railway. I was the first who found that out. That is the only case I know where there has been a wilful deception.

16,721. Do I understand clearly that according to your view it would not be necessary for the company to go to Parliament if they required money to raise additional capital, if they did not want additional land ?—I think not.

16,722. Then it would become a matter of very little consequence to railway companies what capital they applied for in their original Act, if at any future time they could raise such additional capital as they required without coming to Parliament ?—There are not many original Acts of companies which give any indication of their existing capital.

16,723. (*Mr. Horsfall.*) Can railway companies at present actually borrow any amount of capital they please without coming to Parliament ?—They must come to Parliament.

16,724. Do you recommend that they should be able to borrow any large amount without going to Parliament ?—Certainly.

16,725. (*Earl of Belmore.*) In fact, you would do away with the limit to borrowing powers ?—Yes.

16,726. (*Mr. Glyn.*) You would allow them to use their commercial credit like any other commercial body for the purpose of raising money ?—Precisely. The credit of a railway company and its liabilities can be made so manifest that the public are better judges as to how they should advance their money, than I think it is possible for Parliament to be. Whether you give them freedom at once or not, you compel them to come to Parliament to increase their capital account. I know a case at this moment where 5,000,000*l.* of security have been issued, and only $2\frac{1}{4}$ millions of cash received.

16,727. When you say securities issued, do you mean Parliamentary securities ?—Yes.

16,728. (*Capt. Galton.*) Issued out at a discount, in fact ?—In all manner of ways, commission, discount, and so on.

16,729. (*Mr. Glyn.*) In point of fact those securities were issued at their market price ?—No doubt.

16,730. The commercial character of the company being known, they only get the value of their commercial character ?—Just so. If you make that company quite free, I believe they would get better terms.

16,731. (*Capt. Galton.*) If you adopt the plan of removing all restrictions from the company as to how much capital it should borrow, how would you deal with those companies who at the present time have already borrowed a large capital ?—All subsequent advances must be subject to the charges already existing.

16,732. They would all be prior charges upon the undertaking ?—Yes.

16,733. (*Mr. Horsfall.*) Would you extend that power of borrowing to other companies than railway companies ?—I have not considered that point.

16,734. Do you think it would be equitable so to do ?—My consideration of this subject has been particularly with regard to railways, and I do not feel that I have sufficiently considered that point to be able to answer the question.

16,735. When you make the recommendation with regard to other companies, have you not given some consideration as to how far it would be desirable to extend that power to other companies, or how far it would be just or unjust ?—If you take companies whose status can be ascertained as well as railways, I would take canals as an example, there is no reason why they should not get it; but what other companies come and offer the same securities as railways I do not know. If you take a trading company or a bank, they do not.

16,736. (*Mr. Glyn.*) Suppose you take a dock ?—If you take a dock, I think you might; but anything which can make away with property in three or four months by advances, or encountering liabilities, is not in the same position as a railway; but where property is of the same character as a railway, such as a dock or a canal, I do not see why they should not have the same power,

16,737. (*Chairman.*) Most commercial companies can borrow to any extent they please, can they not ?—It depends very much upon the deed under which they are registered.

16,738. (*Capt. Galton.*) And a good deal upon their credit ?—Yes.

16,739. (*Chairman.*) What are your views with respect to the extensions within a so-called company's own district ? For the last three or four years that has been carried out very anomalously. For some years past there has been no such thing as a subscription contract before Parliament. When there were subscription contracts they were never enforced, and neither for many years, I believe, could you get

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a subscribed capital to any new project. Yet on the other hand it is undoubtedly within our knowledge that there are many branches in districts where it would be very desirable, and where the landowners are very desirous of it, and where the existing companies are disposed for many reasons to oppose them. I think that if companies are to receive any assistance or protection from Government, they should be in some shape or another under a constraint to afford these new lines fair assistance. In the first place, I should take care that these lines are really *bonâ fide*, and that the landowners should show some substantial proof that they are approving of them, and then, subject to that, Parliament should sanction them and seeing that they cannot be worked independently; for it is impossible to work any small line independently; no small railway can be worked without absorbing all its revenue, if not more. I think that the companies holding that district should be under a liability of working it at 50 per cent.

16,740. Do I understand you to propose that no such extension should be made, unless the landowners in some substantial way show that they take interest in it?—Unless there be some apparent object that can be proved to the satisfaction of Parliament. I have known cases where lines have been set up which had really no object beyond that of supplying a district which was not permeated by railways. They set out by saying they have got the sanction of the landowners, and it turns out that the landowners have not taken a single share. If the landowners do not take any shares, it does not appear to me that there can be any crying necessity for the railway. Where they do show an interest, and are prepared to take a stake in the railway, I think in that case that the line should be sanctioned, and that the company in whose district it is should be obliged to work it at 50 per cent., which they can generally do without any.

16,741. (*Mr. Horsfall.*) You would not make them find capital?—No.

16,742. Do you think any regulation could be laid down to ensure that those lines were of a *bonâ fide* character?—I think the existing regulations are sufficient. In the first place, with regard to the deposit, I would recommend that there should be the names on the Bill as now, and that they should be the names of gentlemen of the district and of position, and then that the landowners should subscribe capital to the extent of their land taken.

16,743. Would not those conditions be evaded in the same way as in all attempts hitherto made they have been evaded?—It is difficult to say what cannot be evaded; but I think that where an existing railway company really had a substantial object, you might leave it to them to detect the evasion.

16,744. Do you think what are commonly called speculative lines, that is, lines got up by contractors and engineers, are objectionable?—No, I do not on the whole. Some of the very best lines have been so got up, and among them are the Metropolitan and the Metropolitan District.

16,745. If landowners had been required to take a substantial interest in those lines, would it not have been impossible to have executed the greater part of them?—Certainly.

16,746. In most of those cases do you think you could get the concurrence of the landowners?—Not in the Metropolitan Railway, but in local districts or rural districts I think it should be a condition, showing that it was a *bonâ fide* line, that the landowners should, according to the extent of their land taken, take stock; that would be clear evidence that the railway was wanted.

16,747. (*Capt. Galton.*) You would not limit the great companies from making extensive new lines in any way?—Certainly not.

16,748. Whether they were interfering with the district of another company or not?—So far as my experience goes, all the great companies dislike competition, except where they inflict it themselves. There is not a great company that I know of which has not sought to invade its neighbour's territory; then it is all right; but if you touch theirs, then there is a cry raised about competition. I do not know any great railway company which has not asked of the Legislature to penetrate their neighbour's territory wherever it could.

16,749. You would leave that still to go on?—Certainly.

16,750. (*Chairman.*) You would not attempt to introduce any measure to prevent aggression by different railway companies upon one another?—No; there are very few railways that have been made that have not returned to the public in some shape or another an ample interest upon the outlay; if you take the whole railway system, the whole capital of the railways. Some little time ago I went through the calculation, and I found the minimum that it paid the nation was 15 per cent.

16,751. How do you estimate that they paid that to the nation?—I take all the existing traffic. I take it in this way. Supposing the railway system annihilated, at what rate could the traffic be conveyed. Of course the answer to me would be this, that a great deal of that traffic would never run at all. Then I say, probably the loss to the nation may be even greater by the traffic not being carried at all, or if carried it would be carried at increased rates, but taking the increased rates, it pays the country 15 per cent. on the whole.

16,752. (*Mr. L. Gower.*) Would the plan of a Government guarantee be a stimulus to the making of railways?—I think it would. Do not understand that I recommend a Government guarantee on the cost of any railway. I only recommend the Government guarantee to the extent of a portion of its capital, as far as the railway is concerned, as to the extent of its existing liabilities. In the case that was put of a new railway, if the Government chose to take part of its obligations upon themselves, they must judge of the merits of that particular railway when it is formed. The objection to laying down a fixed rate is that until the traffic is worked you do not know to what extent the debentures can be fairly issued, because the estate of a railway is worth nothing comparatively speaking.

16,753. (*Chairman.*) Then I understand it is distinctly your opinion that no attempt should be made to check the attacks of one railway company upon another?—No.

16,754. With respect to competing lines, I believe your opinion is that sometimes they are beneficial and legitimate, and sometimes not?—Generally speaking, I think on the whole they have been beneficial, but there are cases where it has not been beneficial. Take the case which I argued out with Mr. Booth at the Board of Trade, and also before the Commission which sat on Railway Legislation three years ago. I take the competition to be useful and legitimate, such as that which exists between London and Manchester. You have the Great Western route and you have the Great Northern route. The Great Northern became competitors because between Manchester and Sheffield a railway is required for local purposes, and an extension down to the Retford district was required. Of course the Great Northern penetrating there intersected it, and so opened out an additional communication to Manchester. The result is that Manchester gets a choice of trains by two routes, and there are very frequent trains. The number of trains has been increased as the traffic increased. Whether the route is *viâ* Crewe, Birmingham, or Stafford, or *viâ* Retford, Sheffield, and Peterborough, it is equally convenient for traffic to the north. There undoubtedly competition has been decidedly in favour of the public, and it is a legitimate competition that has arisen entirely from the interests of the intermediate districts. But suppose that instead of going to Manchester through a populous district *viâ* Peterborough, Retford, and Sheffield, you had gone through a desert with no traffic at all, what would

have been the result. As there would be no intermediate traffic between Manchester and London, you would have no more trains, and the company would, to that extent, simply say the same as other companies: As we cannot advantageously work the traffic, but have the power of lowering your rates and destroying your property, we will leave you the traffic, but you must pay us black mail.

16,755. (*Mr. L. Gower.*) Do you know any case in which that has actually arisen?—I know of no case where that has arisen at all.

16,756. (*Chairman.*) You cannot give us any instance of what you consider illegitimate competition?—I could; but I must ask you not to press me for it, because it is a case in which I have to give evidence.

16,757. But it must be very difficult to draw any line of distinction between what is, in your view, legitimate and illegitimate?—I give as an instance where you have to go through a district which cannot give traffic from end to end, and where the line does not offer any advantages as regards directness, or gradients, or anything else.

16,758. In almost all parts of England there must be a certain amount of local traffic, which will always give a colourable ground for granting a new line?—I could quote a case that I think very nearly comes to the desert.

16,759. Has the result of the competition of competing lines been to lower the fares generally?—I think no doubt it has; and, besides that, it is beneficial in this respect, that both railways agree to try to get the public favour by doing their work one better than the other, as far as they possibly can, and the public get the advantage of that; they get the advantage of more trains and more speed.

16,760. It used to be alleged that in the case of competing lines after a certain amount of competition, companies would probably agree to raise the fares; has that in practice been the result?—They raised the fares from the extreme rates at which they were then put between London and Manchester. I take the case of the Great Northern and the Great Eastern. The Great Northern very recently commenced working their own line to Cambridge; the Great Eastern worked it under a lease from the Great Northern, but recently that line lapsed to the Great Northern. Three or four years ago I said to the Great Eastern, "You must come "down to the Great Northern rates, and therefore "I advise you to do it at once, and have the benefit "of our increase of traffic, besides getting your-"selves established there before the Great North-"ern knock down your rates, when you will not have "the credit of saying you had anticipated it and had "met the public there." They did that. The Great Northern fixed that rate undoubtedly. But with regard to the Ipswich rate, where the Great Northern cannot touch them, I could not induce them to lower the rates, although I am morally certain it would have been to their advantage.

16,761. (*Earl of Belmore.*) Are not the fares on the Great Eastern considerably higher than those on some of the other great railways?—On the Ipswich route they are, but not on the Cambridge route.

16,762. (*Capt. Galton.*) From London to Cambridge, which is 56 miles, the charge would appear to be greater than for 60 miles on the North-western?—Yes, that is possible. I could not get them down to the Great Northern rate. They approximate within 6*d.* of the Great Northern. The Great Northern is about 2¾*d.* per mile; that would make it about 11*s.* to Cambridge. I got them down to 11*s.* 6*d.*, or thereabouts.

16,763. (*Chairman.*) What is your opinion with respect to amalgamations?—I believe that amalgamations have eventuated very much to the benefit of the railways, and I think very much for the benefit of districts where they have taken place.

16,764. Do you think any steps should be taken which would tend to increase amalgamations?—No, I should think that the simple expression of the opinion of this Commission would be very useful. I will take the railways which are south of the Thames. There are four companies there. I am quite convinced if they were consolidated it would be very much for the benefit of the public, and undoubtedly very much for the benefit of the companies. The Legislature would of course take care, when legislation does take place, that it does not have the effect of stopping all railway progress in these districts; in fact, they do it now, and that is where I am surprised that Committees do not take much stronger action than they do. Where railway companies agree upon a territorial division, and they agree *inter se* that they will not encourage lines that intersect that territory, they oppose any new project. By that means the district between them is really suffering very much from the difficulty of getting legitimate railway accommodation; and they often parade their grievances before a Committee, because one party or other are sure to break them, and when they come before the Committee they say, "Look at the great breach of agreement which there has been here. The Committee have nothing to do with the agreement. If they have made an agreement which has the force of law, why do they not go to law? What the Committee have to do with is to see that the line is for the benefit of the public.

16,765. (*Capt. Galton.*) When you refer to the four companies south of the Thames, I presume you allude to the London, Chatham, and Dover, the South-eastern, the Brighton, and the South-western?—Yes.

16,766. How would that operate upon continental traffic; would it not cause the rates for continental traffic to be raised?—I should think not, because with regard to the continental rates, like all other rates, they find it to their advantage rather to lower them than to raise them. But at all events as regards the existing rates Parliament, in granting the amalgamation, can make its own conditions.

16,767. From London to Paris by way of Newhaven, or Southampton, as compared with London to Paris by the South-eastern, a very low rate is charged, which rate depends upon the French companies?—Yes.

16,768. Parliament could not have any control over that?—No; but when you are amalgamating English companies, you are not amalgamating French companies. Therefore if you establish a rate from London to Havre, or to Dieppe, of course, if you fix that rate, the French companies will take care of themselves.

16,769. (*Chairman.*) Some of the witnesses have given it as their opinion that the amalgamation of parallel lines would not be advantageous to the public; do you see any distinction between what are called parallel lines and the others?—No, I do not.

16,770. (*Earl of Belmore.*) Do you think it would be of advantage to amalgamate the North-western and the Great Western in places where they have lines which run parallel?—I think there is a limit to amalgamation. It is a question how far two such large systems as those could be conveniently worked under one head.

16,771. You think the North-western is now as large as it conveniently can be worked?—I would not say that; I think it must be approximating to that at all events, but whether it would be well to amalgamate such a large system as the Great Western with that, is a question which would require grave consideration. Whether it has reached its limits of amalgamation within 100 miles or 200 miles I cannot say.

16,772. (*Capt. Galton.*) Do you think it would be very inconvenient to the public if all the railways of England were amalgamated together?—It would not be workable, although in a theoretical point of view it might be desirable. Whatever could tend to equalize the totality of charges is advantageous, and of course if amalgamation tends to equalize the total charges on all traffic, it would be desirable.

16,773. (*Chairman.*) You referred to the public

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being prejudiced when companies were making agreements with one another; you were speaking not so much of amalgamations as of cases where companies which had been hostile were making agreements to work on friendly terms?—Perhaps they were not working even on friendly terms; they agreed thus far, that certain traffic should be divided, and that they would not traverse over the line of each other's territory or encourage subsidiary lines being constructed in any way. I say that is a state of things which ought not to be countenanced, and that wherever the Committee can drop on such an agreement they ought to put an end to it; in fact, it is taking the power of the Legislature into their own hands.

16,774. Do you recommend that some action should be taken by Parliament?—It is a very large district. With reference to the point suggested by Captain Galton, I think Parliament should take care of the continental route, because that is very important. The conditions under which the country is supplied with railway accommodation for the convenience of localities should be protected.

16,775. What precaution could you recommend Parliament should take to prevent companies discouraging lines that are required for the convenience of the country?—I think, in the first place, if those lines are *bonâ fide* supported by the landowners under the conditions I have already mentioned, that those companies should not only be prevented opposing them in Parliament, but I would compel them to work them if they had got the advantage of the amalgamation. There should be some rules with regard to laying out the line, and so on.

16,776. I understood you to say that before any amalgamation is sanctioned, Parliament ought to lay down some rules?—Yes.

16,777. Are those the rules you have just referred to?—That is the principle, of course I cannot, just on the spur of the moment, define the exact conditions.

16,778. (*Capt. Galton.*) What arrangements could you make to ensure that such a view of the case should be brought to the notice of the Committee before whom the Bill was placed that certain conditions should be made in the case of amalgamation, every amalgamation Bill being referred to different Committees?—You might have a set of clauses which should be enacted in all amalgamation Bills, and in the same way as you enact the railway clauses, the lands clauses, and the companies clauses, you might enact amalgamation clauses.

16,779. Make them certain standing orders, in fact?—Yes.

16,780. (*Chairman.*) Do you think amalgamations have generally been beneficial to the districts as well as to the railway companies themselves?—I think so.

16,781. (*Earl of Belmore.*) Allow me to ask you two or three questions with reference to the amalgamation of companies in Ireland. Do you think that it would be practicable, and at the same time advantageous to shareholders and to the public, to carry out something of this sort, to ascertain, by valuation, what the shares are really worth, and then to cancel all the existing shares, and to create new stock, giving so many shares to each individual as should be equal, not to the nominal, but to the ascertained real value of his property?—Yes.

16,782. If what I have suggested were to be done by means of a public Act of Parliament, and if Government were to make an advance of money to them, for the purpose of enabling them to discharge the floating debt, such advance to be repaid with interest by instalments, do you not think that Government might then fairly insist on a gradual reduction of fares and rates, in the interest of the public?—Government do not give any advantages; they might fairly stipulate for that. I think I should hesitate very much in making any advance in that way. My view rather is, that they should be all consolidated in one stock, and the existing companies entirely annihilated except so far as being in the receipt of a certain income.

16,783. How would you deal with the floating debts of the existing companies, which must be paid in some way or other?—Whatever floating debts there are, if they are paid, will be lessening the dividend, but the floating debts of the company, I take it, have scarcely any security, and therefore I think they should be paid in full, in cash.

16,784. Putting the floating debts out of the question, do you think, for the proper working of such a system of railways as I have mentioned, that it would be advisable to abolish all the present boards of directors, and to create a new board composed of experienced directors, sufficiently well paid, so as to enable them to give their whole time to the business?—That would be a great deal better than the existing system, which I suppose is as bad as can be. I do not believe in management at all, except the parties who have the management have a direct commercial interest in the result. If you pay them simply by salary, you cannot expect that gentlemen who are so paid will incur the same responsibility as they would do where they are interested in the result. It is a very serious thing for managers to recommend a reduction of the rates on railways, because if it eventuates in a loss they get blamed for it, and if it turns out favourable there is nothing more heard of it. Therefore, I say you never will have a railway worked to full advantage unless it is managed by those who have a direct interest in the commercial result.

16,785. Do you think it would be possible to obtain unpaid directors who could afford to give so much time as would be necessary to conduct the affairs of so large a system?—That is worse again. We have some claim on those who receive pay. You might drop on some gentlemen who for the love of the thing would do this work, but as a rule you cannot expect it. Unpaid directors would pay themselves in some way or another, either in the shape of patronage or in some other way. All directors are paid in this country, some more and some less, but the directors of this country have got a stake in the concern, and in the next place they are held in check by this circumstance, that at every half-yearly meeting, if the dividends are not kept up to the mark, there is sure to be a disturbance. If there were paid directors appointed by the State, I do not think you could reckon upon their managing a railway with commercial success.

16,786. I did not say that the paid directors were to be appointed by the State. What I would suggest is that they should be elected by the new company, and paid such salaries as should induce them to give their whole time and attention to managing the affairs of the company?—If all the railways in Ireland were amalgamated into one company, I should recommend them to pay their directors well. I should take care that the directors had an interest in the results.

16,787. Do you think so large a system as that would then have become, could be properly worked by a board of directors sitting in Dublin without the assistance of local committees elsewhere?—Yes, local committees have been a nuisance. It would be only in a smaller degree reproducing different boards of directors, who are always at variance one with another. The whole of the Irish railways could be worked with great ease and facility in Dublin, provided proper gentlemen were selected for the purpose.

16,788. You think on the whole it would be possible to consolidate all the railways of Ireland into one, and that when it was done it could be properly worked by one board sitting in Dublin?—I am certain of that, and much better than it is done at present.

16,789. (*Lord Stanley.*) What would you do in the case which I fear is not an infrequent one in Ireland, where a portion of the stock is unsaleable at any price, and therefore of no value whatever?—If the stock has no value, it really ought to have no value and I quite believe that to be the case in Ireland. I think many of the stocks are above their real value,

Of course you must put the proper value on it, and if it is worth nothing, you must put nothing on it. It is a strong measure, no doubt.

16,790. Do you think in that case it would be easy to bring the shareholders to accede to that view ?—It would be very difficult to bring the shareholders to take the view of the case that their shares are worth nothing.

16,791. I suppose you are not practically acquainted with the discussion which is now going on in Ireland with regard to the purchase of railways by the State ?—No, I am not.

16,792. You cannot say whether the idea is or is not that they will obtain a great deal more than the market value for their stock ?—No.

16,793. (*Chairman.*) With respect to the question of working railways by limited liability companies, do you think that that is desirable, if it can be effected, in England ?—Yes, and in Ireland too.

16,794. Do you see any means by which, supposing it was considered desirable, it could be effected ?—I think there would be no difficulty in effecting it. What I understand to be the objection taken to it is this, that if they were sub-let to a company under a contract, the rolling stock and permanent way would not be kept up. There is no difficulty at all about that. I have had great experience as regards the more difficult department, that of the rolling stock. The North Staffordshire Railway is worked under a contract which I made in 1849 for 10 years.* It was so framed that the contractor's direct interest was in improving the stock, and the stock was of more value when he left it than when he took it. The permanent way can be laid under similar conditions, so that it could be made to the direct interest of the parties who are working it to improve rather than allow the rolling stock to deteriorate. It was done in this way in North Staffordshire. With every engine and every carriage an account is opened. With respect to No. 1 engine its value is put down at the price paid for it, say 2,500*l.* The contractor is paid 1*s.* 1*d.* per train mile, but out of that 1*s.* 1*d.* the company kept back 1½*d.* mileage rate. The contractor said, "Hand me over "a sum to the credit of that engine, because I have "put a new engine on the line;" and he sells the old engine if he thinks fit. The best of it is this, that whenever the money reached a large amount, it was for the advantage of the parties to put a new engine on the line and have the use of it, rather than to continue the use of a partially worn out engine. So in the same way with regard to permanent way. The contract should be that for every train mile run you made a deduction going to the credit of the permanent way, which was only to be taken out by the contractor relaying it with new rails and new sleepers. It is perfectly obvious it would be to the interest of the contractor to keep the road in good order rather than have to work over an imperfect road. You have this direct advantage, that it would be worked by a commercial firm, who, not being responsible to any one but themselves for the result, would try to earn greater experience in such matters than I believe any ordinary body of railway directors generally do.

16,795. (*Capt. Galton.*) As the company would be much smaller, they would not have the same number of shareholders ?—Only eight or nine; not more than 10 or 12 at most.

16,796. The capital would be small ?—If there were a small number of persons, they would be responsible men, and responsible for a large sum of money.

16,797. Suppose you take the Great Western Company ?—A limited company should not take that at less than a million of money, and half a million of money should be paid down. That is wanted for trade purposes.

16,798. (*Chairman.*) Could you bring such an arrangement into operation ?—Of course, if it was understood that the Legislature would view it favourably, it might be left simply to companies, which should have the power of sub-letting to themselves, upon such conditions and such general terms as should be approved of by somebody to be appointed to see that the conditions of the contract are such as would uphold the rolling stock, and prevent the stock falling into disorder, and that it was adequately managed.

16,799. (*Capt. Galton.*) You would leave any railway company to do that without parliamentary sanction ?—They should be subject to general conditions.

16,800. You would make a general Act with reference to it ?—I would take care that the conditions annexed to the contract were such that the stock must be upheld.

16,801. (*Chairman.*) Have you ever seen any symptoms of an indisposition on the part of railway companies to make such arrangements ?—No; I have not. They have never considered it a thing likely to come about. I dare say it would take some time, even if any powers were granted. It is hardly ripe for it.

16,802. (*Capt. Galton.*) You assume it will be of advantage to the company by enabling them to secure a higher permanent rate of interest than it now gets ?—Yes. Another objection to it is that it would not be to their interest towards the termination of their lease to cultivate their traffic. I suggest that an increase of traffic should be capitalized in a certain proportion.

16,803. That is, to pay them back ?—No. Supposing the increase of the net revenue was 50,000*l.* a year, I should propose that a portion of that should be capitalized and handed over to them at the expiration of their lease; that will recoup them for any risk they run in developing it.

16,804. You were referring to the North Staffordshire contract, can you hand that in ?—Yes. (*Vide Appendix.*)

16,805. (*Chairman.*) The more enterprising a company is, the greater is the reduction of their fares ?—I think it will go on with regard to the passengers, certainly; but as regards general merchandise I believe you may leave that safely to the railways.

16,806. Do you think there is any reason to suppose that a small number of persons composing a limited company would advance more rapidly in that direction than those enterprizing railways ?—Yes; I think so. I think it is more owing to the national elasticity of the traffic of the districts they serve than to any peculiar management that I see.

16,807. Have you a very strong opinion that a lowering of the fares and charges on goods would be remunerative to the companies ?—Certainly; within limits, of course.

16,808. (*Mr. Horsfall.*) What limits; take, for instance, a large railway company like the North-western ?—I think, as regards all articles of value or general merchandise and perishable articles, we may leave that to the railway companies. It is impossible that any one can fix a rate; we must leave that, of course, to their good sense to fix a rate which would bring them the most revenue. But I do think that where anything could be done for the public by lowering the rates on heavy articles it should be done; that, I believe, would be of great importance to the railways and certain large districts of the country.

16,809. And to passengers ?—And also the cheap class of passengers. I think we want a cheaper class than we have now. I think workmen with their families should be able to be transported from some of the rural districts at a very low rate.

16,810. Do you not think that a considerable reduction might be made in the first-class fares without injuring the company but benefiting the public ?—In some cases. To what extent they could be reduced with advantage to the companies I cannot say if it can be done. I think it might be left to the natural course of things that it will be done.

16,811. (*Chairman.*) You think a limited company

* See Appendix CL.

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would be inclined to make experiments more rapidly than the present railway companies?—Yes, I do. If it is likely to be advantageous, a limited company would find it out sooner, and they would not mind trying the experiment of going back again; they would not mind running the risk of public observation.

16,812. There are some companies that are in very few hands?—I dare say there are.

16,813. Do you know whether those companies have been willing to act more liberally than large companies?—I do not know. I do not know of any company where it is really limited to some 9 or 10 individuals. If I were to embark in one, I would not have more than eight or nine partners.

16,814. Would you prevent the shareholders in that limited company from parting with their shares?—I should leave that entirely to themselves.

16,815. There would be no security that in a short time that company would not consist of 20 or 30?—That you cannot help. You might limit it that the company should be restricted to 9 or 10 or 12 partners, but each of those gentlemen might represent half a dozen more.

16,816. With respect to running powers do you recommend any alterations or changes?—My opinion is, that they should be universal.

16,817. (*Lord Stanley.*) You mean that every company should be allowed to run over another company's line?—I would let traffic come to them in all directions. The only limit I would put on it would be this; I should not allow a company to use another company's line merely for three or four miles at such rates as they chose. A company having traffic which they wish to send on to another line where it might run for 100 miles, running on their own line for merely four, it would not be fair that they should fix the rate for those 100 miles, but wherever a company have a fixed interest in the traffic I would let them have running powers.

16,818. (*Capt. Galton.*) How would you fix the rates?—I would let them fix the rates, only the rates must be applicable to the two companies. Running powers mean this, that I should have the power of fixing my own rate.

16,819. For instance, suppose you have a line coming to join the North-western at about 10 miles from London, and you run in over that most crowded part of the North-western line into London, and fix a rate which, perhaps, would amply remunerate you on your less expensive and less crowded line, but which the North-western might demur to, as not being sufficient to pay for their extra expensive line?—If their traffic is crowded your traffic would be subject to their regulations. Although it is an expensive line it is a very large company. I say the fares have nothing to do with the cost of the line; of course I put a limit to anything of the kind which you have mentioned of a company coming on the North-western upon the last 10 miles into London, I think that would be unfair under any circumstances.

16,820. How would you limit the arrangement?—I could not say at once; but what is floating in my mind is this: that where there is a company who have got a traffic of 60 or 70 miles on their own line, wishing to send it over 80 or 100 miles of another company's line, they should have the power, if the other company would not take in their traffic upon ordinary terms, of having it settled by arbitration. You must provide your own appliances for your engine, you must have the shops for cleaning it and doing any temporary repairs, although you can claim from the other company, upon payment, the use of its water crane and any other accommodation of that sort which is necessary to be provided for the engine generally. I think through rates, in some way or other, should be obtainable in every direction upon fair terms.

16,821. (*Chairman.*) When one company has running powers over another, has it the power of stopping at all the stations of the other company?—If they have running powers they have power to deliver and take traffic to any of the stations on that line, but they cannot take up local traffic. For instance, suppose I have got a line from London to Peterborough, if they have got running powers they can exercise them if they choose from Peterborough to Doncaster, they can take traffic to any of the stations between Peterborough and Doncaster; but they cannot take up traffic on the Great Northern to deliver at intermediate places.

16,822. (*Earl of Belmore.*) The Midland are somewhat in that position now with regard to the Great Northern in getting into London, are they not? Possibly they may be, but that is not within my knowledge.

16,823. Practically they would not in most cases carry passengers except to important stations?—Where it would be chiefly exercised would be with regard to goods, especially with regard to minerals.

16,824. Do you find an unwillingness on the part of any company to book through?—I have not experienced it; but I daresay there may be cases of that sort.

16,825. I think the general tendency of the evidence has been that through booking arrangements are much more frequent now than they were a few years ago?—Yes.

16,826. As matters at present stand there is every probability that through booking arrangements will go on?—Yes.

16,827. Do you think it is desirable that Parliament should interfere by making any general regulations granting every company running powers?—I think if it were left to me I should do it and take the consequences. Wherever I have any control I have always said, throw the railways open. What influences managers is no doubt this, that if we have got the traffic, for instance from a place from *a* to *b*, we get the whole mileage. For the sake of illustration I put it in this way; we have got 30 miles of rate, if we allow the traffic of another company to intercept it, instead of 30 miles of rate we shall only get 20, and therefore we lose 10 miles. The policy of managers is to get the longest mileage out of the traffic. The view I take of it is this, that although the public have the benefit of the best route that can be given, and although you get more out of the traffic, if you keep it on your own line my opinion is that in most cases they would be much more than paid by the increase of traffic owing to the facilities that are given to it. I believe on the whole that, taking it as a general rule, railways would be more compensated by any increase of traffic than any loss they would sustain by diverting it entirely off their own system.

16,828. Would not the prospect of acquiring running powers as a matter of right give a great additional value to small companies whose lines were running into the lines of some of the larger companies?—No doubt it would to those who cannot approach except through main lines, which are inimicable to such a connexion.

16,829. Would that be fair to the larger companies?—Quite fair. I will take the Furness Company, who are surrounded by the Lancashire and Yorkshire, and all the rest of them are in contact with it.

16,830. The North-western and the Midland come in contact with it?—Suppose, by possibility, the Lancashire and Yorkshire Company have traffic which they have forwarded for your convenience, but these two companies, seeing that they can get traffic in some other directions which pays them better, will not concur. The Lancashire and Yorkshire is surely to have access to your system, and should be able to compel an access if the other companies will not give it to them. If they must give the company over which they exercise it the same rate as they take themselves, that will not be a great hardship, and will prevent injustice in most cases, probably in the great majority.

16,831. They must give the same rate in all cases as they take themselves?—They must do it.

16,832. Is it not usual when running powers are

exercised, for the rates to be fixed by arbitration ?—Not running powers; of course you may have running powers with accommodation, such as through rates. That may or may not be of any use in order to make that valuable; I think through rates should be established and made until the arbitration is concluded, and then the arbitration will be quiet, prompt, and summary; whereas if you go to the managers and squabble over the rate for a twelvemonth, and the public are deprived of the advantage.

16,833. Do you think it is desirable that any Board of Appeal should be constituted for deciding questions between different companies ?—I think so.

16,834. How would you constitute such a board ? I think it should be done in this way : I think if you could obtain it there should be one great judicial authority; I think the importance of the case really demands it, and then in any case of difference he should be aided by two assessors, to be named by the contending parties. Of course I do not mean that he should be troubled with every little pettifogging complaint, but when the questions are large I think that will be a tribunal which will administer justice, and will enable the public convenience to be forwarded by facilitating the establishment of through rates and through booking.

16,835. (*Capt. Galton.*) Would you make that tribunal decide questions between the public and railway companies ?—Certainly.

16,836. Or merely questions between railway companies ?—I think if you had such an authority you might apply that to all questions.

16,837. Your principal point in it would be to establish a tribunal to arbitrate between railway companies themselves ?—Yes. For instance, suppose the Great Eastern wanted to forward traffic to the north, at present we have no power to compel that. We fix a rate and we send the traffic. Mr. Seymour Clarke would object, we should then have this tribunal to appeal to. They would appoint an assessor, and we should appoint one, to aid in practical questions the judgment of the Court or the ultimate arbitrator, or whoever should be appointed. You did appoint an arbitrator in land compensation cases at the Board of Trade, but I should select a much higher authority for these questions.

16,838. (*Mr. Horsfall.*) Still you think it desirable that that should also be a court of appeal as between the traders and the railway company ?—Yes; they are generally very small questions. He should have authority to appoint some gentleman who should investigate it. They would generally be very simple questions which could be settled by going to the station where the complaint lies. The matter of fact would be ascertained publicly, and he would be able to adjudicate upon it.

16,839. In point of fact, would you take all disputes arising out of railway traffice in any way from the ordinary courts and refer them to this special tribunal ? —What I think is desirable is that there should be a railway tribunal for all railway questions, the same as you have a judge for the Divorce Court. Railways are of a character which justify a special tribunal, and a judge whose special duty it is to decide such questions would, in my opinion, be a very competent tribunal.

16,840. (*Lord Stanley.*) Is there not this objection to the appointment of a single judge to deal permanently with one class of questions; being, as the judges in England are practically irresponsible for error, is there not this danger, that the errors of such a judge exercising an enormous and arbitrary discretion would become embodied in the administration of the law ?—I do not think there would be, if he decided merely great questions.

16,841. I am putting it in this way, if one of the judges of the County Courts decides erroneously, that decision is not followed by other judges, and does not form part of the law of the land, and so with the judges who go on the circuit; but if you have a single judge confined to dealing with one subject and he takes a particular view, confining himself to dealing with one particular class of questions which shall be decided by him, there is no other court or authority to overrule him or to correct all these decisions ? —Yes, no doubt that is subject to this observation. The only suggestion one can make with regard to it is that his decisions should be subject to appeal. I can suggest no other course; but I know it is very desirable that we should have some high judicial authority specially applicable to railway companies. Anything is better than at present; nothing can be worse. Take the appeal to juries in compensation cases. We know perfectly well what the result is before we go; but it is a matter of duty; it is, as it were, to resist exaction; but we know what the result will be.

16,842. (*Chairman.*) Supposing such a judge were appointed should you propose that cases should be referred to him for decision which cannot at present be actually carried before any court ?—Yes, such as the case with through booking and forwarding traffic.

16,843. Then he would not have to decide on strict matters of law ?—No, not as regards those cases.

16,844. He would be more in the nature of an arbitrator than a judge ?—Yes.

16,845. Does it frequently happen that railway companies go to law with one another ?—Yes, they do go to law with one another, but not upon such questions.

16,846. Is there any difficulty at present in their agreeing in any serious matter to appoint arbitrators and abide by their decisions ?—There is no difficulty in that, but they do not do it.

16,847. Is it the fact that they do not ?—The cases which particularly apply to arbitration are so contrary that people do not attempt it, and they do not even ask it.

16,848. Have you any additional observations which you wish to make with respect to the interchange of traffic between neighbouring railways ?—No, excepting what I have already stated, namely, that the traffic should be at all times to follow upon the responsibility of the company who seeks to forward it, and other companies should be compelled to take it upon such terms as they charge currently; but that if they think the charge is improper and not applicable to this case, then that they should have an arbitration in the way that I have suggested.*

16,849. Your opinion is that general running powers should be conceded ?—Yes.

16,850. That would secure in all cases the forwarding of traffic between neighbouring railways ?—Yes.

16,851. Do you think that the law is at present in a satisfactory condition with respect to parochial rating ?—Nothing can be worse. The law can only be applied by almost a perversion of it. My attention has been more particularly directed to this. Of course what is passed cannot be recalled; but rating has been a very heavy charge upon railways, and it is only of partial advantage, namely, to the parish through which the railway passes.

16,852. How do you mean only a partial advantage ? —I mean advantage to the parish which is intersected. They pay a large amount of rates, which makes a heavy charge upon the railway. Of course originally the Legislature might have increased the Government duty upon railways, and have relieved the railways from this charge which is so partially distributed, and where nothing is done towards earning it. Of course the parishes should not have been subjected to any loss, that is to say, the value of the property which has been taken or destroyed by railways should be charged on railways. Of course you cannot interfere with the present state of things, because the property in the districts has been sold and changed hands under the existing law. I suppose that the general amount of the rating of railways cannot be less than half or three-quarters of a million per annum. I think you ought to restrict the amount to

* See alteration and explanation of this answer in question

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its present limits, and to exact corresponding advantages for the public. At all events the evil of that should rest at its present stage. It is a very heavy source of legal expense to railway companies, because every now and then the parish raises the rates and it occasions a very heavy expenditure in resisting the parochial assessments.

16,853. Do you think railway companies ought not to be rated for more than the agricultural value of the land that they occupy?—I cannot say, but then I think that that remission should have been secured by the State. I do not mean to say that railways should not pay as much as they do now, but the payments should go to the State, because the parish do nothing towards earning the money. The railways have no charge corresponding to the rate they pay.

16,854. Is there any general principle by which the value of the railway for rating purposes can be ascertained ?—They profess to go upon this, what would the railway let to a yearly tenant for? Of course nobody could bring a tenant to it, they arrive at it in this way, they take the earnings of the railway, and divide the mileage, and say that is the gross earning in this parish, then they say that is subject to the current working expenses. Then there would be the statutable deduction and trade capital, then there is always a great dispute over the renewal.

16,855. (*Lord Stanley.*) It is a very complicated case, and the result is not satisfactory?—It is most unfair on both sides. Some railways are not assessed at all that ought to be assessed, and there are large payments made to the parishes which really have done nothing towards earning it, whereas I say that payment should go to the State.

16,856. You think it is right that railway companies should pay a certain contribution to the State if not to the parish?—If they pay it at all it should go to the State. As it is the law which renders them liable, I should say as the State gives them that value the State should have the benefit of it.

16,857. Do you mean if the railway takes a considerable part of the land of the parish that it ought not to be liable to pay any of the burdens of that land?—They should be liable for the rates of the property they take, they should not be liable for the rates beyond that.

16,858. You think that the land should be valued either as agricultural land if it is in an agricultural parish, or as building land if it is in a town, and the rate be made accordingly?—Yes.

16,859. (*Chairman.*) Do you know what is the case with respect to canals; are they rated in the same way as railways?—I have never had to deal with canal cases.

16,860. (*Capt. Galton.*) Are docks rated?—Yes.

16,861. In the same way?—Whether the same mode is adopted for fixing the rates I cannot tell.

16,862. (*Chairman.*) You think that the present system of compensation for injuries to passengers is unjust upon railway companies?—Yes, I think it is very unjust.

16,863. What alteration would you recommend?—I do not suppose that you can alter the law; I do not anticipate that the least in the world. I had some discussion three or four years ago upon this subject with a view of putting it on another basis. As you are aware the whole question is taken to a jury; there is a Board of Trade inquiry also upon the accident; neither of which is at all satisfactory. What occurs to me would be this, that the injustice at present is obvious, there is no consideration paid to the railway corresponding with the liability they incur. A man earning 5,000*l.* a year, and a man earning 50*l.* a year may be paying the same fares, and yet the liability of the company is very different. I think, in the first place, everyone travelling should be charged an insurance rate, whatever their value might be, and then that insurance should not be more than half the risk that is incurred, that is, you should ascertain as well as you can from experience up to this period what the risk would be, and halve it, so that the public would only pay half, and the other half should be borne by the railways. For that purpose the whole of the railways should be represented by half a dozen trustees, or directors, or whatever you choose to call them, who should administer this fund, and that the difference between the payment received and the sum awarded or insured should be a contribution from all the railways according to their capital or their value; and then this Board should have the power of inquiring into, and should also have the power of correcting any defects that could be proved to have arisen that contributed to the accident. The advantage of that would be this, that you would have an inquiry conducted by gentlemen who would have the best practical advice, namely, their own managers or superintendents, and you would have them directly interested in according the best management. You would also have this further advantage, that everything they ordered would be what they would have to do themselves on their own lines, and there would be no complaint made that anything had been capriciously or vexatiously exacted.

16,864. Would you make a certain addition to every fare?—Yes; if a man chose to go in for a claim, and say that he valued himself at 50,000*l.* or 100,000*l.*, he would have to pay his 2*d.*, or 3*d.*, or 4*d.* additional as the half risk; then, beyond that, I would also have this, that if a man chose to declare so much for third class, or second class, or first class, that he should pay a certain sum.

16,865. (*Capt. Galton.*) You would make him pay that as a fixed amount, irrespective of the value that he might be?—Yes; if a man wanted more he must declare his value, that is, for death. The only difficulty that I do not see my way through is compensation for injury; the compensation for injury to a man may be more than what would be paid to his relatives if he were destroyed. Up to the question of death there is no difficulty at all in dealing with it.

16,866. If the compensation for injury were not limited he might receive the maximum amount which his relatives would have received if he had been killed?—I am afraid you cannot do that.

16,867. (*Chairman.*) I suppose cases of injury are 20 or 30 times as numerous as cases of loss of life?—Yes, but accidents which result in very serious compensation I do not think are very numerous.

16,868. But still they are numerous enough to make them a very serious burthen on railway companies?—No, they are not so numerous as the cases of death. We had a case on the Harwich line where a gentleman was damaged. He was a teacher on board the *Britannia*, and had a salary of 400*l.* a year. The jury awarded him 8,000*l.*, so that he got the 400*l.* a year and had that capitalized at his death. That is clearly very unfair. The company proposed to secure him his 400*l.* a year, but he refused that. There is no doubt that he was entitled to substantial compensation.

16,869. Have you considered how much you think the fixed amount ought to be for the third class?—I think about 100*l.*, 200*l.* for the second class, and 300*l.* for the first class.

16,870. (*Capt. Galton.*) You would give everybody an option of insuring to any amount they liked beyond that?—Yes.

16,871. Do you propose that there should be facilities for insuring at all railway stations?—Yes, all the railway companies should be compelled to do it. If a gentleman were to say, "I am going in for 50,000*l.*; "what is your rate?" he would be told what the rate is. By this course you get rid of all those questions as to whether the company are liable in the first instance, because in the first place you have to prove the accident is from the negligence of the company or their officers, if you cannot prove that the claim fails. I would do away with all questions, and pay the money instantly the accident occurs; the man is dead and the money must be paid, and then an inquiry as to the cause of the accident, and what can be done to

prevent it for the future, I think ought to be remitted to the sort of tribunal I have indicated.

16,872. Do you propose that the insurance should be for each separate journey, or that a passenger might insure himself for life?—He might do it for both. A gentleman comes to the Rock Insurance Office and says, I have no present intention of going abroad, but I wish to have the option of going abroad at any time during my life, within what is called "all the world policy," and they give it to him on paying 10*s.* per cent. He pays the 10*s.* per cent. and that gives him absolute liberty of going to all the rest of the world.

16,873. Would you propose that any passenger when he goes for his ticket should be allowed in addition to insure himself for any amount he might think proper?—Yes.

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16,874. Would not that entail at crowded stations a great deal of additional trouble?—No, there would be a ticket.

16,875. (*Capt. Galton.*) There would be an insured ticket and a non-insured ticket?—Yes. The clerk might take the 1,000*l.* insured tickets out of one box and he might have another box in which there might be insured tickets for 20,000*l.* or 1,000*l.* as the case might be.

16,876. The ticket might be lost if he were killed?—That is possible.

Adjourned till Thursday next at 2 o'clock.

Thursday, 3rd May 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

MR. JAMES ALLPORT further examined.

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16,877. (*Chairman.*) Have you been furnished with a copy of the evidence of Mr. Cosgrove given before this Commission a few weeks ago?—Yes.

16,878. Have you any explanation to give of the transactions which form the ground-work of his complaint on behalf of the brewers of Burton?—I have. I think Mr. Cosgrove first goes into the history of certain agreements, and it will be perhaps better to clear up that first. Those agreements originated at first with two exclusive ones which were made with Messrs. Bass and Allsopp's in the year I think of 1852.

16,879. Those are not referred to in Mr. Cosgrove's evidence I think?—No; but that was the origin of those agreements; those agreements were not made by the Midland Company, although the Midland was then the only railway there; they were made by the London and North-western Company. We have always stated from that time to the present that we would make no agreement with one brewer that we did not make with the whole, and any allowance that was made to the larger brewers would be made to the small ones. Those agreements were for seven years, and they were carried out, we allowed ultimately the same drawback to the small brewers as to the large ones in the year 1859. This agreement, which is the one complained of by Mr. Cosgrove, was made between the London and North-western Company and Messrs. Allsopp. That we knew nothing at all about, excepting the mere fact that the agreement was made. We never could obtain a copy of it, or a sight of it in any way whatever until the autumn of 1864. When we heard of the agreement being made we immediately waited upon Messrs. Bass & Company and most of the other brewers, and entered into the agreements which are alluded to in Mr. Cosgrove's evidence.

16,880. There are some agreements referred to in his evidence as having been made in 1861?—Yes; those are what I alluded to. In 1859 an agreement was made with Messrs. Allsopp, and in 1861 an agreement was made with us; but the autumn of 1864 was the first time that we knew the terms of Messrs. Allsopp's agreement. In the agreement of 1861 we felt and stipulated that they should be put on the same terms as any other brewers in Burton, and as far as we could we have from time to time done so; but Mr. Cosgrove in his evidence states from high authority that we knew from the commencement the terms of the agreement.

16,881. (*Mr. Glyn.*) That is, of the agreement of 1859?—Yes; he goes on in two or three places to state, and he did it on high authority, that the Midland Company knew of this agreement from the commencement. I am a good deal surprised at that statement, because from time to time correspondence has taken place and interviews have been held upon the subject. I have myself seen various members of the firm of Bass & Company, and told them that the moment we knew what the agreement was, they should have the benefit of it. Only so late as the 15th September 1864 I wrote to Messrs. Bass & Company to this effect, "We have not yet received a copy of the agreement "between the London and North-western Company "and Messrs. Allsopp, but we expect that we shall "have it in a few days." We had been urging upon the London and North-western Company the necessity of supplying us with this agreement, but we never succeeded in getting it. The first time we received the agreement was late in the autumn of 1864, and of course even down to this moment we are under the restriction as to its privacy which is put upon this agreement by the London and North-western Company; it was handed to Mr. Walklate with the understanding that the information was for the present for the private use of the Midland Company only. I merely mention this of course, the London and North-western Company have a perfect right to make those agreements, and not furnish other companies with copies of them; but the whole of this was in the knowledge of Messrs. Bass & Company and the other brewers, as is shown by my letter of September 15th, 1864. When we received the agreement I immediately wrote to them to say that I had received it, and that when I had fully looked into the terms of it I would then examine all the accounts and make them a drawback; but I found that there was a supplementary agreement.

16,882. What were the dates of those agreements?—Those were dated in April 1864, of which agreements I did not get copies until the 29th March 1866, a month ago, so that it is only within a recent period that we have been in full possession of the terms upon which Messrs. Allsopp's agreement with the London and North-western Company was based, and that we have had an opportunity of putting the brewers on the same footing. But to show that the brewers have not suffered any loss from this, I may mention that when we found in 1864 that we could not get at the exact terms of the agreement, we allowed them to keep back their accounts to the extent of some 40,000*l.* or 50,000*l.*, so that they should have the money in hand, and it would be merely a question of account when the terms were known. So far as the Midland Company are concerned in this matter we have always refused, even at the instigation of the large brewers, and it has been a source of some

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annoyance to them from time to time, that we, the Midland, have always refused to give them advantages over the smaller brewer; but it is a principle that has influenced the Midland Board for many years, that no advantage should be given to a large trader over a smaller one, and there is no firm I am quite sure trading upon the Midland Railway who are better acquainted with that policy than Messrs. Bass & Company. I can only assume that these incorrect statements, to use the mildest terms, were made in consequence of Mr. Cosgrove having only recently joined Messrs. Bass & Company. He was formerly a station-master I believe on the London and North-western Railway; he has been in the service of Messrs. Bass & Company for only a short time, and can scarcely have become acquainted with all that has transpired from time to time during the last 15 or 20 years as to these Burton matters. I think it is a pity he did not make himself more fully acquainted with them before he allowed himself to make such statements.

16,883. (*Chairman.*) Mr. Cosgrove speaks not only on behalf of Messrs. Bass, but of a number of other small brewers and companies at Burton?—Yes, that is perfectly true, but they were all perfectly well acquainted with the subject. If you observe the statement is signed by the other brewers, and it does not go to anything like the extent that Mr. Cosgrove's evidence does. His evidence is very much stronger, and goes far beyond it.

16,884. Mr. Cosgrove put in what are called "over-charge sheets," and I see that some of them are dated as early as January 1863. Would not the fact of those over-charge sheets being in the possession of the Midland Company show them what the nature of the agreement was with the London and North-western Company?—That is one of the points I am coming to, and it is precisely one of the charges which I have to make against Mr. Cosgrove, for it is an unfair and, in fact, an inaccurate statement.

16,885. (*Mr. Glyn.*) Have you observed that in answer to one of the questions put to him, he says that in point of fact you must have known it, because you had the over-charge sheets?—Yes; he says in his statement, "We have it on high authority "that the Midland Company knew all along the "scale of rates according to which Messrs. Allsopp "& Sons were paying the London and North-"western Railway Company." I will first explain to the Commission how the business was done. Before the London and North-western Company had their own establishment at Burton we did their work, and the goods were invoiced at the same rate as to every other brewer; then the London and North-western Company sent those over-charge sheets not to us, not for our direction or information, but to Messrs. Allsopp. After that, occasionally they would accidentally come into our possession, and the whole list of over-charge sheets that have ever come into our possession I have now by me; and there is a list out of all the rates which are included in their list of rates to Messrs. Allsopp, which consists of over 14 pages. We have only received over-charge sheets from 22 places, and we commenced making a list of them. We thought that by degrees we should ascertain exactly what rates were being charged, but most of them were very unimportant places. There is Beeston, Wimslow, Dunstable, Wolverhampton, Bordigan, Mostyn, Acton, Berkhampstead, Atherston, and other small places. There is only one or two important places: there is Oxford, Dublin, Chester, Northampton, and Dudley.

16,886. The London sheets are not included in that list, are they?—No, nor a tenth part, nor a twentieth part of the stations to which the traffic was sent. This is the list that we commenced to make out, but the London and North-western Company's agents finding that those sheets were occasionally getting into our possession, took steps to prevent it, and for the last four years certainly we have not had a single over-charge come into our possession, until recently when the two companies have now settled matters between them, and we have now all those over-charge sheets to go through with the London and North-western Company, and to settle with the various brewers. So far from the Midland Company having any knowledge of those over-charge sheets beyond what I have stated, we did all in our power to get them, for they would have enabled us to make an allowance to other brewers.

16,887. (*Chairman.*) Were the over-charge sheets sent regularly to those 24 places which you mentioned, or only an overcharge sheet occasionally?—I presume they were always sent.

16,888. Were they sent regularly to those different stations?—No; I will assume that we were charging 20*s.* a ton for ales from Burton to Liverpool, or from Burton to Ireland, and that the London and North-western Company agreed to charge 15*s.* We should charge Messrs. Allsopp's the same, and we should insist upon the payment of that amount; they always did pay us up to a certain time. Then the London and North-western Company would send those over-charge sheets from Liverpool to Messrs. Allsopp's, showing that the ale charged on such a day 20*s.* should be 15*s.*, the allowance being 5*s.*, that was to enable Messrs. Allsopp & Company to recover, or make out an account against the London and North-western Company for these over-charges, so that we had nothing to do with them; we merely invoiced the goods in the usual way; we charged Messrs. Allsopp the carriage and were paid; the London and North-western Company received from us their mileage proportion of the higher rate, and then the London and North-western Company allowed Messrs. Allsopps the drawback without our knowledge.

16,889. Was the whole abatement made by the London and North-western Company?—Entirely.

16,890. Did the Midland Company have no part of the abatement to make?—None whatever.

16,891. They received their full rate?—Yes. But when we made this arrangement with Messrs. Bass we said, We will put you on the same footing as Messrs. Allsopp. When we know the terms of the agreement you shall have the benefit of them, and then we will arrange with the London and North-western Company. We said to the North-western Company we shall send to your stations from Messrs. Bass and other brewers, and you send to our stations from Messrs. Allsopp. Let us have a general settlement, and whatever you allow to Messrs. Allsopp we will allow our proportion, and so on.

16,892. (*Mr. Glyn.*) During the time that Messrs. Bass & Company allege that they ought to have received a certain allowance from you, you were not, in point of fact, receiving from the London and North-western Company a diminished rate at all?—Not at all. In fact, we wanted to make an allowance; we should have been too glad to do it. These accounts, running over so many years, have become so voluminous that it will take us now, with three or four clerks, several months to get these matters properly adjusted. We were anxious to get them settled at the time, and should have got them settled could we have known the terms of Allsopp's agreement.

16,893. (*Earl of Belmore.*) What was the object of the London and North-western Company in keeping those agreements from your knowledge?—I can quite understand that when the London and North-western Company came to Burton of course they wished to get into favour with the Burton brewers, in order to get all the traffic they could. They made this agreement with Messrs. Allsopp, and they said to the other brewers, If you will be prepared to enter into the same agreement with us as Messrs. Allsopp have you shall have the same terms; we will not show you the terms until you say that you will enter into the agreement. A very proper and legitimate position for the London and North-western Company to take. It was not with a view to charge one brewer higher rates than another, but to get the traffic. But we neutralized that by immediately going to all

the brewers and saying, Do not make these agreements with the London and North-western Company, but whenever we find out what the agreement is you shall have the benefit of it.

16,894. (*Mr. Glyn.*) Is it not possible that Messrs. Allsopp might wish to have it kept secret?—No doubt of it. I should fancy they had the greatest interest in keeping it quiet, because they had for a time an opportunity of underselling all their neighbours.

16,895. (*Chairman.*) You were aware all the time that you would have to refund a considerable sum to Messrs. Bass and other brewers from the rates actually charged?—From 1859. I knew of the agreement being signed within a few weeks of its accomplishment, and I immediately myself informed not only Messrs. Bass but all the brewers. I went down to Burton and went round and told all the brewers that the agreement was signed, and if they would not make a single agreement that they should have the benefit of that agreement as soon as we found it out. I believe I am correct in saying that the agreement with Messrs. Allsopp is the only agreement that the London and North-western Company have been able to make. There is no pretence whatever for the brewers saying that we knew this, and kept it back in order to charge higher rates; we have allowed every brewer in Burton to keep back sufficient money to cover all those allowances when they become known.

16,896. (*Mr. Glyn.*) Were there not certain advantages held out to Messrs. Allsopp & Company in that agreement as to having access to the West India Dock for their shipping trade?—I think not. Of course we were both in the same position as to that; we both had access to the West India Docks. While upon the subject of these agreements I would say this: The London and North-western Company run over the Midland Railway for six miles from Wichnor to Burton; they have no parliamentary powers, but we gave them running powers, and they pay us certain tolls; they fix their own charges and pay us a certain toll for the six miles they run over. For what purpose I do not quite understand, but Mr. Cosgrove has failed to give this information that, in addition to the agreement he has named, in 1863 I had an interview, on the 19th May, with three or four members of the firm of Bass & Company, and a further agreement was entered into, the one of 1861 being for six years, and that of the 19th May 1863 for 21 years, and there is one clause to this effect; "No "advance to be made upon existing rates, and any "reductions which may during the term of this "agreement be made by any other railway route, "Messrs. Bass & Company's rates to be reduced to "the same amounts." This question of the London and North-western agreement with Messrs. Allsopp was most fully discussed with a partner of Messrs. Bass & Company at the time, and I am quite sure that there is not a member of the firm who is not thoroughly convinced that we were not acquainted with the agreement with Messrs. Allsopp. To show the importance of the agreement of 1863, I may mention to the Commission, that it provides that we shall build them extensive premises in London, and we have in fact expended about 150,000*l.* or 160,000*l.* in one single warehouse for Messrs. Bass in London. We have also expended upon the Burton branches exclusively for the accommodation of brewers, I think about 130,000*l.*, to enable the brewers to get upon the line, and to save them the expense of cartage.

16,897. (*Earl of Belmore.*) Are all those short tramways that run into their premises your property or theirs?—I have brought here a map of Burton, which was published by a gentleman residing there, which shows the precise position of matters at Burton (*handing in the same and explaining it to the Commission*). Part of the terms of the agreement of Messrs. Allsopp with the London and North-western Company is that they should be allowed 4½*d.* per ton for taking the traffic over those private branches of Messrs. Allsopp & Company into the London and North-western station, and not an unreasonable allowance, considering the expense of those branches. Messrs. Bass & Company have still considered that a great hardship, that we refuse to allow them 4½*d.*; but we say, you have merely made a small connecting tramway to join our main line, but Messrs. Allsopp have incurred in their own case the cost of these private branches, and it is manifestly unfair to call upon us, not only to be at the expense of branches costing 130,000*l.*, but to allow you 4½*d.* per ton because we have made them.

16,898. (*Mr. Glyn.*) 4½*d.* per ton is a toll over the branches?—Yes; it is a toll over those branches.

16,899. (*Capt. Galton.*) In fact you contend that as Messrs. Allsopp paid for the construction of certain lines to join the Midland line, the London and North-western Company therefore are fairly entitled to get some rebate from the price you charge Messrs. Bass, who have not made any such lines, but left you to make them?—We say that as Messrs. Allsopp & Company have made the branches from their works to the North-western station, they are entitled to the allowance of 4½*d.* per ton for the use of those branches.

16,900. (*Chairman*). You have not admitted the fairness of their demand for 4½*d.* per ton?—No, we have not. I should state that that and the question of interest, are the only two points which are now unsettled between us, and I have done all in my power to get them settled. I told Mr. Bass, if he could give me the names of half a dozen gentlemen, I would endeavour to select one to be arbitrator between us to settle these points. If Messrs. Bass consider themselves aggrieved, I should be ready to put the matter into the hands of anyone whom your Grace might appoint to arbitrate between us.

16,901. You have agreed to allow 9*d.* a ton?—Yes.

16,902. That 9*d.* a ton and a lower scale of rates make up the total amount which you have agreed to refund to them?—Yes; but I should state that even if we had obtained the entire list, it would not have put us in possession of sufficient information to deal with it, because this agreement with Messrs. Allsopp is a very extensive affair, and it deals with a great many things which the overcharge sheets could never have made us acquainted with. It is a closely printed document of 13 pages, and there are a great many stipulations and conditions in it which are absolutely necessary for us to know before we could make the allowances to the other brewers.

16,903. Was the allowance to Messrs. Allsopp a uniform per-centage allowance, or did it vary at the different places?—The terms of the agreement are that they should be charged, I think, 2*d.* per mile up to a certain distance; then 1½*d.* and so on, varying according to distance.

16,904. You deny distinctly the statement in the memorial as to these overcharge sheets that the London and North-western Company reduced their charges subsequently by monthly overcharge sheets, sending such sheets to the various stations for the Midland Company to check their correctness?—Yes. The London and North-western Company never sent a single overcharge sheet to us for correction until recently, when the two companies have finally settled, and they are now in our possession, not the overcharge sheets themselves, but the accounts for final settlement between us and the London and North-western Company.

16,905. (*Mr. Glyn.*) I see by the 12th clause of that agreement that the London and North-western Company are obliged to provide storage room at Camden Town, Haydon Square, and Poplar for Messrs. Allsopp?—Yes. The Haydon Square and Poplar accommodation was provided many years before that agreement was in existence. I see that there is a statement as regards the amount of the overcharge. Mr. Cosgrove says that the claim upon the Midland Company amounts to 44,788*l.* That claim consists of 4,662*l.* at the stations purely on the Midland, of 9,073*l.* at the stations off the Midland, and partly

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on the London and North-western, and partly on other companies' lines, and there is a very large item amounting to 11,606*l.*, which is purely North Staffordshire, and arises in this way. The North Staffordshire line joins the Midland a very short distance out of Burton. We did their work, we received their traffic, and dealt with it, and made out the accounts, but the North Staffordshire Company received the money. Messrs. Bass & Company, make a claim upon us, although they know that we had nothing whatever to do with it, it is purely a question for the North Staffordshire Company to deal with, but they swell the amount to 44,000*l.*, by nearly 12,000*l.* which is due entirely from the North Staffordshire Company.

16,906. (*Capt. Galton.*) The North Staffordshire Company carries from Burton entirely without any reference to your line, I think ?—Entirely.

16,907. It has an access to Burton through your station, of course ?—Yes.

16,908. Still I presume it makes rates without regard to you ?—Yes, quite independent of us.

16,909. The traffic which it carries is totally independent and goes through a different district from yours ?—Yes, we are competitors with them to certain places, and the unfairness of the thing is this, that Messrs. Bass & Company have entered into an agreement with us to send the whole of their London and North-western traffic by the Midland route, we having almost as good a route as the North Staffordshire ; but they have not only refused to fulfil their agreement by sending it in that way, but having a claim for a reduced rate, according to our agreement upon the North Staffordshire, they make that claim upon us, and they have deducted it down to this moment, they have kept it back from their accounts. They agreed to send their traffic by us, and they refused to do so, and then they have claimed the drawback from us, as if the traffic had been sent under the terms of the agreement.

16,910. Do Messrs. Allsopp send all their traffic by you ?—No ; they send the bulk of their traffic by the London and North-western, and the North Staffordshire, and by the Midland to places not served by those two companies. In 1861 when that first agreement was made we did not include the North Staffordshire Company, but we undertook to negociate with the North Staffordshire Company to get reduced rates. I hold in my hand a letter from our goods manager to the goods manager of the North Staffordshire Company, in which he say, "I annex you a list of rates " drawn up by Messrs. Bass & Company in accord- " ance with the scale arranged with the London and " North-western Company, which they ask me to " submit to you for your concurrence. I shall be " glad if you will look it through, and say if you " are agreeable to adopt the figures. The figures in " red ink are what Bass & Company wish to adopt " so as to make them divisible. Your early attention " will much oblige." After some negociation the North Staffordshire Company agreed to that, and we then wrote to Messrs. Bass & Company in these terms. "I now beg to hand you a list of the rates " which I have arranged with Mr. Cordon for the " conveyance of ale over the North Staffordshire line. " Please favour me with an acknowledgement and " oblige." We arranged the rates ourselves with the North Staffordshire Company, and now a claim for drawback is made upon us.

16,911. (*Chairman.*) Has the North Staffordshire Company refused to allow the drawback ?—I do not think they have. I should state that from correspondence and interviews which I have had from time to time with the North Staffordshire Company, I have no doubt that with regard to that agreement of Messrs. Allsopp, they were quite as much in the dark about it as we were, there is no doubt about that.

16,912. Do you admit that they have a good claim against you for 59,000*l.*, as mentioned in answer to Question 15,700 ?—Certainly not, we do not admit that by any means. On the contrary, first of all there is this 11,600*l.* which we decline to pay, there is also the question of interest which we decline, and then there is this very large item for terminals which is made in a peculiar way. They ask us to make arrangements for the carriage of their ale to various parts of the country and to Scotland. I hold in my hand an original letter from Messrs. Bass & Company enclosing a list of places, a long list, in which they say that the rates are rather too high, and that they cannot do any business, and that they should be glad if we would negotiate to get them reduced. We negotiated with the other companies, and after considerable correspondence and discussion we induced all the companies to agree to the rates which Messrs. Bass themselves proposed. It is not a mileage rate, but it is a 35*s.* rate to most of the important places in Scotland.. That is communicated to Messrs. Bass & Company, and they have nothing whatever to do with the division of the receipts between the companies, all they have to do with is this, that the rate charged is the one agreed to; but because for the purposes of arrangement between the companies there are certain terminal allowances given for various purposes, (in some cases we carry a short distance only, and in other cases the reverse, and we agree uniformly to a certain deduction at each end of the line to compensate for these inequalities,) and because these allowances have been made between ourselves, Messrs. Bass & Company say you do not do cartage. The clearing house makes an allowance for cartage, and we shall claim that from you. That is the item which Mr. Cosgrove says will amount to about 30,000*l.* in his evidence.

16,913. (*Chairman.*) I do not understand clearly what this 30,000*l.* is, is it in addition to the 59,000*l.*? —No; the 59,000*l.* includes part of the 30,000*l.*, but the 30,000*l.* is the total claim which they say they have to make upon that particular item.

16,914. (*Mr. Glyn.*) In answer to Question 15,756 it is stated "The 77,000*l.* comes under the head of " favouring rates ; we claim in addition 30,000*l.* " under the head of terminals" ?—That is the whole of the brewers in Burton.

16,915. That is not as against the Midland Company only, but as against the others ?—No it is not so ; I will read to the Commission a letter from Bass & Company dated 26th of August 1862 : "We have before " informed you that 35*s.* is the maximum of our de- " livery, and wherever your rate exceeds that figure " the difference is charged by us to consignee. Now, " however, small the amount may be, the trade object " to any such charge, and if we cannot deliver our ales " free of charge they object to purchase. We hand you " a list of Scottish stations which we think should not " exceed 35*s.* The stations to which at present the " rate is 36*s.* 8*d.* have lately been reduced by you " (February 1862) from 40*s.* Now this reduction is " useless, and if you cannot say 35*s.* the rates may " just as well remain unaltered, say 40*s.* for we can- " not deliver free beyond 35*s.*, and if only a mere " trifle per barrel our friends object. Please see " what you can do for us before our season com- " mences." And that letter encloses this long list:—

	s.	*d.*			*s.*	*d.*
Dalmuir	39	2		Inchture		
Kilpatrick	40	0		Longforgan		
Bowling	40	0		Invergowrie		
Dumbarton	35	0	re-	Abernethy		
Cardross	39	2	duced	Bridge of Earn		
Helensburgh	35	0	to 35*s.*	Perth		
Renton	39	2		Markinch		
Alexandria	35	0		Falkland Road	36	8
Balloch	39	2		Ladybank	reduced	
Kinghorn				Collessie	to 35	0
Kirkcaldy				Newburgh		
Sinclairtown			36*s.* 8*d.*	Springfield		
Thornton			reduced	Cupar		
Lochgelly			to 35*s.*	Leuchars		
Cowdenbeath				Guard Bridge		
Dunfermline				Tayport		
Errol				Crossgates		

	s.	d.		s.	d.
Burnt Island			Cardenden		
Larbert			Kilconquhar		
Bannockburn			Largo		
Stirling	36	8	Leven		
Bridge of Allen	reduced		Cameron Bridge		
Dunblane	to 35	0	Dysart		
Dunning			Jamestown		
Forteviot			Kilmarnock	40	0
Forgandenny			Drymen	reduced	
Clackmannan			Gartness	to 35	0
Oakley			Balfron		
Kincardine			Bucklyvie		
Tillicoultry			Port of Monteith		
Alloa	40	0	Kippen		
Cambus	reduced		Gargunnock		
St. Andrews	to 35	0	Kinfauns		
Dairsee			Glencarse		
Kinross			Greenloaning	36	8
Auchtermuchty			Blackford	reduced	
King's Kettle			Auchterarder	to 35	0
Leslie					

I will hand in a letter dated April 1st, 1863, from Messrs. Bass to T. Walklate, Esq., Midland Railway Company, and another dated also April 1st, 1863, from Messrs. Bass to J. H. Bower, Esq., goods manager of the Scottish North-eastern.

The following letters were handed in.

"Burton-on-Trent.

"Dear Sir, April 1st, 1863.

"The list is to hand and for which we feel obliged. We feel sure the Scottish North-eastern Company intended the alteration also to apply to the four stations omitted by you, *i.e.*, Newtyle, Monifieth, Carnoustie, and East Haven, they not being struck off the list furnished by us to the Scottish North-eastern Company, and they erased several that were situated on the Dundee and Perth. The rate to these four stations stands 40*s.*, and yet both Dundee and Arbroath 32*s.* 6*d.*, we ask for the four stations in question to be 35*s.*

"Dear Sir,

"Yours truly,

"Bass, Ratcliff & Gretton,

per J. S. Farmer.

"Ale Rates.

"Burton-on-Trent,

"Dear Sir, April 1, 1863.

"The Midland Company have settled this question to our satisfaction; they say the E. and S. Committee Minute does not apply to Newtyle, Monifieth, Carmoustie, and East Haven, which they say are situated on the Dundee and Arbroath; as you did not strike these four stations from our list, we presumed they were under your superintendence. We beg to thank you for so liberally meeting us, and we feel sure the alteration will increase the traffic.

"Dear Sir,

"Yours truly,

"Bass, Ratcliff, and Gratton,

(Signed) "Per J. S. Farmer."

As I said before, we communicated with the companies, all the Scotch companies and the English companies, and we obtained their assent. We advised Messrs. Bass of it, and they wrote us a letter thanking us for it, pointing out that four towns were omitted, which we then got put into the list, and the whole thing went on satisfactorily until Mr. Cosgrove came here, and complained that we had charged them half-a-crown cartage at each end at these very rates. Then, in another part of his evidence, he complains very bitterly of the inequality of the rates, giving, as instances, the very stations that they themselves include in this list, asking to have them all put upon an equality.

16,916. (*Earl of Belmore.*) You say that these terminals of which they complain, are merely matters of account between you and other railway companies for your own convenience?—Yes; that is so entirely, and they have nothing to do with the brewers themselves. In our account to them we merely charged 35*s.*, or whatever the rate may have been that was agreed upon. It is somewhat interesting to go through these lists of inequalities that Mr. Cosgrove has given. I have been at the trouble of drawing out a list, and I have taken his figures; they are not quite correct, but I assumed them to be so, and I have put in another column what our Parliamentary tolls would be, assuming that we charge the brewers what we have a right to charge under our Act of Parliament. I have taken the places given by Mr. Cosgrove, and the first is "from Burton to Aberdeen;" the charge we make, including terminals, is 32*s.* 6*d.*; the charge we could make, exclusive of terminals, is 115*s.* From Burton to Stonehouse, 35*s.*; and we could charge 111*s.* To Montrose, 106*s.* To Forfar, 106*s.* 6*d.* To Blairgowrie, 97*s.* 9*d.* Then come several routes; from Burton to Ardrossan, 30*s.*, against that we should put 81*s.* 3*d.*; then, to Ayr, 81*s.* To Troon Harbour, 80*s.*; Kilmarnock, 77*s.* 3*d.*; Sanquhar, 69*s.* 3*d.*

Mr. J. Allport.

3 May 1866.

The following paper was handed in:

UNEQUAL RATES.—Section A.

Stations. Between	Stations. And	Through Rate including Delivery per Ton.	Existing Rate.	Distance.	The Midland Company's Tolls, S. to S., would yield
		s. d.	s. d.		s. d.
Scottish North-eastern Railway. *Page 3.*					
Burton	Aberdeen	32 6		460	115 0
"	Stonehaven	35 0		444	111 0
"	Montrose	35 0		424	106 0
"	Forfar	35 0		402	100 6
"	Blairgowrie	35 0		391	97 9
Glasgow and South-western Railway.					
Burton	Ardrossan	30 0		325	81 3
"	Ayr	30 0		324	81 0
"	Troon Harbour	30 0		320	80 0
"	Kilmarnock	30 0		309	77 3
"	Sanquhar	30 0		277	69 3
Scottish Central Railway.					
Burton	Dundee	32 6		391	97 9
"	Perth	35 0		370	92 6
"	Stirling	35 0		337	84 3
Caledonian Railway. *Page 4.*					
Burton	Glasgow	23 4 S. to S.		323	80 9
"	Edinburgh	30 0		319	79 9
"	Coatbridge	30 0		313	78 3
"	Wishaw	30 0		304	76 0
"	Lanark	30 0		297	74 3
"	Beattock	30 0		258	64 6
"	Lockerbie	30 0		244	61 0
"	Ecclefechan	30 0		238	59 6
London and South-western Railway.					
Burton	Weymouth	30 0		274	68 6
"	Dorchester	30 0		267	66 9
"	Gosport	26 8		209	52 3
"	Portsmouth	26 8		201	50 3
"	Winchester	26 8		194	48 6
"	Christ Church	31 8		241	60 3
"	Semley	31 8		223	57 0
North British Railway.					
Burton	Peebles	30 0		328	82 0
"	Helensburgh	30 0		325	81 3
"	Leith	30 0		306	76 6
"	Dunbar	30 0		277	69 3
"	Dunse	30 0		269	67 3
"	Kelso	30 0		270	67 6
"	Newcastleton	30 0		220	55 0
"	Canobie	30 0		208	52 0

Mr. J. Allport.

3 May 1866.

UNEQUAL RATES—(Section A).—*continued.*

Stations. Between	Stations. And	Through Rate including Delivery.	Existing Rate.	Distance.	Midland Company's Tolls, S. to S., would yield
FURNESS RAILWAY.					
		Per Ton. s. d.	s. d.	Miles.	Per Ton. s. d.
Burton -	Ulverstone - -	20 0	- - -	174	43 6
,,	Barrow - -	22 6	- - -	184	46 0
,,	Silverdale - -	23 4	- - -	159	39 9
LONDON CHATHAM AND DOVER RAILWAY.					
Burton -	Ramsgate - -	26 8	- - -	204	51 0
,,	Chatham - -	23 4	- - -	159	39 9
,,	Canterbury -	26 8	- - -	187	46 9
LONDON BRIGHTON AND SOUTH COAST RAILWAY.					
		S. to S.			
Burton -	Chichester - -	21 0	- - -	195	48 9
,,	Eastbourne -	21 0	- - -	191	47 9
,,	Worthing - -	21 0	- - -	186	46 6
,,	Newhaven - -	21 0	- - -	182	45 6
,,	Brighton - -	21 0	- - -	176	44 0
,,	Horsham - -	21 0	- - -	163	40 9
,,	East Grinstead -	21 0	- - -	161	40 3
MARYPORT AND CARLISLE RAILWAY. *Page 5.*					
Burton -	Maryport - -	26 8	22 6	223	55 9
,,	Wigton - -	26 8	20 0	207	51 9
,,	Dalston - -	26 8	- - -	199	49 9
SOUTH-EASTERN RAILWAY.					
Burton -	Dover - - -	28 4	- - -	213	53 3
,,	Folkestone - -	28 9	- - -	207	51 9
,,	Tunbridge Wells	26 8	- - -	171	42 9
WHITEHAVEN AND FURNESS RAILWAY.					
Burton -	Whitehaven -	27 6	- - -	221	55 3
,,	Silecroft - -	27 6	- - -	196	49 0
NORTH DEVON RAILWAY.					
Burton -	Bideford - -	30 10	- - -	245	61 3
,,	Barnstaple - -	30 10	- - -	236	59 0
,,	Copplestone -	30 10	- - -	210	52 6
GREAT WESTERN RAILWAY.					
Burton -	Haverfordwest -	30 0	- - -	253	63 3
,,	Carmarthen -	27 6	- - -	223	55 9
,,	Bath - - -	23 4	- - -	169	42 3
,,	Cardiff - -	21 8	- - -	147	36 9
,,	Windsor - -	21 8	- - -	144	36 0
,,	Newport, Mon. -	21 8	- - -	136	34 0
,,	Farringdon Road	23 4	- - -	126	31 6
,,	Newbury - -	27 6	- - -	149	37 3
,,	Reading - -	25 0	- - -	124	31 0
NORTH-EASTERN RAILWAY.					
Burton -	Alnwick - -	27 6	- - -	220	55 0
,,	Sunderland -	25 0	- - -	181	45 3
,,	South Shields -	25 0	- - -	179	44 9
,,	Hartlepool - -	25 0	- - -	160	40 0
,,	Bridlington -	24 2	- - -	151	37 9
,,	Whitby - -	25 0	- - -	155	38 9
,,	Middlesbro' -	25 0	- - -	149	37 3
,,	Darlington - -	25 0	- - -	142	35 6
,,	Scarbro' - -	25 0	- - -	141	35 3
,,	Thirsk - -	22 6	- - -	120	30 0
LANCASHIRE AND YORKSHIRE RAILWAY.					
			C. and D.		
Burton -	Rochdale - -	16 8	14 2	110	27 6
,,	Over Darwen -	20 0	16 8	125	31 3
,,	Blackburn - -	20 0	16 8	121	30 3
,,	Accrington -	20 0	17 6	116	29 0
,,	Burnley - -	20 0	18 4	110	27 6
,,	Clitheroe - -	23 4	18 4	130	32 6
,,	Denby Dale -	20 0	14 2	96	24 0
,,	Holmfirth - -	20 0	14 2	93	23 3
,,	Brighouse - -	20 0	14 2	86	21 6
,,	Pontefract - -	20 0	15 0	80	20 0

UNEQUAL RATES (Section A.)—*continued.*

Stations. Between	Stations. And	Through Rate, including Delivery.	Rate charged from Dec. 1, 1865.	Distance.	The Midland Company's Tolls, S. to S., would yield.
MANCHESTER, SHEFFIELD, AND LINCOLN RAILWAY. *Page 6.*					
		Per Ton. s. d.	s. d.	Miles.	Per Ton. s. d.
Burton -	Gainsbro' - -	12 6	- - -	73	18 3
,,	Great Grimsby -	17 6	- - -	105	26 3
,,	Brocklesby - -	17 6	16 8	95	23 9
,,	Kirton Lindsey -	17 6	16 8	83	20 9
,,	Moortown - -	17 6	15 10	82	20 6
,,	Glossop -	17 6	15 0	81	20 3
,,	Market Rasen -	17 6	15 0	75	18 9
,,	North Kelsey -	20 0	15 10	84	21 0
,,	Retford - -	17 6	14 2	63	15 9
,,	Worksop - -	17 6	13 4	55	13 9
CAMBRIAN RAILWAY.					
			From Jan. 1866.		
Burton -	Oswestry - -	17 6	16 8	96	24 0
,,	Aberystwith -	30 0	25 0	147	36 9
,,	Llanidloes - -	25 0	18 4	111	27 9
,,	Montgomery -	25 0	13 4	91	22 9
GREAT NORTHERN RAILWAY.					
			Charged from Mar. 1, 1865.		
Burton -	Spalding - -	18 4	Delivered.	89	22 3
,,	Boston - -	17 6		80	20 0
,,	Barnet - -	26 8	21 8	117	29 3
,,	Potters Bar -	26 8	21 8	113	28 3
,,	Burgh - -	25 0	20 10	98	24 6
,,	Firsby - - -	25 0	20 10	96	24 0
,,	Tallington - -	25 0	18 4	70	17 6

UNEQUAL RATES (Section C.) *Page 8.*

From	Railway.	To	Through Rate per Ton, S. to S.	Distance.	The Midland Company's Tolls would yield.
				Miles.	Per Ton. s. d.
Newport - -	Great Western	Burton	s. d. 8 4	136	22 8
Newark - -	Midland - -	,,	4 10	44	7 4
Gloucester - -	,, - -	,,	7 1	84	14 0
Lincoln - -	,, - -	,,	6 7	60	10 0
West Hartlepool	North-eastern	,,	11 8	158	26 4
Grimsby Dock -	M., S. and L. Co.	,,	11 0	106	17 8
Lynn - - -	Great Eastern	,,	12 6	121	20 2
Hythe - - -	,, ,,	,,	20 0 has been 15 10 since 1863.	181	30 2
Grantham - -	Great Northern	,,	7 0	50	8 4
Louth - -	,, ,,	,,	12 9	114	19 0
St. Neots - -	,, ,,	,,	12 1	104	17 4
Huntingdon -	,, ,,	,,	11 8	97	16 2
Heckington -	,, ,,	,,	9 2	69	11 6
Hougham - -	,, ,,	,,	8 0	54	9 0
Sleaford - -	,, ,,	,,	9 2	64	10 8
Tallington - -	,, ,,	,,	10 0	71	11 10
Essendine - -	,, ,,	,,	10 0	66	11 0
Little Bytham -	,, ,,	,,	10 0	63	10 6

16,917. (*Capt. Galton.*) Do you charge, in any instances, for the conveyance, a sum equal to your mileage rates?—In no instance have we charged that.

16,918. (*Chairman.*) Leaving out of consideration terminals altogether?—Yes.

16,919. Not even for short distances on your own line?—No. I beg pardon, for a short distance I think we have a maximum of 3*s.* 4*d.* a ton.

16,920. Does your agreement with Messrs. Bass and other brewers include traffic only on your own line, or does it leave your own system?—It includes both. "If Messrs. Bass and Company send their ale "to all stations on the Midland railway, the railway "company to charge $1\frac{1}{2}d.$ per ton per mile." Whenever we can make an arrangement with other companies we give them the benefit of the low rate of $1\frac{1}{2}d.$ per ton per mile.

16,921. (*Earl of Belmore.*) Does the minimum of 5*s.* include terminals ?—Yes it does.

16,922. Also cartage ?—Not cartage. I have taken a certain average and I find that the average of the rates charged in that list given in by Mr. Cosgrove would be 1*l.* 5*s.* 3*d.* including terminals, and the rates we could actually charge without terminals is 2*l.* 8*s.* 8*d.*, showing nearly 50 per cent. reduction. There is also a fallacy which runs through Mr. Cosgrove's statement, wherever he quotes rates to other places and when showing how much the London rate is in excess, he gives 14*s.* 2*d.* as the rate to London, knowing at the same time that that is subject to 10*d.* reduction, which makes the whole of his calculations wrong, because the 14*s.* 2*d.* should have been reduced by 10*d.* before he made his calculations. Judging from the evidence it would appear, and the Burton brewers would lead anyone to suppose, that the trade of Burton has been very much interfered with and kept back by the operations of the railway companies. There is probably no trade in the country which has so rapidly advanced as the Burton brewing trade. The wealth of the Burton brewers is proverbial throughout the whole of the midland counties, and the value of the property they are putting up. They think nothing of spending 200,000*l.* or 300,000*l.* in putting up new breweries, and although they have had from time to time large reductions in their rates of carriage in no instance have the public ever received the benefit of it. On the contrary to my certain knowledge the price of ale has been advanced on two or three occasions. If the railway companies were to carry ale free, the Burton brewers would only be too glad, as they would take care to pocket the whole amount. I have here a comparative statement of the increase from 1855 to 1865, and the weight alone from Burton, and this is exclusive of the weight which has been carried by the London and North-western Company since 1862, when they first went to Burton. I find that it has increased from 128,612 tons in 1855 to 344,899 tons in 1865.

16,923. (*Mr. Glyn.*) You perhaps do not know what the tonnage had been in 1845 ?—I did not think it necessary to go so far back as that, but there again Mr. Cosgrove is entirely wrong in his history of the earlier transactions of Burton. I was manager of what was then the Birmingham and Derby part of the Midland railway, and at that early period, in 1842 or 1843, the Birmingham and Derby Company made great attempts to open up this Burton trade with London, but we failed in convincing the then London and Birmingham Company of the policy of giving through rates. I find by invoices that we have still in our possession, that the rate before 1844, that is, in 1843, was 40*s.* a ton, and I find the canal rate, instead of being 13*s.* 4*d.* as stated by Mr. Cosgrove,—and he said that it varied from 25*s.* to 18*s.*, that it got down to 18*s.*,—was 25*s.* a ton for a long time. After the amalgamation of the North Midland and Midland Counties and Birmingham and Derby Companies, the London and Birmingham Company was induced to listen to their suggestion, and a rate was fixed, I think, at about 15*s.* per ton, station to station, but that has been from time to time reduced. The 14*s.* 2*d.* reduced by 10*d.* is not merely from Burton to our station in London, but it includes the whole charge for any quantity they may send down, either by the Regent's Canal to Poplar, or by the North London railway to Poplar and to Haydon Square. Their export trade is very large, and the whole of the charges above stated are paid by the company out of the 13*s.* 4*d.* per ton, and not a word of that is stated in this evidence.

16,924. When you quote that rate it ought to be quoted as the rate not only to London, but also to the West India Docks, and the river ?—Yes.

16,925. (*Capt. Galton.*) Not on board ship ?—Not free on board.

16,926. (*Mr. Glyn.*) According to your experience the great increase at Burton has arisen from the opening of the railways ?—No doubt of it, and they are indebted—I say it fearlessly—for their present enormous business entirely to the policy of the Midland Company. We certainly did pay great attention to it, and of course for our own interest we wish to see the trade increase, and I think in fairness I can appeal to Mr. Glyn to say whether it has not been a constant source of application on the part of the Midland Company for reduced rates for the carriage of the Burton beer from the year 1843. There is no doubt that the Midland Company have succeeded in inducing almost all the companies in the kingdom to reduce their ale rates, to enable the Burton brewers to send those large quantities to the extremity of Scotland, throughout Ireland, and into the South of England, and as far as Cornwall. And now, because we have got those through rates, that is to be used as an argument against us, and it is to be said that we charge higher rates to other places. I think I have now pretty well exhausted this complaint. I hold in my hand another letter, one of many hundreds, in which it is stated that they find they "can do a "trade at Largo, in Fifeshire ; may we note a rate "of 40*s.* a ton from this station to Largo ?" We immediately communicated with the other companies, the rate being then 60*s.* a ton, and we afterwards advised them that we had arranged a rate at 40*s.* a ton. Then again there is another subject ; I mean grain. It was a matter of great complaint with the Burton brewers that there was a difficulty in getting grain at anything like a uniform rate from the eastern counties. There were all sorts of charges, and they wrote to us and stated that if we could charge a uniform rate of 15*s.* 10*d.* a ton from all the eastern counties stations it would be satisfactory. We then commenced a negociation with the Great Eastern Company, and after considerable delay we succeeded in getting them to agree to that rate. I have a letter from Messrs. Bass and Company thanking us for making the arrangement, and saying that it was perfectly satisfactory. In the next season they increased their traffic very largely, and they wrote to me a second letter, in which they say that the reduced rate has worked most satisfactorily, and they hope we are satisfied, as we will see that it has increased their trade. It is then brought against us that we charge a uniform rate without respect to distance, and a complaint is founded upon that.

16,927. (*Chairman.*) Is the correspondence with Mr. Cosgrove, which appears at the end of his evidence, still going on between the Burton brewers and your company ?—No. It is perfectly true that there is nothing in the correspondence alluding to the matter having been discussed, but it has been discussed with Mr. Bass and myself and with other members of the firm. You will observe that here is an agreement for 21 years, and they obtain great advantages. We spent 150,000*l.* in building them a warehouse, and we have spent money at other places for them. We give them greatly reduced rates, and because the London rate happens to be higher they complain, and they wish to cancel this agreement as to the London rate, and to keep it in force as to every other provision. It is a most monstrous proposition, and I am surprised to see the correspondence in this evidence, because I have discussed the matter over and over again with members of the firm. With regard to the rates that the Great Eastern Company give from Yarmouth, it is perfectly true that the rates are low from Yarmouth to London, and wherever the railways come into competition with the sea the rates must necessarily be low. It is that unfortunate competition with the sea, which the Great Eastern Company is subjected to, that I think puts them in their present deplorable condition, and if other railways were in the same condition I fear that neither the Burton brewers nor any other traders would have much reason to congratulate themselves upon the liberality of railway companies, because for the sake of existence they would be obliged to charge much higher rates than they do now. It is the cheap sea competition

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which compels the Great Eastern Company to charge such very low rates.

16,928. (*Lord Stanley.*) You probably think that people have no right to complain of paying the average rates of the country merely on the ground that in some places, on account of special circumstances, exceptionally low rates are charged?—Yes. I may say that I wish they had put in the entire correspondence, for I had a long correspondence with Mr. Bass upon this very subject, and I pointed out to him that if he would by any means return or cause to be returned to the railway company the large capital which had been expended in constructing lines of railway, and would put us on the same footing as the sea, when we should only have rolling stock and working expenses to provide, we should be happy to charge these low rates, but until that is done I think it is manifestly unfair to expect the railway companies to reduce their rates to the sea standard.

16,929. (*Chairman.*) A great part of the evidence refers to the general question of uniform mileage rates, we have received a great deal of evidence upon that subject. Do you think there is anything requiring any further explanation from you?—I think there is nothing else. I do not think any new point has been raised.

16,930. I think the brewers make a distinct demand with respect to terminals, that there should be the same allowance made to them that has been made in any other case of 2*s.* 6*d.* They distinctly demand that the terminals allowed by the clearing house should be recognized when there is no cartage, and that the gross rates should be diminished proportionally?—They have nothing to do with the divisions between the railway companies. That is merely a convenient mode of arriving at what would otherwise cause a great deal of trouble in dividing, in order to meet these inequalities; for instance, I will suppose two lines, each of 50 miles long. If in all cases the division of the mileage was equal, there would be no terminals at all, it would be merely dividing 20*s.* by two, and giving to each 10*s.*, but in some cases, by dividing merely by the mileage, it would give to one 1*s.* and to the other 19*s.*, and that would be manifestly unfair. As the clearing-house system is so huge, it would involve such an enormous multiplicity of duties there to divide in each case upon its particular merits, that for the sake of saving trouble and simplifying the accounts, this system has been, as I may say, jumped at, for it is nothing more than that, simply between the companies, in order that there shall be a certain sum deducted at each end, first of all to meet these inequalities, and then that the remainder shall be divided by the mileage. Take, for example, the case of the North Staffordshire line, and assume that it carries ale to Liverpool; it goes for three-quarters of a mile along our railway, and if we divided it by the mileage we should have probably, some 2*d.* to 2½*d.*,—but it would be utterly impossible that we could carry on our trade at anything like a profit, if we were bound to carry a ton of goods for 2½*d.* The result, therefore, is that these divisions are arbitrary, and made in order to meet the varying circumstances of each particular case.

16,931. (*Mr. Glyn.*) It is, in fact, an arrangement made between the companies, with which the trade has nothing to do?—Yes. Mr. Cosgrove happens to have been a station-master, knowing very little of the general arrangements of the company, and, indeed, nothing more than applied to his own particular station, and knowing that these allowances were made through the clearing house, he thinks that he has a very fine chance for making a claim, and he makes it.

16,932. (*Chairman.*) The clearing-house charge for ale is 4*s.* at Burton, is it not?—That is for everything.

16,933. Relating to that class of goods?—All goods, excepting what are termed special, or the mineral class. You will find that it is 4*s.* a ton carted, and of course all companies know well, and have known for years, that we do not do the cartage of Burton. I would say that there is not a company in the kingdom that is not acquainted with the particular circumstances of Burton, but they do not object, and it would simply resolve itself into another mode of dividing the 35*s.*

16,934. (*Capt. Galton.*) You would have that 35*s.*, whatever charge you were allowed by the companies for carting?—Quite so.

16,935. You would simply add it on to the rate, as you now charge less than your maximum parliamentary rate for this traffic. You would simply raise the rate that you charge to something higher than it is now if you were to allow Messrs. Bass for the terminal?—Yes, and if they should succeed in establishing that claim, the very following day I have no doubt that the London and North-western, the Midland, and the North Staffordshire Companies would give them notice to withdraw every through rate, and give them others to compensate for that unjust claim.

16,936. (*Mr. Glyn.*) You would drop the use of the term "terminal"?—Yes, and we should have to be recouped for the past.

16,937. (*Earl of Belmore.*) The object in fact of fixing this clearing house terminal in a general way is to save the companies from going into a minute calculation on every occasion when they have to make any division of profits between themselves?—Yes, and to give you some notion of the enormous transactions which take place, I believe that the clearing house establishment now consists of nearly 1,000 clerks, and it will be obvious to the Commission what an enormous amount of business that involves. If we did not adopt a system of this kind the work never could be done, and what would be the result? Great inconvenience to the trade of the country, because it would compel all companies to charge their local rates.

16,938. (*Chairman.*) I believe you wish to make some observations upon a portion of Mr. Galt's evidence?—When I was last before the Commission I stated that I should like to make some observations upon Mr. Galt's and Mr. Hill's evidence, but having again gone carefully through Mr. Galt's evidence there is very little that I think it necessary to allude to. He alluded particularly to the cost of conveying passengers, and goods, and coals, and he gives one particular instance with regard to coals, beginning at page 311. He gives an instance of how 1,000 passengers can be carried in a train, and so on. Then he instances the Manchester Exhibition, the Caledonian and Glasgow competition, and so on. All those are so exceptional and so wide of the real facts of the case, that I scarcely think it worth while to trouble the Commission with any remarks upon them. But he does give in two or three places the comparative cost. He gives the average cost per train mile as 2*s.* 7*d.*, then he bases his calculation upon a large number of passengers, and then shows that they can be conveyed for 6*d.* 100 miles.

16,939. (*Capt. Galton.*) I suppose with excursion trains you do convey them at that rate?—We do at a very low rate, but it must be evident to every one who travels that excepting a few exceptional cases, the passenger traffic of the country is very light. I have been at some trouble to ascertain what on the Midland railway is the average earnings per mile by passenger trains. I find the average earnings per train mile on the Midland railway is 3*s.* 11*d.*, and the working expenses may be fairly stated at about 2*s.* 7*d.* per mile.

16,940. (*Earl of Belmore.*) Do you mean that 2*s.* 7*d.* is the average on the whole of your traffic, passenger as well as mineral?—It is a very difficult thing to get that out. We do not keep our accounts in such a way as to distinguish between passengers and goods. I think if you were to take the passengers at about 2*s.* 5*d.* and the goods at 2*s.* 9*d.*, it would be somewhat near the truth. I do not know how that mistake has arisen, but railway companies in making out their working expenses have

omitted several items. Our working expenses show about 45 per cent., but it is simply locomotive power, repairs, and permanent way. It is the traffic expenses without rates and taxes, compensation, and a variety of charges which help to swell up the total cost, and which must be paid before the dividend is paid.

16,941. (*Capt. Galton.*) The returns made by the Board of Trade from the different railway companies always consist of the same elements?—They are made out according to forms furnished by the Board of Trade. I think it must be evident that no reduction in the greater part of the country would induce a sufficient number of travellers to fill the trains. As represented by Mr. Galt, at the time of the Manchester Exhibition 600 passengers was the average of a train. I do not think the trains throughout the whole country would average more than 40 or 50 passengers. If you take the agricultural districts, and take the trains throughout, they will not average more than 40 or 50 passengers per train. It is a very large and heavy train with 200 passengers. The express trains leaving London with 14 or 15 carriages will not average more than from 180 to 200 passengers, and that is taking the very best example that can be selected. His calculations being all based on that fall to the ground.

16,942. (*Chairman.*) Are you of opinion that no reduction of fares would lead to any very moderate increase in the number of passengers?—I think not. All companies with which I am acquainted have from time to time met particular local cases by reduction. Uniformity of fares would be just as absurd as uniformity of rates for goods. I could give instances upon our own line, and upon the North-western. Taking our own line between Sheffield and Rotherham, there is a large working population employed in the trade of the two towns, going constantly backwards and forwards. The fares are 6*d.* for the distance, but if we were to charge the same fare in Lincolnshire, Gloucestershire, Worcestershire, or any of the agricultural districts, it would leave our expenses unpaid. The receipts would not anything like pay the expenses. But that has been done by all companies, the North-western for instance, and the Lancashire and Yorkshire between Manchester and Oldham, and Manchester and Staleybridge; and on the North-western between Manchester and Stockport. They are very low fares, and there is a large population who travel. Mr. Galt recommended that an experiment should be tried, and he gives three instances; he says it should be tried on the Blackwall railway, on the North London railway, and on the London and North-western between Liverpool and Manchester. You have there a population equal to about one-fourth of the population of England, Wales, and Scotland. It is quite clear that an experiment under such circumstances would lead to no practical result, certainly no true result.

16,943. (*Lord Stanley.*) It would not guide you much, I suppose, in ascertaining the results, as compared with similar experiments tried with the agricultural population of Ireland?—It would be perfectly fallacious. Mr. Galt also gives the rate of coals; he says that coal is charged in London at 25*s.* and 30*s.* a ton, and can be bought at the pit's mouth for 6*s.* a ton. He jumps to the conclusion that the difference between 6*s.* per ton at the pit's mouth and 25*s.* at London is the railway charge; and there is also a letter from a firm in London, Harrington and Co., alluding to that; the fact being that the charge from the main coalfields supplying London by railway has not exceeded 6*s.* per ton; the present rate, I think, is 5*s.* 6*d.* per ton. The difference is made up in a variety of ways; first of all, the coal cannot be bought at the pit's mouth for 6*s.* per ton; the coal owner has to find waggons; then there are the city dues; then there is the cartage in London; then there is the coal merchant's profits, bad debts, and a variety of things, all going to make up the difference between the pit's mouth and the carriage. I scarcely think it would be worth while going further into Mr. Galt's evidence.

I wish to make a few remarks on Mr. Frederick Hill's evidence about the Post Office. The effect of Mr. Hill's evidence is to show that if the Government were to take the railways, it would, amongst other things, do away with the difficulty they have in dealing with railways for postal purposes. That is the only point I shall allude to. He alludes to the difficulties of getting arbitrations. Perhaps, in the early history of railways, arbitrations were not so convenient, and not so satisfactory as they might have been; but I think for many years past, with all the larger companies, the Post Office has not had arbitrations to deal with. I do not remember one now for many years certainly with the Midland; and I will say with the North-western, and most of the large companies, it is all done by agreement, and so far from any difficulty being thrown in the way of the Post Office, I believe that we are only too anxious to meet the requirements of the Post Office in every possible way. Speaking on behalf of the Midland, I may state that the payments of the Midland Company are now 44,600*l.* a year, for which we run with trains under notice, that is, the Post Office fixing the times, 537,160 miles per annum; but, in addition to that they have the use of every train upon the Midland railway, goods, minerals, and passengers, to send bags wherever they please. The trains used by the Post Office have a mileage of 1,504,828 miles. We run upwards of 2,000,000 of miles for the sum of 44,600*l.* I have divided that 44,600*l.* between the trains under notice and the ordinary trains. I should say, that the bulk of the trains under notice run during the night. We have very few mail trains running at convenient times for passengers. I find the average of the mail trains will be, including the Post Office payments, about 9*d.* per mile less than the ordinary average of our trains, so that our trains yielding 3*s.* 11*d.*, the mail trains will average about 3*s.* 2*d.*, and that including the postal payment. At 1*s.* 6*d.* per mile that would yield us 40,000*l.*, and taking the ordinary trains at 2*d.* per mile would give us 12,000*l.*, or would be 8,000*l.* more than the Post Office now pay us; but I take 2*s.* per mile, and certainly for a train only yielding 3*s.* 2*d.*, including the Post Office payments, 2*s.* is by no means an extravagant sum to charge for the service, it would then give 66,256*l.* instead of a payment of 44,600*l.*

16,944. (*Lord Stanley.*) Were those terms settled by the Midland by arbitration?—No; we settled them by arrangement; I fixed the terms myself.

16,945. Have you ever had an arbitration with the Post Office?—Not for many years past, not since I rejoined the Midland in 1853, we have had no arbitration whatever with the Post Office.

16,946. (*Capt. Galton.*) The average you receive would appear to be 5*d.* per mile, taking one train with another?—Yes; but it would not be fair to give the same by ordinary passenger and goods trains as well. For instance, we have a train starting from Leeds about two o'clock in the morning, and then one leaves Derby at twenty minutes past five o'clock in the morning; it is perfectly clear that nobody will get up to go by that train, and the train frequently runs without passengers.

16,947. I was not intending to imply that you could have a uniform rate for every train, but I was only wishing to point out that you now only do charge on the average of your own trains 5*d.* per mile?—That is so.

16,948. And therefore you run lower than what Mr. Hill suggested should be the average?—I have taken another mode of testing this to show that the Post Office is really, as far as we are concerned, treated better than the public. I set some of our inspectors to ascertain the number of bags which are sent.

16,949. (*Mr. Glyn.*) Have you got the weight?—We could not ascertain the weight.

16,950. You do not weigh them when starting?—No; we never weigh mail bags. I find we are carrying as nearly as possible 700,000 bags a year; that divided by the money gives about 1*s.* 3*d.* per bag, without reference to distance. If a bag is carried from London to Lancaster, or from Leeds to Bristol, it would come to 1*s.* 3*d.* per bag; so that I do not think the postal

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service is dear. I have every reason to believe this is not a solitary case. I have no doubt that the rates of many of the larger companies are very nearly as low as ourselves.

16,951. (*Chairman.*) Do you think that packages about the same size carried for the public would be charged on the average more than what you receive from the Post Office?—I have no doubt of that, because although some of the bags are small and, perhaps, do not contain more than 200 or 300 letters, others are large sacks, as much as a man can carry on his shoulders. We have had them counted simply as bags. Some of them would contain, perhaps, several thousand letters, and still it only comes to 1*s.* 3*d.* What the railway companies complain of on the part of the Post Office is, gradually trying to absorb the parcel traffic. The complaints of the public about the deliveries of the post are groundless, because if they like they can have as many deliveries a day as there are trains running. Taking the great bulk of the country districts, there is not more than one delivery per day. In many of the large towns there is only one delivery per day, but the Post Office have the power, if they please to exercise it, of sending bags as many times per day as we have trains running between any two places. So that it is entirely their own laches if they do not have as many deliveries as there are trains. I see Mr. Hill alludes to the admirable system of the Post Office as compared with railways, but it does not admit of a moment's comparison. It is a very easy thing to receive letters, directed, where there is no entry required, and nothing to be done with them but simply sorting. But transfer the post establishment up to Camden, for instance, let them deal with one single night's goods traffic from that station, they would find it would involve an amount of sorting and labour which they do not dream of.

16,952. (*Earl of Belmore.*) Do you send any mails without passengers carriages attached to the train at all?—Yes; we have a great number of trains in use. The trains under notice amount to 25 passenger trains and three goods trains per day, and trains not under notice, that is, when the bags are brought to the station, they are given to our guards, and our guards for the time being are Post Office servants. We have 105 passenger trains and 10 goods trains.

16,953. What I meant to ask was this, do you ever send an engine and a van without any passenger carriages attached to it for mails?—No, we do not; we have many mail trains in which very few passengers are carried. The Post Office sorting vans are carried with the van carrying the bags, and we put on passenger carriages in all cases.

16,954. (*Chairman.*) Night travelling is probably diminishing of late years since the express trains have become more frequent?—In summer we find passengers going long distances will prefer travelling at night, for instance, from London to Edinburgh or the north of Scotland, but certainly night travelling is gradually diminishing, and in a few years in my opinion it will almost cease. The morning and evening express trains are now so convenient that there are very few towns that you cannot start from early in the morning and reach London for a day's business, and leave again in the evening. Take Liverpool, Manchester, Leeds, Bradford, or York, you may leave London at 5 o'clock, and reach any of these places early in the evening. Mr. Hill spoke a great deal of the want of communication, but I think I explained that fully before, that no Government management or no Act of Parliament in my judgement would remedy that state of things if the trains are to run conveniently for the public. As regards the leasing of railways, if the Government were to take the whole in their hands and lease them to companies that would not prevent the difficulties at junctions now complained of. Take the three great northern railways, the North-western, the Midland, and the Great Northern, assume they are in the hands of the Government and they are to be leased: take, first of all the North-western; you must have a very powerful combination of capital and talent to form a body to lease the North-western with its five millions of receipts per annum; it would require a machinery quite equal to the present one. So that it would be really transferring the property from the present proprietors to the Government to be re-transferred back to the present management. Then, as regards competition, if *A.* leased the North-western, *B.* the Midland, and *C.* the Great Northern, how is competition to be prevented between those three? *B.* is not to be prevented from carrying a passenger from London to Leeds because both the others have lines. It would involve such a mass of confusion that I think the country would suffer amazingly from such a system, but I trust we are very far from such a system as that being adopted.

16,955. You have stated that the gross earnings of the passenger trains average 3*s.* 11*d.* per mile, do you know what the gross earnings of goods and mineral trains are?—I think our goods and minerals will average 4*s.* 6*d.*, or 4*s.* 7*d.*, or 5*s.*

16,956. (*Earl of Belmore.*) You put the working expenses of your goods trains on the average about 4*d.* per mile higher than those of your passenger trains?—The consumption of coals is greater, and the engines are larger, and the wear and tear is of course a great deal more.

16,957. (*Chairman.*) Then it appears from your answer that in each case the working expenses, whether of a passenger train or of a goods train, are considerably more than 50 per cent., but the total working expenses I think do not exceed 50 per cent.?—Yes they do, but in our accounts, as I said before, we include in our expenses certain things and do not include others. We do not include government duty, rates and taxes, compensation, law expenses, and a variety of other things, but if you come to dissect our accounts, and to deduct from the gross receipts of any half-year the amount we pay in dividends, it will be found as I have stated.

16,958. (*Capt. Galton.*) In the Board of Trade returns all these things are included, the compensation, government duty, rates and taxes?—Then I may have understated our goods and mineral receipts per mile; I have not got it out. Our goods and minerals must average more than what I have stated.

16,959. That would balance it?—Yes, I have had the passengers taken out, and whatever the balance may be would be due to goods and minerals.

16,960. In fact, I suppose you do always carry full train loads of minerals?—Almost always. We carry about 200 tons of coal. Even at $\frac{1}{2}d.$ per ton per mile that would yield 8*s.* 4*d.* per ton, so I must be wrong in the average of the minerals.

16,961. Then it is from your goods traffic that you make the principal part of your profits?—Our receipts in 1864 from passengers were from 600,000*l.* to 700,000*l.*, but from goods and minerals the receipts amounted to 1,600,000*l.* The largest profit to the Midland railway is from goods and minerals.

16,962. (*Capt. Galton.*) Then, in fact, the Midland railway is very nearly approaching that position when it is no longer a passenger railway under the Act?—Yes, it is.

16,963. And would not be compelled to carry third-class passengers at parliamentary fares?—We should never discontinue carrying third-class passengers. In fact, we have discontinued what are termed the fourth class, but all our third-class passengers are carried at 1*d.* per mile.

The witness withdrew.

Adjourned till to-morrow at 12 o'clock.

Friday, 4th May 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
THE RIGHT HON. ROBERT LOWE, M.P.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
ROBERT DALGLISH, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

Mr. G. P. Bidder.

4 May 1866.

Mr. GEORGE PARKER BIDDER, further examined.

16,964. (*Chairman.*) You wish, I believe, to make some additions to your former evidence?—Yes. I would first substitute this (*handing in the same*) as the proper answer, in the place of the one which I gave to Question 16,848:—"Generally, I think, any company "should have the right to forward, by through booking "or otherwise, their traffic over any neighbouring line "or any portion thereof, allowing the neighbouring "company the same rates that they themselves are "charging. If these rates are disapproved by the "company over whose line the traffic is forwarded, "then there should be an appeal to arbitration, and "if the result be to increase the rates that increase "should apply not only to the future but to the past, "in order to check companies from recklessly forcing "their traffic on neighbouring lines at unremunera-"tive rates, at the same time giving them the oppor-"tunity of promptly meeting the requirements of the "district.

16,965. Do you wish to give any further explanations as to the interchange of traffic?—Yes. I wish to explain the operation of that amended answer. I expressed myself last week to this effect, that running powers should be generally granted, but I feel that there would be enormous difficulty and opposition to any enactment of that character, and the suggestion contained in the answer which I have just handed in would, in my view, meet all the main objects, and I believe would be exposed to less opposition of a character which could be well sustained by any sound objections. You have to provide that railway companies should be in a position to be able, on the spur of the moment, as traffic offers itself, to make arrangements for its transport, at the same time it should not be done at rates which would be prejudicial to the company over whose line or lines it would be necessary that such traffic should be forwarded from the company which has undertaken to provide for it; for instance, in Norfolk there is a great demand for corn which comes from the Norfolk markets for the Wakefield markets, and the manufacturing districts. There is also, at certain seasons of the year, an enormous catch of fish at Lowestoft and at Yarmouth, amounting at times to 2,000 or 3,000 tons per week. To the manager of a railway it is a great convenience to be able to say to parties when they come to him, I will undertake to forward your goods to Manchester, to Sheffield, or to the district of the Lancashire and Yorkshire Railway, and I will do it at such and such a rate; he takes upon himself the responsibility of fixing the rate to such places as ought to satisfy the Great Northern Company, over whose line the Lancashire and Yorkshire and the North Eastern companies run. He should also have the power of requiring them to forward that traffic so as to meet the convenience of the trade, handing over to them their proportion of the mileage and the terminals, as the case may be. If his rates are such that they can justly complain of them, they should have a right, as I have suggested, of having them revised by an arbitrator, and if the arbitrator should determine that the rates imposed upon them by the manager of the Great Eastern Railway, for example, were unfair it would be upon his responsibility that the traffic had been so conveyed, and upon that company would fall the compensation to the Great Northern Company over and above the rates he had imposed. That would realize. I think, the two main objects which I think are essential, that is, that the manager of that railway, or any similar situated railway, should have the power, on the spur of the moment, to make a contract for the conveyance of traffic, and should have power to get the goods conveyed promptly and expeditiously without delay; at the same time he should have the responsibility imposed upon him so as not to be able to inflict upon other neighbouring companies over which he seeks to forward that traffic a rate of which they could justly complain. I believe that that would answer all the purposes of general running powers, and be less open to good and valid objections.

16,966. (*Mr. Glyn.*) Do you mean that a company should have a legal power to pass any goods for which it made a through rate over neighbouring railways, but that the amount to be paid to them should be settled by arbitration?—Yes, if they complained of the rate which had been fixed; the company seeking to forward to London traffic, say, for only 10 miles over perhaps a very expensive part of the London and North-western line, would fix their rate, and then if the North-western Company should say that is not a sufficient rate they would have a right to appeal to an arbitrator, and if they sustained their objection, the company forwarding the traffic upon their line, would have to account to them, not only for the traffic then carried but for the traffic which they had conveyed up to that time.

16,967. Would you allow the trains of the first company to run over the line of the other company, or insist upon their forwarding the traffic?—I think the latter would answer the purpose. You might say to them, I require you to forward these goods by a special engine, and that would be an element to be used by the company in resisting that rate, and saying, You will thus increase that expense to us; this is a reason why you should give as an additional allowance over and above what you have determined we shall receive.

16,968. (*Mr. Horsfall.*) You would extend that power of going to arbitration to the traders who complained of any undue charge?—Yes, I think so.

16,969. (*Chairman.*) Do you find now that there is a difficulty in forwarding the traffic such as you have alluded to?—Yes. It is one of the complaints made by the manager of the Great Eastern Company in our contract with the Great Northern Company, that with regard to fish particularly, which of course cannot rise from the sea with punctuality, and must come in as the boats are able to find the harbour, there are delays in forwarding them. They arrive at Peterborough or at any other station after the train has left, and then these perishable articles, fish particularly, are left to come by a later train, and they are, in consequence of the delay, to a certain extent damaged, and sometimes miss the market.

16,970. (*Mr. Glyn.*) I suppose you would require some reasonable notice to be given as to forwarding these trains?—Clearly, so that the company should have time to make the requisite arrangements. The great object is to cultivate traffic on railways, and people are in the habit of coming to the manager and saying, "There is a trade that we can do; we want "a rate; can you give us a rate." If you can you give them one at once; they make their contract, and you get the traffic, otherwise, as in the case of corn,

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the Great Eastern Company have not been able to quote a rate that is satisfactory to the parties, so it is sent round by sea or by some other way.

16,971. (*Chairman.*) Is there at the present time any fish traffic between your ports and Yorkshire ?—Yes.

16,972. What is it that you complain of ?—I have stated that they cannot command the traffic to be forwarded when necessary for the due delivery and preservation of fish.

16,973. You mean that you cannot depend upon its being forwarded ?—Yes.

16,974. In most cases is it not the fact that they do forward it without delay ?—I cannot tell you that ; I know that it has been a serious cause of complaint, but upon that head I must rely upon the evidence of the manager of the railway.

16,975. (*Mr Glyn.*) You propose that a train should be put on specially at the request of the first company ?—Yes, or at least an engine provided.

16,976. (*Mr. Horsfall.*) Is it not the fact that some companies make provision for forwarding fish, meat, and other articles of that description by certain trains, and if those goods are forwarded by other trains they charge double rates ?—I dare say that is so, but I cannot speak to that. The case I have alluded is that of having missed the ordinary train, and then there is a delay, which seriously impairs the value of the article when it reaches its destination in London. Unless fish arrive at 3 or 4 o'clock in the morning, very serious losses occur upon the sale, and the railway companies occasionally have to make considerable compensation for the loss which has arisen from the delay.

16,977 (*Chairman.*) Would you limit those powers which you wish should be conceded to perishable articles ?—No, I would make them general.

16,978. And applicable to all goods ?—Yes. I think that, limited as I have suggested, there would be no injustice inflicted, and the public would have the advantage of being able to contract without any restriction with any company who might be disposed to convey their goods.

16,979. (*Mr. Glyn.*) Would you extend the exercise of the power by the company to any given quantity, or to the whole of a train, or part of a train ?—I would leave it entirely to them. If they required you to forward one truck, you would be entitled to be paid for the engine specially provided for that truck, and for any other service performed. That would be upon reasonable conditions.

16,980. That would be part of the consideration in the question of remuneration ?—Yes, if they did not fix the proper price at first it would be an element for arbitration, as in the case of the Post Office; in settling the amount to be paid there it is settled with reference to the special requirements which the Post Office imposes upon the railway company for the conduct of the mails, and there it is settled by arbitration.

16,981. (*Sir R. Hill.*) Would not this involve very frequent reference to arbitration ?—No, I think not because you see it is a very serious thing for a manager who has imposed traffic upon another company, and he would take care, in the majority of cases, that his rate was fair and reasonable. At present the arbitration is antecedent to the traffic, and then the manager cannot make a contract at once, and is obliged to say I cannot do it until I have settled the matter with Mr. Seymour Clark, or Mr. Allport, or Mr. Cawkwell, and then the opportunity is gone for getting a traffic; whereas in the other case he would be able to say, I will forward your goods, and I will fix such a rate for the carriage of them as Mr. Seymour Clark, or Mr. Allport, or Mr. Cawkwell cannot object to. If they can, the loss will fall upon him. I believe that would supersede all necessity for running powers whatever.

16,982. Do you think it would be possible to construct a tariff of charges that would meet all possible cases ?—I believe it would be utterly impossible.

16,983. You are aware that there is a very essential difference between the arbitrations you have been referring to and those in which the post office is concerned, the post office service being a continual and not a special service on particular days, but a service which continues month after month and year after year ?—I do not think that that would make much difference. If I imposed upon a railway company a special service for a fortnight or for three weeks, there is only this additional element in it—they might say we have got an extra expense imposed upon us by having to make arrangements for traffic that only exists for a fortnight or three weeks, but that is only an additional element that the manager would have to consider before he made a contract.

16,984. (*Chairman.*) Have you any recommendations to make to the Commission with a view to improving the present accommodation for passenger traffic ?—Not for the general passenger traffic.

16,985. You do do not recommend any material alteration in the present rate of charge for positively perishable goods ?—No ; not any general alteration.

16,986. Is your opinion different as to the charges to be made for heavy articles of large consumption ?—Yes. I think, if possible, that arrangements should be made so that coals, iron, stones, bricks, manure, and some articles of agricultural produce should be conveyed at rates which are quite exceptional to anything that at present prevails. With regard to that the idea originally emanated from the late Mr. George Stephenson ; he commenced the survey for a special mineral railway from the Derbyshire coal field to London, and he incurred some considerable cost. I think I am right in saying that he was arrested in that by the late Mr. Robert Stephenson, and I am inclined to think at the instance of Mr. Glyn or Mr. Hudson. I am not sure which, but it was arrested. I heard no more of it until some four or five years ago when Mr. Hawkshaw stated to me that he had been applied to by some gentlemen in the city, who requested him to direct his attention to devising a railroad from the coal fields to London, which should be expressly constructed for that traffic and for that only. His idea was that it might be confined to coals and other heavy articles of commerce ; that the speed should be restricted to 15 miles an hour ; that the line should not approach any town with a view to taking in any passenger traffic ; that such a line should be worked with extreme economy ; that there should be very few establishment charges, very few stations, and those only for the use of the engines. That under these circumstances a rate might be established for such articles that would be extremely low. I said, if such a project is set afloat, there is but one line into London that is adapted for that object, and that would be the district through which the Cambridge line and the Great Eastern runs. It does happen that from Darlington, and of course from all the intermediate district, there is an absolutely flat country the whole way, up to some miles on this side of Cambridge, and there is but one summit at Elsingham that is interposed between the coal fields and Yorkshire and Durham and London, and that is a summit of no very great height. The exceptional gradients that would be against the load are short. So that the load need not be split up but be forwarded over those gradients by an assistant engine. In the year 1863, I think, the survey was completed upon that principle, but it did not proceed further than, I think, the deposit. In the next year the Great Eastern Company took it up on their own account, but they varied the line so as to make it a direct competing line with the Great Northern line, both for passengers and goods and accommodating the intermediate district. That bill was defeated by the Great Northern Company in the House of Commons, for they had some rival lines in the north which were carried, and the line to which I have referred was thrown out. In the next year it was revived by the Great Eastern Company, and by the Lancashire and Yorkshire, and it was then lost on the second reading in the House of Commons. I

believe that the first idea, that of establishing a line specially from the north to London, and appropriated entirely to the conveyance of such articles would be a great relief to the manufacturers of London and the consumers of coal in London. And it would also be a very great advantage to the public generally. A line to be made at a small cost and to be worked at a small cost. It would be also as little aggressive as possible to any of the existing interests. And I have no doubt of the traffic; they might convey coal at a farthing per ton per mile with the same per-centage of profit as is now done with ordinary merchandise, which is conveyed at 50 per cent. upon the cost.

16,987. (*Chairman.*) You would not allow, as I understand you, passengers to travel upon the proposed line?—No; but I have thought that one train a day might come over the line with passenger carriages comfortably well fitted, but not at all with ornament, which would be very well calculated for the conveyance of labourers and artizans, and they would be conveyed at the rate of 15 miles an hour, not more, at a farthing a mile.

16,988. (*Mr. Glyn.*) What capital should you propose in this case?—The capital would not exceed 10,000*l.* a mile.

16,989. How many miles would it be?—If you take it from Cambridge it would be about 120 miles.

16,990. What would the point be in the north?—You would have to pass near Lincoln, which would throw you in connexion with the Midland line which comes from Nottingham, and with the Manchester and Sheffield, and then go on to Doncaster, and to Askern, which would throw you in connexion with the Lancashire and Yorkshire Railway and the North-eastern Railway.

16,991. (*Chairman.*) From Cambridge southwards, you would make use of the present Eastern Counties railway?—Yes, or make an additional line. I should prefer an independent line; but the line of the Great Eastern Company occupies the country through which the best line could be made, and which was intended for it, and the idea was that the traffic should be so timed from the north that it would pass between Cambridge and London in the night season up and down, when there are very few trains indeed and they could be accommodated.

16,992. Unless a new line was made from Cambridge, as far as that section of the country is concerned, it would in no respects differ from the ordinary railways?—No.

16,993. (*Sir R. Hill.*) Does the proposed charge of $\frac{1}{4}d.$ a mile include the use of the waggons?—No.

16,994. What amount would you add for that?—I think the charge on the Great Northern Railway for waggons is 9*d.* per ton.

16,995. For what distance?—To London they charge that. I think it is 9*d.* a ton from the Durham coal field to London, or 1*s.*; but I think it is 9*d.*

16,996. (*Chairman.*) Would there be any terminal charges in addition?—Yes. I think for the station in London there would be a terminal charge of 5*d.*

16,997. (*Sir R. Hill.*) Have you estimated what the total cost would be?—10,000*l.* a mile.

16,998. What do you put down for coal, including the waggons and terminal charges?—That would depend, of course, upon the distance. If you take the Durham coal field, which is the most extreme, I also consider that Darlington would be in the same category as the ports. The Commissioners are no doubt aware that the North-eastern Company have established the principle of charging one rate to every port, and therefore they would start from Darlington in competition with the coal starting from Hartlepool Sunderland, or the Tyne. I believe that Darlington by that route is about 240 miles from London; 240 miles at $\frac{1}{4}d.$ would be 5*s.*; and, adding 9*d.* and 5*d.*, it would come to 6*s.* 2*d.* a ton; and that is about the rate at which the steam colliers convey coal. But then there is this observation to be made, that the coal which comes by railway, if restricted to 15 miles an hour, would be worth 1*s.* 6*d.* a ton more than that which was conveyed by sea, because on the railway it is less broken. It is coming now in large masses. The colliers carry as much as 1,200 tons. And then when at sea the vessel rolls, and there is a little motion given to the coal. How I know this particularly is because I remember a case of a very severe winter five or six years since, when the supply of coal in London was very short; and in fact the gas companies were reduced to within a few hours of the end of their consumption. Mr. Elliott had a very large contract with the Imperial Gas Company, and, in order to meet the exigency of the time, he forwarded a considerable quantity of coal to London by railway; and the result of that was that the manager of the gas works said, "You have sent us a much better coal "than we have ever had before." But that was the effect of conveying the coal by railway instead of by sea.

16,999. (*Earl of Belmore.*) Could a new company make use of the existing stations of the Great Eastern Railway in London?—They could use them if they liked or they could find their own. In the eastern districts of London there are the means of getting stations; but the Great Eastern Company have a very large station in Whitechapel, and when they move their station from Shoreditch into Liverpool Street, they will have a very large coal yard there which they have not got now. Then they have also got the river open to them; they have their lines down to Victoria Docks and down to the River Lea or to Bow Creek. So that they would have the means of disseminating coals throughout a very large district that is now shut out from a supply. I doubt whether it would interfere in the least with the coal that comes by the Great Northern Railway, or very little. Certainly not with the North-western line, nor the Great Western line. Then the cost in London of distributing the coals, if you a have a mile or two additional to deliver it over, would after all meet the difference of charge between what I propose and what the railway companies now enforce. I believe the Great Northern have three-eighths of a penny.

17,000. You do not include the cost of a new station in the estimate you have given?—No, that would be covered by the 5*d.* terminal charge.

17,001. (*Mr. Glyn.*) Do you conceive that this new railway should limit its traffic to the supply of the works upon the lower part of the Thames, and so forth?—You cannot do so; but it would limit itself as to coal, I think.

17,002. You mean from its position in London?—Yes, it would limit itself; it would never do to limit the railway.

17,003. In calculating the quantity you would carry, if you look only to that source of supply, it would be only a limited quantity?—I believe there was a million and a half of tons of coal consumed among the poor population, inhabiting the eastern parts of London, which this railway would supply. Of course it would supply the intermediate district. It would bring coal to Cambridge, no doubt, or to Wisbeach, or to Ely, where it intersects the Great Eastern lines. And at such points they would have an interchange station and avail themselves of this cheap rate by sending coals through the district.

17,004. (*Mr. Horsfall.*) When you speak of the difference of 1*s.* 6*d.* in the value of the coal sent by railway and coal sent by sea, are you stating your own opinion of the value of coal, or what you know to be the difference in the price at which the coal is sold?—I have given you an instance, but the 1*s.* 6*d.* has been the difference in price which has been put upon it by people in the trade. I know however that every time you break bulk in coal it is depreciated in value from 6*d.* to 9*d.*

17,005. But you do not know that there is that difference in the actual sale of it?—No, because I do not know where it could be brought to a test; there is no test for it.

17,006. (*Sir R. Hill.*) You propose, I think, that the coal trains shall run at a speed of 15 miles an hour?—Yes.

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17,007. Is that the most economical rate of speed —Yes.

17,008. More economical than a quicker or a slower train ?—I cannot say of course to a mile, but certainly there is no cheaper speed, and it would also avoid this, there would be no shunting ; It is well known with regard to the trucks which come from the north through Rugby, that half the cost of the repairs of those trucks is caused by the shunting which takes place at Rugby.

17,009. (*Chairman.*) Is not a great deal of it owing to the shunting which takes place to allow passenger trains to pass ?—No, it is at the Rugby station ; there you may see a forest of railway trucks ; they arrive there, and they have to be put into sidings and brought out and sorted again, and then they are taken backwards and forwards, and these trucks are not fitted with springs, and the result is, as I have had it from carriage builders and traffic managers, that as to the trucks coming to London through Rugby, half the wear and tear is incurred there.

17,010. (*Mr. Glyn.*) They are sorted there for delivery at different places ?—Yes.

17,011. What do you conceive is a full train-load in coal trains ?—500 tons.

17,012. (*Chairman.*) Is that beyond what is usually taken in a coal train now ?—I think the Great Northern, by a peculiar adaptation of the engine, or rather the tender, have taken 350 tons, and the North-western Company once, I think, took 300 tons.

17,013. Is that the net weight of the coal ?—Yes ; but there is a delusion about that, because in point of fact there are two engines. They use a tender, and when they come to gradients which demand an extra power, they use the tender as an engine, so that in point of fact there are two engines ; one engine only is used over the part of the road where it is not requisite to use two; but I doubt whether there is any economy in it. I may mention that between Dunkirk and Paris I believe the loads are rather more than I have stated.

17,014. Do you contemplate that that weight should be conveyed by a single engine ?—Yes, certainly ; it is not more than they do in the north, having regard to the gradients over which the traffic is taken.

17,015.) *Mr. Glyn.*) What would be your worst gradient on the line you have referred to ?—The line that we laid down was 1 in 800, I think, but the line that was defeated was 1 in 400. Upon that we should have taken 400 tons net, and upon the exceptional gradients between Cambridge and London we should have had assistant power. I found the other day by accident one of the plans showing the comparative gradients from Doncaster to Peterborough, and then from Peterborough to London by the Great Northern over that route, which I will hand in (*handing in the same*).

17,016. (*Chairman.*) You recommended a special line of railway in this particular instance, owing to the good gradients that could be attained. Do you, or not, think that the adoption of mineral lines in other parts of the country would be advisable ?—I have not considered that point, but I do know this, and I can speak to this with certainty, because I know all the circumstances connected with it.

17,017. I hardly understand why you consider it would be unaggressive in its character in its connexion with other railways ?—Because, looking to the character of the traffic it would accommodate, I do not mean to say that it would be purely unaggressive, but it would be as little aggressive as possible, and certainly would, at the most, only take away from them a small per-centage of the increase which is taking place year by year on their existing traffic.

17,018. (*Mr. Glyn.*) Do you think that the market for coal would be necessarily confined to a particular part of the metropolis ?—Yes, on account of the expense of distributing it in the metropolis.

17,019. (*Chairman.*) I think you said it was intended to carry, besides coal, iron, stone, and some other heavy articles ?—Yes; and bricks.

17,020. Should they be carried by the same railway ?—Yes, bricks would be ; they are very heavy articles ; 1,000 bricks weigh three tons, or more than that, and bricks in London are now at a very high price, whereas they manufacture near Leeds a larger brick and a very excellent brick at I suppose one half the price. Then again there is stone from the Yorkshire district, and it would be a great advantage if that could be brought to London at any such rates. Then again these trains would have their station in London, and instead of going back empty they might be used for the purpose of conveying from London a large amount of the solid manure. It might be sent down at a farthing a ton, and in that way the London manure would be rendered available for at least 100 miles out. When I have bought manure at Mitcham, which has been brought by railway, it has cost me 5*s.* 6*d.* a ton there, and that made it rather dearer than I could get it otherwise for.

17,021. Would there not be considerable delay in returning the waggons for the manure if it was to be distributed along the line ?—Sometimes; but not great delay, because they would make their arrangements so that they would only send the manure when they got a large quantity together, but not that delay which means requiring more trucks for the traffic; and all they got from that would be profit, as the train must go back, and if they had it loaded, all that they would earn from that train would be absolute profit.

17,022. Do you propose that the line should be a double one ?—In the first instanc, I think it should be a single line. If you had 500-ton trains, and you took eight trains a day, that would be about 1,500,000 tons in a year, and that would be a very large quantity ; and if you did it with eight trains, as they must all arrive in London in the night season, it could be all sent, and without interfering with the down trains; they would cross each other only at Cambridge upon the double line, so that neither the up nor the down traffic would conflict.

17,023. Do you propose that bricks and stone should be carried at a farthing a ton per mile ?—Yes.

17,024. Is there not a considerable additional expense in handling bricks ?—Yes, but the parties who bring them incur that; they would put the bricks into the waggons as they do with the coal, which is put into the waggons at the collieries

17,025. Is not that usually done by the railway companies, by their own servants, in the case of stone, for instance ?—Certainly it is ; but that is not the case I have in view ; it is conveyed now, but the quantity is limited. I imagine that if this line was carried out the railway would be taken by branches into the brickfield and into the quarries, as the railways are now taken into coal pits.

17,026. What is the present rate charged for bricks ?—I cannot tell you ; but I doubt, if it is a low rate, whether it is not prohibitory, because it is so heavy, and the difference of price, excepting for short distances, is not great. I do not know whether bricks are conveyed by railway.

17,027. Does not the Great Eastern Company bring bricks into London ?—I do not know. I believe the Great Northern Company conveyed some from a brickfield which is established some 20 or 30 miles out.

17,028. If it was likely to prove profitable why should not they attempt it ?—The Great Northern gradients would not admit of their conveying it.

17,029. I mean the Great Eastern Company ?—You cannot get down there to a brickfield.

17,030. Is there not brick earth on the Great Eastern line ?—Yes; but you must not only have that, you must have a cheap means of burning it and manufacturing it.

17,031. Have you any additional remarks to make as to the effect of such a railway as you have referred to upon the railway system generally ?—I think that

the experience to be derived from that would lead me to say that I am certain the experiment, as far as I can be certain of anything, would be successful, and I think that the experiment itself would have a great effect in showing the enormous advantage to be derived from cultivating general traffic. I think it would be a great inducement to existing railway companies to make arrangements to the same extent of a parallel character. How, I cannot now say, but I believe it would give a very great impulse to railway arrangements generally.

17,032. You have paid a great deal of attention to the cost of working railway traffic?—Yes, we went into that very minutely on the occasion I have referred to.

17,033. Will you be good enough to state generally the conclusions you have arrived at?—The conclusion at which I have arrived as to the cost of working full train loads of 400 tons up a gradient of 1 in 400 was as follows: ways and works, and that means, in fact in that case, permanent way, 3*d.*; but that requires some explanation.

17,034. Are these figures per train mile?—Yes; they are expressly, because the lowest rate at which a line is now maintained and renewed is, I think, upon the Midland and North-eastern, and that is 4*d.*; it ranges from 4*d.* up to 5*d.* and 6*d.* The reason why there is so very heavy a charge at the present time is owing to this, that when the railway was started everything was new; there were new sleepers and new rails, and they only charged the traffic the current expenses of keeping the road in order. There was no fund laid by for some years to meet that which has fallen upon them all now, that is to say, the rails are now, to a great extent, worn out, the sleepers are wearing out, and they will have to be renewed, whereas if a sum had been set aside from the first they would now have been drawing upon that, and that would have abated the amount which they have to incur in the reparation of the road. If 2*d.* a train mile would be sufficient for the ordinary wear and tear, and if they charged 3*d.* and put the penny by to accumulate until the time arrived at which a general renewal was about to take place, they would then have got a sufficient fund together with the continuation of that penny charge to keep the road in repair; certainly such a road as we contemplated where the speed was to be only 15 miles an hour.

17,035. (*Mr. Glyn.*) Over how many years was was that calculation extended?—Fifteen years; but that would vary. I take it for a line where there are about 14 trains a day, which is rather moderate, and the rail there ought to last for 20 years.

17,036. Have you found, by experience, whether it has ever turned out so?—Yes; we have rails that had not been taken up till in the last three or four years, which had been down for more than 20 years, and upon a line with much more traffic than that spoken of. There are cases in which they do not last above two or three years. Then take the case with regard to sleepers, I have known some of them down for 20 years; if I take the life of a very sound sleeper, or a sleeper that had been creosoted, I have known it to be down for 14 or 15 years.

17,037. Do you think that upon the average the sleepers would last anything so long as 14 years?—Yes; good sleepers do.

17,038. You would not say that 20 years was a fair criterion of the life of a rail?—Not if you take England generally; but I say that upon a railway where the trains are not more in number than 14 trains a day I would. If you take the Blackwall Railway—I think there are 350 trains a day there—and that is 13 times as many as I have specified, and that of course would reduce it; but if you take it *pro rata*, comparing the life of a Blackwall rail with some others, we know that they last a good deal longer than that.

17,039. Practically, was there not a great deal of difference in the quality of the rails at the commencement? Were not those that were delivered early of very good quality, while those that were afterwards delivered were very much inferior?—The early rails were much better, and steel rails are now coming in, which are very superior to anything that we ever had, and they should be adopted wherever the traffic is large.

17,040. (*Mr. Horsfall.*) Have you considered how long they will last?—I cannot say with certainty; but the shortest time at which I have put it at has been 40 years; but of course that has reference again to the traffic. A steel rail at a place like the Camden Town station, or other similar stations, if it lasted for 8 or 9 years, would last for a very long time.

17,041. (*Chairman.*) The present cost of maintenance and renewal of way, which appears on the average to be about 5½*d.* a mile, you would say is, in a great measure, owing to neglect in former years?—Yes, in providing a fund.

17,042. If railway companies are now alive to that, and they are setting aside a renewal fund, the cost of maintaining the road ought to diminish gradually?—Yes; but they cannot have a renewal fund now, because the roads have, all of them, got into such a state, that in whichever year it is they have to renew an average proportion. If it lasts for 14 years, one-fourteenth part of the road has to be renewed every year; and it is of no use to have a reserve fund now.

17,043. (*Capt. Galton.*) You do not think that the maintenance of the way will cost more it is now, except with an increase of traffic?—No; and I think it would be a little inclined to decrease. I believe that the rails are now better, and there is more attention paid to the sleepers.

17,044. (*Chairman.*) On the great lines of railway, is not the way in general kept in a very efficient condition?—In a very good condition, as far as I know. If the road is not good, it adds to the wear and tear of everything upon it—the engines, the carriages, the waggons, and everything.

17,045. (*Mr. Glyn.*) As a matter of economy all railway boards would keep their roads in good order?—No doubt, except where their poverty prevented them from doing so.

17,046. (*Chairman.*) When you estimate the maintenance of the way on your mineral line at 3*d.*, do you take for granted that the rails and sleepers will last for about 14 years?—Yes; although the traffic will be heavy, I have no doubt that the rails would last more than 20 years. The wear and tear of a railway increases in a higher ratio than the square of the speed; that is to say, if you double the speed of the engine, you more than quadruple the cost of the wear and tear of the road.

17,047. What is the speed of the ordinary mineral trains now?—They run up to 40 miles an hour.

17,048. Is it not generally considered that the cost of maintaining the way is, in a great measure, due to the heavy mineral trains?—And to the engines; no doubt the mineral waggons occasion more wear and tear than the passenger carriages run at the same speed, but I believe it will be found that the wear and tear of the road is mainly due to the heavy engines running upon it at from 40 to 60 miles an hour. On the Blackwall line, when it was worked by a rope, with 100 trains a day, when the rails, which were of very good quality, were taken up, there was no wear and tear upon them at all.

17,049. (*Mr. Horsfall.*) How long had they been down?—For some seven or eight years, but then there had been no engines upon them, nothing but the carriages.

17,050. (*Chairman.*) The principal element to reduce the cost of maintenance of way on your line would be the reduced speed?—Yes; the next thing is the locomotive, I have put that down under the head of locomotives and rolling stock, which was then intended to include waggons, but all the evidence we could get, all the locomotive managers that I could consult, Mr. Sinclair and Mr. Gooch, and others, insisted upon it that 1*s.* was ample, and I put it down at 1*s.*

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17,051. For locomotive power?—Yes, only; and I think you will find that that is supported.

17,052. It appears to be $3\frac{1}{2}d.$ above the average of the lines generally?—Yes.

17,053. 1*s.* provides for the locomotives and all the expenses that arise out of the engines?—Yes.

17,054. Would 1*s.* suffice for those heavy coal trains?—Yes; although we should have a large consumption of fuel otherwise, undoubtedly, but that would be more than met by the very small amount of wear and tear which would take place in carrying the coal at a farthing a ton per mile; our own coal would be very cheap. These are the main elements; there would be rates and taxes.

17,055. Do you contemplate that the railway company should have nothing to do with waggons?—Yes.

17,056. Would there be any traffic charges?—There would be rates and taxes, but that I take from the Board of Trade returns. I put that at $1\frac{1}{2}d.$, and legal expenses at a $\frac{1}{2}d.$

17,057. (*Mr. Glyn.*) Have you put down anything for keeping up the engine?—The 1*s.* includes that.

17,058. (*Mr. Horsfall.*) When you speak of legal expenses, will you be good enough to explain whether you mean the ordinary legal expenses, or the expenses of obtaining an Act?—I mean the ordinary current legal expenses. Then the traffic expenses or traffic charges are ordinarily, I think, 10*d.* or 11*d.*

17,059. (*Chairman.*) On the average they are $9\frac{1}{2}d.$?—I have put that at 3*d.*, as we should not have that character of charge, which is generally included in that item. We should avoid nearly all miscellaneous charges, that is, establishment charges, secretary, and general contingencies, which I have put down at a penny.

17,060. Would that item be lower on such a line than on a passenger line and mineral line mixed?—I think it would; and these in the aggregate you will find amount to 1*s.* 9*d.*

17,061. Do you think that there would be no chance of injury being done to any person?—We should have nobody to injure.

17,062. Might you not run over people on the line?—The speed would be only 15 miles an hour.

17,063. Do you think that that point might be left out of consideration?—Yes. We contemplate trains of 400 tons, which, at $\frac{1}{4}d.$ a mile, would produce 8*s.* 4*d.*; we assume no back traffic, which would make the train mile earnings 4*s.* 2*d.*, which, I think, is the Midland rate, or about their average earnings.

17,064. (*Sir R. Hill.*) Would the cost of the journey back with the empty carriages be as great as that with full carriages?—No, there would be a little less fuel used. I have taken what I have given as the average.

17,065. (*Chairman.*) All the items that you have enumerated are given upon an average of full trains and return trains?—Yes, full and empty.

17,066. (*Sir R. Hill.*) If you could obtain return traffic, of course the cost in respect of coal would be largely reduced?—Of course it would be all to the credit of it.

17,067. (*Capt. Galton.*) There is no class of traffic, is there, that would fill your trains coming back?—I think we should have some; I think we should have timber from the docks and manure, the solid manure.

17,068. (*Chairman.*) I observe that the lowest amount upon any railway at present for traffic charges is $4\frac{1}{2}d.$, which is $1\frac{1}{2}d.$ above what you allow, and that is on the North-eastern Railway?—They have passenger stations and all the appliances they require, and a staff which we should entirely avoid; but I may tell you where you might get a parallel, and that is in the Blyth and Tyne Railway, for that is a purely mineral line; I am alluding to establishment charges, and they have a gradient of 1 in 70 against the load.

17,069. (*Mr. Glyn.*) You will only have coaling and watering stations?—Yes, that is all.

17,070. (*Chairman.*) Do you know whether railway companies generally adopt the same system in classifying all their various items of expense?—I should doubt it, but I cannot tell you. When we had collected our evidence, our opponents brought gentlemen from the north to show that the average results from the existing lines were hardly comparable. Some of them gave all their train mileage both empty and full, while others returned all their mileage that earned money, and I had great difficulty with them. I detected some of them in my inquiries, and there is no doubt that there is an element of uncertainty in these returns, which, if they are to be made as useful as they ought to be, ought to be prevented by making them more definite, and more uniform, and specifying exactly what they should include.

17,071. Can you suggest any plan upon which you think it would be desirable that all Board of Trade returns should be furnished by the different railway companies?—Yes, I could do it, but not at this moment. I could sit down with Mr. Pole and arrange a plan which would comprehend all the returns that I think it would be desirable to make.

17,072. Do you think there would be any objection on the part of the railway companies to adopt one uniform system, or is there any reason why they should be unwilling to do so?—There is not any great reason, but I think they would rather not make any returns at all.

17,073. But they are compelled, and is there any reason why they should object, to make them all upon one uniform system?—I see no valid reason, but I feel bound to say that I think they would object.

17,074. (*Sir R. Hill.*) Would not such returns, made according to a prescribed form, be highly useful to the railway companies themselves, enabling them to compare the expenses on one line with the expenses on another?—Yes, I think they would.

17,075. Then the railway companies, taking that into account, would, perhaps, not object?—I do not know that.

17,076. (*Mr. Horsfall.*) These returns would also be useful to the public?—Very useful.

17,077. It is a return to which the public is entitled, is it not?—I think so.

17,078. (*Chairman.*) Do you think that the returns now furnished to the Board of Trade are to be relied upon?—I think they are to be relied upon if you knew what they applied to. If you do not get all the particulars you require there would be an uncertainty whether the train mileage includes return trains, and it destroys the value of the returns to a very great extent; they are extremely valuable as they are.

17,079. Do you know the practice as to station work and the shunting at the different stations; is there an allowance of mileage for work of that description?—No; they seem to do it by allowing an assumed mileage, and sometimes by time, and I believe there are some other expedients, but that may produce an element of considerable uncertainty; the proper way, I believe, is to charge the engine's time for it; they cannot make it a mileage.

17,080. If the items of expense are to be divided out per train mile, is it not necessary to convert it into mileage?—No; I have taken it in this way. First, there are the passenger trains, they are a net mileage, and goods trains are a net mileage, including the return trains; then the shunting to nearly the whole extent, if not the whole, is applicable to goods traffic; the shunting of passenger trains is very small. If in the return for the goods trains they superadded what they allowed for the shunting, that would be all you would require, running so many thousands, and shunting so many thousands; that would give you the total cost of the actual running, and the total cost, including shunting, which would be almost an establishment charge; it is arranging goods at a station.

17,081. Could any form of returns be drawn up by which you could calculate pretty accurately and separately the passenger traffic and the goods traffic?—I suppose it might be done, because there is a good deal

of labour upon the railways at the roadside stations, which it would be necessary for them to distinguish, between that which was properly apportioned to passengers and that to goods ; at small roadside stations they probably do both.

17,082. (*Mr. Glyn.*) In other respects there would not be much difficulty ?—No.

17,083. (*Chairman.*) The maintenance of way could scarcely be taken on any other principle ?—No ; but it ought to be there I think ; and if a return had its proper value they should give that which is actually expended upon the roads, that which is actually expended upon the stations, and that which is actually expended in the renewal or reparation of bridges, because, if there are two lines, one with a large number of bridges crossing, I will say the Fens, which are wooden bridges generally, and another line running through a solid country, you cannot compare the maintenance of those two, and suppose them to be strictly due to a road, because the one may include a large item for reparation and maintenance of other works.

17,084. Would there be any advantage in setting out the expenses of the railway companies in greater detail than they are now set out in the returns ?—I think there would.

17,085. You have given us the cost of working your proposed mineral line, is there any prospect of any general reduction in the cost of working other railways ?—No.

17,086. Do you see no item in which any material reduction can be effected ?—Not a material reduction, I think it desirable that greater attention should be paid to the permanent way than is now paid to it, in the manufacture, especially where the traffic is heavy. The steel rail which they are now using is very superior ; they are also using larger and more carefully selected sleepers, and there would be a tendency to economy, although not to any very great extent, but no doubt the steel rail will effect a considerable saving.

17,087. (*Mr. Horsfall.*) Can you state what the comparative cost is ?—I think the steel rails cost 13*l.* a ton.

17,088. (*Lord Stanley.*) I believe that practically they are indestructible ?—Yes, practically they are.

17,089 (*Mr. Glyn.*) But if the price of labour on railways is increasing, that would almost prevent any saving ?—Yes, there is that to be taken into account, because it is rapidly increasing, and where the limit is to be no one can tell, and setting that off against the other, I doubt whether you can look forward to any economy in train mileage.

17,090. (*Chairman.*) Will you be so good as to express your opinion upon the subject of increased safety for travellers ?—I have considered that question, and my opinion is this, that in the aggregate the number of accidents will never be lessened because there are elements of danger that you cannot provide for ; you close the door against one source of danger, and you open another, and the causes are so various ; in almost every accident that occurs there is some new anomaly that was never thought of before, and looking at the great amount of the traffic, and knowing after all that, issue what instructions you like, you are entirely dependant upon those being carried out invariably, and which you have no right to expect practically, I do not think that the number of accidents can be reduced.

17,091. (*Mr. Glyn.*) Would not the use of the telegraph on lines of railway very considerably increase the safety of travellers ?—No doubt.

17,092. Is that in general use on all the large lines ?—Yes.

17,093. (*Chairman.*) I suppose the present amount of traffic could not have been worked without the invention of the electric telegraph ?—Only with very great difficulty. I use the telegraph on the single line from Norwich to Yarmouth, and it was first used on the Blackwall line when we had stationary engines there. Every train had to be started by the telegraph, and when the train was in full motion it occurred occasionally that the rope broke, and then it was very essential that information should be immediately given to the engine-house, and that was generally done before the rope had separated a 100 yards.

17,094. (*Lord Stanley.*) I suppose the chief preventible cause of accidents is the employment of persons as signalmen at stations for too long a time ?—I do not know that, and there is this difficulty about it, you may have in your employ an engine-man who has been on the line for 10 or 20 years, and he has never once misconducted himself ; he has always attended to his duty, and is a strictly sober man ; but all at once he perhaps gets intoxicated, or forgets his instructions, and an accident occurs. That is a thing which no possible means that I know of can provide against. Then again, with regard to a man at the signals ; I have known a man, who was not overworked (and there is, I believe, something in the occupation which affects their minds) ; I recollect a man at Stratford, who was a very steady man, and had conducted himself very well, and he, after having been there for some time, walked on to the line and deliberately laid his head on the rails. He had done his duty up to that time with perfect satisfaction. Then I would say that no engine or railway train ought to keep on the line for 100 yards, not theoretically, and on all the occasions on which I have been thrown off a railway it has always been on the best piece of road, that which was the straightest.

17,095. (*Lord Stanley.*) Then your general conclusion, I suppose, is that it is well it is no worse ?—Yes, and I am sure if it had been said to anyone without any experience, you are going to work these number of miles, and you are going to carry passengers at 40 or 60 miles an hour, and the loss of life and destruction to limb in the course of the year is to be no more than has actually occurred, such a suggestion would have been perfectly scouted.

17,096. (*Chairman.*) Do you know whether the number of accidents in proportion to the amount of travelling is diminishing or remaining about stationary ?—They vary a good deal ; I should doubt whether, if taken by the per-centage, the number has lessened. I may refer to the accident which has just recently occurred at Caterham, and who could have foreseen that ; a boy was running across the line with a lantern, and that was mistaken for a signal. In the gauge experiments in which I was engaged, I was foolish enough to agree to take charge of the narrow-gauge experiments, and we went racing down between London and Didcot. I selected the road between York and Darlington, as being the very best piece of road I could find, and of course we selected engines and carriages of the best description ; we went galloping on until on the very best piece of road between York and Darlington, and off we went ; we were then going at the rate of 50 miles an hour.

17,097. (*Capt. Galton.*) Do you think that the safety of passengers would be increased by any legislative enactment ?—I think that it would very likely be decreased. The truth is that nobody knows the distress and anxiety which an accident occasions to the manager of a railway, quite irrespective of the pecuniary liability of the company ; great annoyance and distress are caused to everyone employed upon a railway when an accident occurs, no one knows how. As far as their experience goes they use every precaution that occurs to them, and I feel certain that you had better leave the responsibility upon them, without giving any instructions, for if they did observe them strictly they would not be responsible for the consequences of accidents.

17,098. You think that further Government interference would diminish the responsibility of the managers ?—Yes ; and I am sure that that ought not to be diminished.

17,099. (*Chairman.*) Can you say whether any considerable number of accidents have been due to an imperfect maintenance of the way ?—I do not know of any. I do not mean to say that there have not been any ; but I do not know of any. Of course when I allude to that lamentable accident at Staple-

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hurst, I do not consider that that was owing to the bad state of the road; that was through taking a rail absolutely out.

17,100. (*Sir R. Hill.*) If the traffic upon the main lines should increase to that extent which would justify having four lines of rail, two for the quick and two for the slow traffic, would not that lead to some diminution in the number of accidents?—No, I do not see that; but I am quite sure of this, that when traffic does increase so that it is necessary to increase the number of rails, you should make two lines of railway through a new district and accommodate that district, and in that case obviate the great element of danger, the having four lines of rails at stations and crossings.

17,101. (*Capt. Galton.*) Four lines will produce as many elements of danger as they were intended to obviate?—Probably so.

17,102. (*Chairman.*) The North-western have a third line of rail running into London, have they not?—Down to certain points.

17,103. How have they found that to work?—I believe it is a great relief to the mineral traffic.

17,104. (*Mr. Glyn.*) To the whole traffic?—Yes.

17,105. (*Mr. Horsfall.*) What is the extent of that third line?—I think it goes down to Bletchley.

17,106. (*Chairman.*) Do you think it desirable that rates generally should be published?—No doubt, as far as they possibly can be.

17,107. What do you mean by their being published? Do you mean that the rates should be published at every station?—That they should be accessible; you can hardly have them at every station. What you might do is this; that you should have at the head station general rates tabulated for reference, and perhaps at local stations they might have extracts from that, which were applicable to a particular station. For instance, the traffic at a road-side station is generally limited to a few articles, and therefore you would not want at that station more rates than would be applicable to the traffic arising at that station.

17,108. Do you contemplate that the publication of those rates should include the publication of terminal charges, all massed in one, or distinguishing the terminal charges?—The terminal charges should be distinguished. I can suggest no other mode than an arbitration.

17,109. (*Mr. Glyn.*) You would not recommend a public board?—No.

17,110. (*Chairman.*) Then one terminal charge as distinguished from a station-to-station rate would be an innovation on the present practice, which is to give the total charge without distinguishing one from the other?—To that station, including the whole rate, it ought to be an advantage to have the terminal charge distinguished from the mileage.

17,111. I think your recommendation is that the station-to-station rate should merely be the actual cost, and that everything should be included under the term terminal charge?—If you could do that,

17,112. Do you think it could be done?—I am afraid it cannot.

17,113. That would be greatly enlarging the ordinary meaning of the words "terminal charge"?—It would; it would alter the meaning of them altogether.

17,114. The words "terminal charge" would be no longer applicable to this particular charge?—The terminal charge would be comprehended in such a rate; but the reason of my suggesting this was that it would be desirable theoretically, if we could do it, that the traffic should be conveyed through the whole of the kingdom on the same principle as the Post Office, at one rate per ton. That is clearly inapplicable to railways; but it should approximate to that as nearly as circumstances would permit.

17,115. (*Sir R. Hill.*) If I understand your previous evidence correctly, you suggested including the whole profit in the terminal charge?—Yes.

17,116. That would make the charge for short distances something enormous, would it not?—Well, it would. You could not carry it out. Of course you must have exceptions to that. You can lay down no rigid rules. I did not intend by any means to lay down a rigid rule. You could not enforce 3*d.* a mile on the short traffic about London.

17,117. (*Chairman.*) Are you of opinion that the scale of terminal charges adopted by the clearing house is pretty near the actual cost of the terminal expenses?—I cannot say that. As between the companies I believe it is a very fair scale indeed; but how far it may be taken as representing the actual cost and the interest of capital involved at stations I have no means of judging.

17,118. You do not know whether, as between the companies and the public, they are reasonable or not?—That I cannot say; but I am quite certain of this, that taking each, and adding it to the rest of the rate, the result is on the whole satisfactory, and I think it ought to be satisfactory. The railway companies are on the whole doing their work at fair rates. Whether it is made up of terminal expenses or the mileage, I do not think matters. The total charge is the thing we have to look to.

17,119. In several instances. the public appear to desire to know what the company charge for terminals, and what they charge for the haulage?—I have no doubt the traders want that, because they think that they may be able to force the railway down in their charges, and it may give them information to enable them to compel the railways to lower their rates upon some particular item.

17,120. (*Mr Glyn.*) They claim also the right of carting for themselves?—Yes.

17,121. (*Chairman.*) I understand that you see no objection to railways being called upon to make public what their terminal charges are at each station?—No; they would give the clearing-house charges for that, undoubtedly.

17,122. (*Mr. Glyn.*) Are you aware that the companies the year before last very nearly came to a settlement to make a general average terminal rate?—It could not be the same everywhere. For instance, at Newcastle and at Manchester it is not the ordinary 1*s.* 6*d.* rate.

17,123. There were certain exceptions made?—I think there are not many.

17,124. (*Chairman.*) Are there not many instances in which it will be impossible for railway companies to make out that the terminal charges allowed at the clearing house are reasonable?—I have no doubt that is so, and I think it must be so. If there is one fixed charge, there must be some cases rather in excess, and other cases rather below; supposing 1*s.* 6*d.* to be the right rate, it is impossible to suppose that the charge for all stations can be the same.

17,125. Do you think there would be any hardship in calling upon railway companies to publish at each station what their terminal charges are for each description of goods;—As I said before, that would simply be the clearing-house rate.

17,126. You think they would adopt that?—I should think so.

17,127. (*Sir R. Hill.*) The average charge of locomotion appears from the Board of Trade returns to be $8\frac{1}{2}d.$ per train mile; is not that so?—So I understand.

17,128. Whether for passenger trains or for mineral trains?—That is the average.

17,129. That is the average of all trains, whether passenger or goods or mineral trains, $8\frac{1}{2}d.$ per train mile?—So I understand.

17,130. Can you say whether the average for passenger trains would be more or less than that if it were separated?—Rather less.

17,131. The cost per mile of locomotion for a long train is, I presume, somewhat greater than the cost of locomotion for a short train?—Oh, no; less. The best work you can get out of an engine, having regard to economy, is when an engine runs about 120 miles a day.

17,132. You must misunderstand me. When I speak of a long train and a short train, I mean a train containing a large number of carriages, and a train containing a small number of carriages?—There is a saving with regard to fuel.

17,133 Can you say what would be the cost of locomotion for an engine alone ?—No. An engine and tender are 35 tons weight, and the resistance due to the engine and tender is about equal to double that, that is 70 tons. If you have a mineral train of 300 tons, it will be as 70 is to 300, *quoad* the fuel; but when you take a passenger engine, going at 40 miles per hour, then the resistance from the atmosphere becomes so large that it destroys that average.

17,134. Then you are not prepared to state the cost ?—What we allowed in the North Staffordshire case—which I am bound to say now is rather too much—was $\frac{1}{2}d.$ per carriage. We charge $11\frac{1}{2}d.$ for the engine, and take off $\frac{1}{2}d.$ for each carriage.

17,135. That for the locomotion only ?—That for the locomotion only.

17,136. Can you say what would be the cost of the wear and tear of the carriage itself in addition to the cost of the locomotive?—I cannot tell you off hand; but I have already handed in a copy of the contract on which the North Staffordshire was worked for 10 years, which gives all those particulars. So far as our information went at that time, except being a little too liberal, I believe, as regards the locomotive and the carriages, that it is tolerably applicable to the present scale.

17,137. The question might perhaps be solved by a careful examination of that contract ?—Yes. That excludes in all cases interest on capital. It is simply engines and carriages being on the road, and the cost of sustaining them.

17,138. Does not the $8\frac{1}{2}d.$ include interest on capital ?—No ; that is the current charges. On the North Staffordshire we allowed $13d.$, but $1\frac{1}{2}d.$ of that was for renewal of the engine.

17,139. (*Chairman.*) You have stated that on your proposed mineral line the locomotive power would be 1*s.* per mile ?—Yes.

17,140. Can you give any details of how you arrive at that result ?—No, I cannot give the details.

17,141. Can you not say how much is due to fuel? —I suppose the fuel would be somewhere about $3d.$

17,142. You are not prepared to give any further details ?—No.

17,143. Fuel is the largest item, is it not?—I think you will find it all stated in the evidence given by Mr. McConnel and Mr. Gooch with reference to the Great Eastern and Northern Junction Railway, 1864.

17,144. You have strongly recommended it to the Commission as in your opinion desirable that railway lines should be worked by limited companies. I think the result of your evidence to-day seems to lead you to the conclusion that no limited company of that description would be able to make any considerable reduction in the cost of working ?—I am not clear that a limited company would not reduce the cost of the establishment charges. I think they would get more work out of the same amount of stock. The plan I wanted to enforce, when I was overruled at the Great Eastern, was this :—With the view of getting the work well done, and to reduce the peculation, the loss from which, I think, amounts to somewhere about 5,000*l.* a year, and also with a view to reduce as far as possible accidents at stations, was to fix the salaries at each station, and then see what would have been the cost of managing that station for any given year, and the quantity of work done ; and then to arrange with the station master that any economy that he could exercise upon that should be distributed throughout the establishment, according to the wages they received, and also that we should apportion to that station a share of the loss from peculation, and that that should be distributed, as I have before mentioned, among the people at the station if they went through the year without any loss. If there was any loss it should be paid out of that fund. If the loss exceeded the fund then a deduction should be made, and there should be a certain allowance to them in the shape of a gratuity per annum if they went through the year without any accident ; but if any accident occurred then that gratuity should be entirely forfeited. By that means I should have enlisted the whole of the staff, as I imagined, to get the work done cheaply, to look after each other, because every porter would be interested in the good conduct of his fellow porter, and they would not only keep a very bright look out on one another, but if there was any misconduct on the part of any one of the servants the others would represent it ; in fact they would look carefully after each other.

17,145. (*Mr Glyn.*) If that were a desirable plan it might of course be adopted by the present companies as well as by a limited company ?—I do not think they will carry it out.

17,146. Why not, if it is a good plan ?—Of course to a considerable extent it would interfere with the patronage, which the directors of some lines value very much.

17,147. Do you think they value that patronage so very much ?—They at all events value it sufficiently to prevent the introduction of such a plan as that.

17,148. (*Capt Galton.*) Did you suggest that to the Great Eastern board ?—Yes, I did ; and although they did not absolutely negative it, they shelved it by appointing a committee which sat for five or six months.

17,149. (*Sir R. Hill.*) When you speak of a limited company you do not use the term "limited" in its ordinary sense : you mean a company limited in the number of its proprietors ?—Yes.

17,150. Not in its liabilities ?—They would limit their liability.

17,151. The liability of the ordinary companies is limited ?—Yes, and so would this be.

17,152. You mean a company consisting of a small number of proprietors ?—Yes.

17,153. (*Capt. Galton.*) You meant probably a company without an Act of Parliament, under the Limited Liability Act ?—Yes.

17,154. In the present state of the law is there anything to prevent the company if it pleases from letting a line to a small number of individuals ?—I do not think they can do it.

17,155. (*Sir R. Hill.*) But it has been done occasionally, has it not ?—The only case that occurs to me at this moment is the South Staffordshire, which was worked by Mr. M'Lean for a time.

17,156. How long was that ?—I do not know how many years he worked it ; but that is no criterion, because that is a small line in the midst of a number of others.

17,157. What is the length of that line ?—It goes from Lichfield down to Walsall, and down to Burton.

17,158. He was the lessee ?—He was ; and then the North-western took it from him.

17,159. (*Chairman.*) If a Permissive Act were passed, allowing railways to let their property to a small number of individuals, do you think any companies would avail themselves of it ?—I think so. I think that offers would then be made to them by individuals, which would be so much to their advantage that they would accept them.

17,160. (*Capt. Galton.*) Have you considered at all the question as to whether any arrangements could be made so as to prevent railway companies which are got up without any capital obtaining Acts of Parliament ?—I think the disposition of Parliament this year is rather to restrict them. We have got one committee in the House of Commons which is called "The Slaying Committee," which has slain every bill that has come before it.

17,161. Were all those bills got up for speculative purposes without having a *bonâ fide* capital ?—Some were got up in that way, and others were got up on the terms I mentioned to the Commission last week, interposing another liability before the existing debentures. Each was, in fact, promoted by existing companies although it was nominally an independent company ; but the capital in the way in which it was provided for, had it been raised, would have interposed another stock before that of the existing preference and debentures ; and the bill was thrown out. Of course one cannot tell the reasons of the committee ; but I dare say that operated on their

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minds in arriving at that decision. It was brought under their notice.

17,162. (*Chairman.*) I think your opinion is not altogether unfavourable to what are called speculative lines?—I do not know how you are to get up a great many without speculation. Such inducements are now continually offered by the number of projects which are originated abroad, some of which hold out good prospects, and are no doubt very sound undertakings, that unless capital is more or less occupied in our own country it will go out of it to a certainty. If they can only be properly regulated and something like *bona fides* given, I think they ought not to be shelved simply for that reason.

17,163. (*Capt. Galton.*) In fact you rather think it would be better not to interfere with the present system of legislation as to new schemes?—I have not considered that subject very attentively, but nothing at present occurs to me by which you could very much improve it.

17,164. (*Chairman.*) What may be termed landowners' railways you think ought actually to be encouraged by compelling the large companies to work them?—Yes, I do. I think certainly where they are got up *bonâ fide* by the landowners that they ought to be.

17,165. (*Mr. Glyn.*) That is, provided the landowners take a certain interest in the line?—Yes.

17,166. (*Capt. Galton.*) As soon as the line is constructed?—When the line is before Parliament, if they mean to support it they should take the stock of that line, because they are quite competent to do that now to the amount of the compensation to be made to them for the land which is taken for the railway. Then, another consideration is this, whether their land is passed through or near, the adjoining landowners are very much benefited, and there ought to be some facilities given in the shape of a rate in aid over a certain district. Where a short line is projected of 10 or 15 miles in length for the purpose of carrying such traffic as an agricultural district affords, and some advantage would be afforded by increasing thereby the traffic of a neighbouring railway, I think that railway should be called upon to work such a line at 50 per cent., although it would cost them more than 50 per cent. to do it, because they get collateral advantages.

17,167. Would not the large companies in general be disposed to encourage any lines that were really *bonâ fide* made by landowners and which received a large amount of pecuniary support from those landowners?—I think they would. Sometimes these lines open out a district to a rival company, and lead them into an adjoining district. In that case of course there would be an opposition from the line which would be so interfered with.

17,168. There might be instances in which it would be difficult to say to which of the large companies the districts of those new lines belonged?—There might be no doubt, but that must be dealt with when the question arises. The probability is that when it arises you would not require to enforce any compulsory powers because one or other of the companies would bid for it. What I feel is this, that as far as the country is not filled up the legislature ought to give facilities for filling it up, and what we should aim at is that it should be done if possible, in a *bonâ fide* way. All these irregular ways of raising capital should be done away with. The capital should be *bonâ fide* raised in some shape or another, at all events upon known terms. If the contractor is to find the capital let that be stated, and let the terms of his contract, as to how much cash and how much in securities of the company he is to take be known; and then if the public like to go into it after knowing that, why they should be prevented I cannot tell, only take care that they are well informed; leave them absolute freedom provided they have the information before them.

17,169. (*Capt. Galton.*) When a line is got up by a contractor in that way you would have that shown by the bill in fact?—It could not be shown by the bill; but the terms on which he is going to carry out the works should be stated, so that the public if they like to go into it after that may do so. He should be compelled to state it in some way or another, in some such form as this:—The capital is 200,000*l.* I have taken a contract for the works for 120,000*l.*, or whatever the amount may be. That 120,000*l.* I have agreed to take, 60,000*l.* in cash, and 60,000*l.* in shares. Then the public will know what are the conditions upon which he has taken the contract, and if after being possessed of that information they like to furnish the rest of the money, why they should not be allowed to do so I cannot tell.

17,170. (*Chairman.*) Then you do not think any requirements of that kind would be evaded?—Of course everything can be evaded; but I think that if you made it, as I suggested the last time I was before the Commission, a misdemeanor, very few would risk that.

17,171. (*Sir R. Hill.*) With reference to one of the branch lines of which you have been speaking, suppose the landowners and others in the neighbourhood to desire to make the line in the most economical manner, to avoid all unnecessary expense, and to give the land at something like its value as agricultural land, can you say at what rate per mile such lines might be made under circumstances of ordinary difficulty as to cuttings, embankments, and so forth?—I cannot give a general answer to that. The permanent way may be taken at 2,500*l.* per mile.

17,172. A single line or a double line?—A single. That may be more or less, according to the facilities at which you can get the sleepers and other materials conveyed to the spot. The land may be taken at 10 acres a mile. I suppose the agricultural value on the average would be 50*l.* per acre, that is 500*l.*; but of course beyond that you have to erect a station and such works as may be necessary; and what the average of those works would be nobody can say. You will find in nearly all the deposited estimates 5,000*l.* is put down for a double line.

17,173. Would the 2,500*l.* per mile include rails?—Rails, sleepers, ballast, and laying.

17,174. Bridges?—Not bridges.

17,175. But supppose the line ran along the surface?—If it ran along the surface, and there were no bridges, it could be done for 2,500*l.* per mile.

17,176. (*Capt. Galton.*) With some small amount of cutting?—Whatever cutting there was would have to be added to it.

17,177. (*Chairman.*) Is it your experience that land can be procured on the average, even agricultural land, at 50*l.* per acre. Certainly not. On the average it may be taken that we pay four times the agricultural value. I think the cheapest line I know of, considering where it was made, although very much to my cost, was between Wimbledon and Croydon, for 45,000*l.*

17,178. (*Capt. Galton.*) The land was given them for a considerable distance, was it not?—No; it was five miles in length, and the capital was 45,000*l.*, and in order to get it made the estimate for the land was 10,000*l.* They had some difficulty about it, and I said, "Well I will take it upon myself," and it has cost me 8,000*l.* more. There was this curious case happened in connexion with it. Part of the line, for some 300 or 400 yards, went on the site of the old Merton tramway that fell into the hands of the adjoining landowner. The landowner into whose hands it fell (when they got the Act of Parliament, in case of dispute he had a right to try it), when they offered him 10*l.* for that piece of land objected, and I think they settled it at 30*l.*, which I believe he never paid. When it was taken by this railway his own estimate for that piece of land was 4,839*l.* He got very celebrated surveyors in London, who valued it at 2,400*l.*, and eventually he was paid 700*l.*; but I have no hesitation in saying that 100*l.* was the very outside value.

The witness withdrew.

Adjourned to Thursday next, at 12 o'clock.

Thursday, 10th May 1866.

PRESENT :

The Right Hon. the Earl of Belmore.	Geo. Carr Glyn, Esq., M.P.
The Right Hon. Lord Stanley, M.P., F.R.S.	A. S. Ayrton, Esq., M.P.
The Hon. E. F. Leveson Gower, M.P.	Capt. Douglas Galton, R.E., C.B. F.R.S.
Sir Rowland Hill, K.C.B., F.R.S.	E. T. Hamilton, Esq., M.P.
T. B. Horsfall, Esq., M.P.	William Pole, F.R.S., *Secretary.*

His Grace THE DUKE OF DEVONSHIRE, K.G., F.R.S., in the Chair.

Mr. Edwin Chadwick, C.B., examined.

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17,179. (*Chairman.*) I believe your attention has been a good deal directed to the railway system of this country ?—Yes ; and I beg permission to mention the way in which I have been led to do so, because, as a general rule, I deem it objectionable to express, only on incidental or casual attention, confident opinions on great questions or on large principles. I have given much study to the principles of public administration, and in connexion with the new poor law, and as a Commissioner of inquiry, and in that and other commissions as an executive officer, I have had the honour to be associated with engineers of some eminence, who were serving in civil capacities. As a Commissioner of inquiry into a general system of police, much of the action of which must be on the public highway, I came across the subject. On the early question, as to the state of the national defences, the subject of the new means of communication was much discussed amongst us. I was led to entertain strong objections on administrative principles and public economy, to giving up the main lines of communication, to be traced out by trading companies, and worked by them as a monopoly and for a trading profit. I was led, being applied to by continental administrators for opinions, to give them warning against following the course adopted in this country. The conclusions at which we then arrived were much the same as those embodied in the report of Captain Drummond and Sir John Burgoyne, and other commisioners who reported on a system of railways for Ireland. I conceived about that time, in connexion with poor law administration, that the demand for labour created by the construction of new railways might afford some relief to the agricultural labour market, and I was led to pay attention to that point, and to make inquiries as to the operation of the new railway works. I found, however, that from the barbarous haphazard methods in which labourers were employed, and the way in which the works were constructed, those works really did as much mischief as good to the labour market of the country. I thought the evils were very pressing at that time ; but our Commission could not take any direct notice of it, and I therefore wrote and published, at my own expense, a paper "on the demoralization and mis- "chief occasioned by the want of proper regula- "tions for the labourers engaged in the construction "and working of railways." I further published and circulated amongst the directors, in order to induce a voluntary correction of those evils, a paper founded upon some evidence that I got together for a committee of the House of Commons on the subject of railway labourers and labourers upon public works. I aided some inquiries from the Board of Trade on the companies' accommodation for the poorer classes of travellers. At the time of the Exhibition there were difficulties in collecting some articles together, and at the Society of Arts a committee was formed to examine the subject of the postal conveyance of parcels, and they requested that I would draw up a report or take evidence upon the subject, which I did ; and it showed, I think, that great mischief was occasioned to trade and to the arts by the want of facilities for the conveyance of parcels. I drew up a report, which was adopted upon the occasion, setting forth that the hindrance was owing to the position in which the railways were placed by the principles upon which they were conducted. Later on the National Association for the promotion of Social Science did me the honour to make me president of the section of Economy and Trade at the Social Science meetings, and I then considered the state of the manufacturing districts as governed by the arrangements for the transit of goods and passengers. I went down to Manchester and made inquiries upon the subject, but I found that the information I received was too large for development in my presidential address at York, and I made much of it the subject of an address delivered in London. After that I was asked to repeat and to bring forward the same subject in the Society of Arts. It is upon such investigations and discussions that I have ventured to express confident independent opinions for the future, based upon subsequent verifications of the original warnings as to the past verifications by competent and impartial witnesses, civil engineers at home, and public administrators abroad ; and with respect to the railways in Ireland, valuable confirmatory testimony as to the errors of the past, as a warning for the future, was given in a paper, and in the discussion on the paper by Mr. Hemans, the engineer, read at the Institute of Engineers, when it was admitted that the recommendations of the Irish Railway Commissioners had proved to be sound in the main, and that it was to be regretted that they had not been carried out.

17,180. Can you give the Commission the date of that discussion ?—It was in November 1858. On that occasion the concurrent opinions were expressed of Mr. Hawkshaw, and of engineers and others connected with Ireland, as competent and independent opinions as any that might readily be collected, that were entirely confirmatory of our early warnings. From Mr. Mohl, of Wurtemberg, an able administrator of wide German reputation, I have received a letter, in which he rejoices that the public control over the railways has not been yielded, and declares that he shall do everything in his power to prevent the example set in England from being followed, or the control of the public highways being given to private speculators. Besides getting a cheaper and a readier system of communication for his State, he rejoices that he has taken the system of communication in the country out, as he puts it, of the hands of the wolves of the Bourse, and prevented the demoralization and jobbing that is attendant upon commercial speculations in these matters.

17,181. You are of opinion that the railway legislation of this country is rather an obstacle to public progress ?—My belief is that the benefits derivable, for the future, from the cheaper and better use of the existing railways, from the completion of branches and new main lines, will be found to be collectively as great as any that have resulted from the existing system, and that these possible benefits for the future are in great measure prevented by the past and existing false principles of legislation. In agricultural economy, in extending high cultivation in England, tramways or horse railways are laid down to economise the removal of crops or the transit of manures within the farms. Common means by horse tramways are needed, for the economical transit of produce from farms, or manures to farms. My observation, chiefly in England, of the extensive need of such horse railways, as well as ordinary branch railways, is corroborated by the observation in Scotland of Mr.

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William Chambers, of Glenormiston, the chairman of a railway company, who, in a recent work, in illustration of the practicability of the cheap extension of railways, adduces as a conclusive fact that a line of railway in Scotland, the Peebles Railway, has been executed, with station-houses included, at the cost of 5,000*l.* per mile, a single rail, which is now paying to the ordinary shareholders a dividend at the rate of 6 per cent. per annum. As corroborative of the view of the need of cheap branch railways derived from his observations in Scotland, and which I apply to England, he cites an estimate made by Mr. Jones, a civil engineer of Wales, I believe a member of the Institute of Civil Engineers, a respectable man, who estimates that there are 8,000 miles of valley in England without railway communication, containing five millions of acres, more or less, of which are available for agricultural purposes, and he shows that if this land were increased only 1*s.* per acre in rental, by the formation of railways, the landlords would gain 250,000*l.* a year. In my view the great need of the free extension of railways in the agricultural districts would be more commonly for horse railways rather than for railways to be worked by locomotives. Beyond these, for the completion of our railway system in the rural districts, there is extensive need for horse railways or tramways for towns, or for the suburban districts of the larger towns. The sort of horse railways needed for towns may be seen near Paris, or between Sevres and Versailles. The French Government directed experiments and trials to be made with the tramways, and the result was that a horse can, on a level tramway, draw $3\frac{1}{2}$ times the weight at the same speed, and with the same expenditure of power, that he can on an ordinary road, and that up a gradient of 1 in 100 he is capable of drawing 2·25 the weight he can do up the same gradient on a common road. As a general rule, that one horse will do as much as three horses; or that two horses instead of drawing 20 people in an omnibus will draw 60. On large farms or works over large areas in North America, cars are in use for carrying workmen and saving "walking time" in walking from one part of the farm or works to another. In our manufacturing districts wages are tending to American prices, and the wages of artizans may be reckoned at 6*d.* or 7*d.* per hour, and walking time for six or seven miles costs 1*s.* By omnibus power the transit is effected for 4*d.* or 3*d.*, but by horse railways it may be be done for 2*d.* or less. In the State of New York 256 miles of horse railways are provided for, of which 166 miles are completed, of which 66 miles are street railways. In the city of Philadelphia there are 69 miles of street railways, *i.e.*, for wide thoroughfares. In London each horse draws six passengers; in Philadelphia on the street railways each horse draws more than 16 passengers, with fewer accidents, and these street railways are being greatly improved, and connected with the general system of transit. An effort was made by the London General Omnibus Company, at the instance of some French administrator, to get a system of tramways introduced in the wider suburban lines; but the attempt was defeated by parochial opposition to them. Upon the whole, looking at French experience, and looking at American experience, I think that for easing the centre of towns, and distributing the population from overcrowded districts into the suburbs, a system of horse railways as well as of branch-locomotives would be extensively needed. With respect to agricultural tramways and small branch tramways, they cannot be laid down, or at all events they are prevented from being formed, by the enormous expense of the present system. Also by the fact, that if you want a branch railway it will have perhaps to go across the country, and it may pass between two established lines, and by one of them it may be viewed as a feeder to the traffic of the other. Hence the opposition; but at all events the expense of the present parliamentary procedure is so enormous for these branch railways as to present in itself almost a prohibition. Certainly in a large proportion of cases the expense of obtaining an Act of Parliament would amount and it does amount to a prohibition and the most important extensions are therefore not carried out.

17,182. Do you mean the ordinary parliamentary expenses for a bill to which there is no opposition?—I mean the ordinary parliamentary expenses.

17,183. Even when there is no opposition?—In truth the difficulty and expense of that procedure in respect to improvements in towns, with which the sanctions for branch railway communication would be analogous, was so enormous as to be prohibitory. The average expense of Local Acts may be set down as 2,000*l.*, and when unopposed, not less than 1,000*l.*

17,184. Is there not an Act now in operation to this effect, that when there is no opposition, the Board of Trade may grant powers for the construction of the railway?—In some cases the majority will not oppose the scheme; but perfect unanimity among owners is not common, and it is common that there is an attorney who will stimulate and undertake opposition for the costs. The relief of London from overcrowding by the spreading of the population, by horse railways, was found impracticable from the expenses of the oppositions entailed by the present parliamentary procedure. Whether for small or for large works, I submit that that procedure, which is the opprobrium of our legislature, ought to be entirely superseded. And it might be superseded by the tried, and proved more efficient, economical, and satisfactory procedure adopted under the Public Health Act, as directed by the first Board of Public Health. Under that Act, instead of calling before us witnesses or parties to London, when application was made from any locality for the sanction of new works, of water supply or drainage, or new roads, we sent a competent engineering inspector to the locality or to the witnesses. We directed him to first make his own survey of the district, and to form his own opinions as to facts on which he might advise, and having done that he was to call the people of the locality together, in the town or district, hear their objections, have them discussed, and answer all questions they might put to him for their information; as to the expense that would be, in his view, incurred, and the benefits to be derived in return for them. After that examination and upon public discussion, he made a full expository report to us. That report was printed and circulated within the districts for local consideration. After a time for hearing any objections an order of the nature of a local Act upon further local consultation was circulated in the locality, and upon that report an order was framed, founded upon that local consultation. The expense of all that process was first to last, after paying the engineer for going down, and paying for the report which was locally circulated, giving them information such as is never obtained upon a parliamentary procedure by bringing the witnesses to London, many of whom are not heard,—the expense of all that was about, I think, speaking offhand, 100*l.*, including the printing and circulation of the report, the order, and everything. Now that mode of procedure would be applicable, I think, to the extension of railway communications for the future, and it would, in every respect, be better. It would get rid of the enormous and scandalous expenses to which the local public are subjected by the present parliamentary procedure, and the business would be done in a manner to give general satisfaction.

17,185. (*Mr. Ayrton.*) Have you seen and read the Acts which have been passed for England, Scotland, and Ireland, for the formation of tramways or railways without application to Parliament?—I am only acquainted with the effort that was made by the London General Omnibus Company to get tramways for the relief of the metropolitan traffic to the metropolis, which failed from the amount of opposition that was brought against it. An American

speculator also introduced some tramways, and I thought them good, but they also failed from the opposition that he met with, and there have been, I believe, other private projects, which have been attempted elsewhere, and have failed.

17,186. Have you read the Acts which have been passed on the subject?—No; I only know of the general extensive needs, which the existing legislation, whatsoever it be, fails to accommodate.

17,187. Did you ever read a bill that was introduced into the House of Commons for the general construction of tramways in England with the sanction of the local authorities, and which was referred to a committee of the House?—I have not; I was not at all aware of it, but I am certain of this, that local examination, such as was tried in the instance to which I have referred, would, if similarly directed, be efficient, economical, and satisfactory to the localities. The present inquiries before parliamentary committees, enormously expensive as they are, are yet dangerously and scandalously defective. You do not get anything like the evidence before committees, or could get before boards, that you get on the spot. People the most deeply interested often know nothing of what is being done in London, notwithstanding troops of picked witnesses carried there and kept there at enormous expense. My own experience in the procedure to which I refer, as applicable to railway extensions, and the general parliamentary procedure in respect to railways, is that the objects might be obtained satisfactorily at one-twentieth the expense that is now incurred for obtaining them imperfectly and most unsatisfactorily.

17,188. (*Mr. Horsfall.*) Will you be good enough to state what class of person you think should be sent down to make the inquiry, and obtain the necessary information?—Professional persons with special aptitudes of the engineer class. For the new works of sanitary improvement, we sent down civil engineers,—with such special aptitudes as we could find; as sanitary works did not then, as it should do now, form part of the training of the Royal Engineers. In respect to the subject matters in question, as the projects would generally be those of civil engineers, I believe they would themsleves prefer to have reports of Royal Engineers rather than of civil engineers,—rivals in practice. I should, for the matters in question, prefer, *cæteris paribus*, a Royal Engineer of special aptitudes and preparations to form an independent opinion himself and take evidence on the works proposed.

17,189. Would you propose that he should hear and decide upon all objections that were brought before him?—No; he should hear, but upon that I think the procedure might be in precise analogy to the procedure under the Public Health Act. He should report to competent permanent commissioners or a board. The inspector in our case heard all objections, and submitted a report on them. If there was any appeal, it was first made to the central Board in London, and in some cases where the judgment of the first inspector was disputed we sent down another, so as to let the parties be heard upon the spot, and in cases where that was done it was very rare that any objections were available, or that the objections were not removed. But beyond that there was still an appeal to Parliament. If both the inspector's report and the Board's order were held to be broadly objectionable, a select committee of the House could be appointed to hear the objections. The default in that mode of procedure was that the Board was not heard, nor its officers; they only heard the witnesses which commonly some attorney, having a bill to make out, brought forward.

17,190. Then would you have the Board of Trade made a court of appeal in London?—In my view the Board of Trade, under a changing political chief, who has now more to do than he can attend to, or any board with other and disparate subject matters to attend to and functions to execute, is a most imperfect and unsuitable executive for the purpose. The difficulties to be overcome can, in my view, be only overcome by severe and undivided attention. I conceive that the interior communication of the country is of such importance as to justify and require a completely independent functionary for the purpose, and as a question of administrative organization. It is not only my own opinion, but I am supported by the opinion of a man whom those who know most of his writings will most respect, I mean Mr. Bentham, who, in an outline of a constitutional code, made the minister to conduct the interior communications of a country one of the Prime Ministers of the State, it being more the duty of the State to look to the interior communications throughout the country than of private individuals.

17,191. (*Mr. Ayrton.*) You would adopt the French mode, and have a Ministre de Ponts et Chaussées?—I am not sufficiently acquainted with the details of the organization and action of the department of the Ponts et Chaussées to speak myself as to the applicability of it in detail to our needs. I only know, in respect to the French administration, that the late Sir John Easthope, who was an early promoter of the first railways, served also in some of the French companies, and he was loud in his praise of the superiority of French administration, in which he was supported conclusively by the late Mr. Locke, President of the Institute of Civil Engineers, and others.

17,192. And who was largely engaged in railway speculations in France?—Yes, he was an engineer of great practice in both countries.

17,193. Under the French system a new project is first submitted to the minister, and unless his fiat is obtained, no progress can be made. You are aware of that, I presume?—Yes.

17,194. Are you aware also that under that system it was found impossible to make a railway from Calais direct to Paris for many years, because there were so many private interests involved which obstructed it?—I am not aware of that fact, or that there may not be defects in the French system, though not, I judge, from impartial practical testimony, in any degree so bad as our own.

17,195. Are you aware that unless the fiat of the minister is obtained by private influence it is quite impossible in France to advance a railway project, or unless private interests are conciliated?—Large defects have been alleged against them, and it has been rumoured that political ministers are swollen with large fortunes from concessions and extensions of concessions beyond their official emoluments, the truth of which allegations or reports it is perhaps not necessary to touch upon here.

17,196. Are you aware that it is the general impression of the state of things in France, that no public enterprise connected with communications of any sort can be proceeded with unless the Bureau de Ponts et Chaussées is conciliated?—No, I am not at all aware of that; in fact, with respect to the frequent rejection of projects that are of public benefit locally or generally, I do not believe it. It has been alleged publicly that parliamentary candidates for a seat in the legislature have held forth that if they were elected they would promote a particular railway projects, but I believe that even such allegations are exceptional.

17,197. Are you aware that you cannot even make surveys and obtain information to ascertain whether a project is sound, without first obtaining a licence from the Government Department?—I have not gone into all the details of this branch of administration in France, but I am aware, from the testimony of those who are practically conversant with it and with the administration in this country, that the French administration is superior; amongst other things in this, that there is a general survey or cadastre applicable for the direction and formation of all works of internal communication, and, if the like foresight and care had been used in this country, if we had proceeded with a general survey, or an ordnance survey, such as was proposed early by

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engineers, I am told that on surveys alone 20,000,000*l.* would have been saved to the country.

17,198. You have adverted to applications made to Parliament for improvements of towns. Do you not think that there is a difference between an application by a public body for public objects, for example, by the inhabitants of a town or their representatives, for the improvement of their town; and an application made by private individuals for their private profit, as in the case of an application made for the construction of a railway?—I see no essential difference in the procedure needed for the sanction of the different sorts of local works. But I wholly repudiate, as a most mischievous economical and legislative fallacy, that roads should be given up as monopolies for private profit, or to make the profit by a rate or toll a test at all.

17,199. If individuals are to construct it, or an aggregate of individuals are to construct it, for their private profit, that must be an element in the matter, or you would entirely preclude the construction of railways with a view to profit?—I think that the profit is a false test of the value of a road to the public. It is common that a road which is a total loss as a private enterprize for a profit, is yet profitable to the general or the local public. As a general rule, a toll, or a rate beyond the mere cost of service, merely proves that so many people can use the road, but it does not prove how many people are hindered from using it by the toll. I would present to the notice of the Commissioners, as one example, Waterloo bridge. That is utterly ruinous to all the shareholders concerned; it does not pay; or if it pays its expenses it is as much as it does. Now, to my knowledge, the formation of that bridge advanced the rental to the extent of 30,000*l.* or 40,000*l.* a year on the south side of the bridge alone, and if it, the south side, within walking distance, had belonged to one landlord, it would have paid him to have constructed the bridge and to have opened it free; the bridge would have been a good investment for the improvement of his property. And with respect to the hindrance created by tolls. I may mention that there were 2,500,000 people who went over that bridge when the toll was 1*d.*, and when they lowered the toll to a halfpenny I think there were more than 5,000,000 who went over it, or a larger income derived from the smaller coin. In the case of that bridge, I believe it would now pay the landowners of that district, if you could only get a rate, if only within the walking distance from one it, to buy up the bridge entirely, and open it free. In the case of Southwark bridge, where there was 1*d.* toll, when the toll was removed the traffic was augmented tenfold. The bridge accommodated a given number, but the toll hindered ten times more, and I think that the same principle is applicable, *mutatis mutandis*, to railway communications.

17,200. Your view appears to be, that railways should not be constructed for private profit by a company, but merely as a means of communication from one part of the country to another?—Yes, just as a highway is made. The main lines of communication are the rightful service to the public, and free and safe communication a duty of the State, and all the means to that end ought to be maintained for the people. My idea is that branch railways might be put on the same footing as turnpike road trusts, out of the rates.

I have made some inquiries about the increased value of land caused by the construction of railways. The late Mr. James Morrison, who gave attention to this subject, requested me to obtain for him some information as to the increase in the value of land occasioned by railway communications. I was too busy at the time to attend to the subject myself, but I recommended him to get the assistance of the late Mr. Smith, of Deanstown, who inquired into the subject in Scotland, and ascertained, I think, that the increase in the value of land, as a general rule, by the introduction of a railway in a district, the name of which I do not recollect, was about 2*s.* 6*d.* an acre per annum, for five miles on both sides of the road, which sum, if it had been capitalized, would have enabled the road to be formed, and then it might have been given over to trustees to work.

17,201. In your view, a railway should be made by some central authority, or by local commissioners, on the principle that the charge for using it should be sufficient to pay for the cost of construction?—I have conceived that the roads might be made and worked by contractors for the district, or for the general service of the public, as has been done most beneficially in several of the continental states. My original notion was, the Government then having no staff of engineers available for such works, that it was for the Government to lay out the main lines of communication; and then I proposed, what was done on the continent, that the work should be let out to be carried out by contractors, or the best bidder; and in general, if possible, as to all works, and particularly railway works, that they should not only be constructed, but be worked on contract, as it has been done in many places. I have not been able, nor has it been in my way to see how they have been done; that might be an important service to have responsibly done by an assistant commissioner, but the comparative results are reported to be satisfactory, and superior, as they undoubtedly are, in the lower charges for better accommodation to the public.

17,202. Your views seem to be founded on an analogy between an ordinary highway and a railway, but can that be said to hold good when a highway can be used by each individual according to the ordinary mode of user without any special restraint or control, and a railway cannot be used by an individual at all, nor can it be used by numbers combined except under very great restraint, and subject to very great control?—I see no essential or practical distinction in the difference pointed out. Everybody knows that whilst a highway was open for anybody to enter and use, with their own carriages, but as to railways, that the original notion of letting carriers use their own locomotives on them as public highways was found to be impracticable. But it was not impracticable so to arrange that carriers might use the railway carriages and the railway locomotive power solely at the cost of the service for them. Such arrangements might be made that no private carrier would have any advantage in using his own trucks for his own goods.

17,203. Still the user, which is the practical result for which the roads are made, seems to be in every essential characteristic not merely distinct but positively antagonistic?—The fact of a thing being done is evidence of its possibility, and the fact of its having been done on the continent with great advantage to their transit, private as well as public, I think is conclusive evidence that it may be done here. And that fact of actual practice, I apprehend, is conclusive as to the futility of any such imaginary distinction.

17,204. When it is done it is done by the Government, who have not merely the duty of constructing the road, but the duty of carrying everything along the road?—No such thing is proposed as that it should be done directly by the Government as assumed. It is proposed that it should be done, by letting out the work to contractors in various ways, and which may I think be wisely inquired into. I consider that the various ways in which it has been done ought to be re-examined on the spot by impartial and competent assistant commissioners, when it will, I believe, be found to have been done in various ways, some better than others, some, by letting the entire service out to contractors to work, as well as sometimes to contractors for the rolling stock, and sometimes for the maintenance of the way.

17,205. When you have let out the exclusive user of the road the mere construction becomes immaterial. As regards the general public the company would

have the exclusive use of the road?—In France, although letting out the railroads to public companies, the Government does so only under a constant surveillance of officers responsible to the public through the Government. There is a distinct set of officers, who are called Commissionnaires de surveillance administratif, who are to be found in every important station; who receive the complaints of travellers, and see that the various articles of the cahier des charges are properly carried out. Then there are besides these the Engineers de contrôle to see to all the general matters connected with the traffic, the security of the travellers, and the good state of the material. This surveillance on the part of the public is of important use and security, I believe, also to the capitalists.

17,206. In France the concessionnaires still use the railway for profit and loss with a varying dividend?—Yes.

17,207. If that plan is adopted how do you reconcile that with the view with which I understood you to begin, that there was no profit or loss to be taken into account?—I consider it to be a better working of a principle which is objectionable in itself, and I may have to submit to my colleagues of the Institute, that they have, for the reasons I have stated, been in error in France in following our example, and allowing intercommunication to be charged or weighted for trading profits or for taxes; I submit that such charges beyond services are economically wasteful.

17,208. In the other cases which you have mentioned on the continent, not in France, is the system precisely the same that a railway is let out to a company having the exclusive use of it, to work it at a profit or loss?—In some cases it is so.

17,209. In those cases, therefore, there is still the objectionable element of profit?—I think so.

17,210. Do you know of any case in which a railway is administered without reference to any profit?—If you make inquiries I think there will be found to be many cases in which a railway has been formed without that element, and worked in the same way as a highway is worked.

17,211. Still in those cases where the element of profit does not come into account, is it not the case that where the Government itself administers the railway it exercises complete control over the whole of the transit by railway?—It maintains, as part of the general system, the general governmental duty of the protection of the public, as on the public highways. In every part of France the French public are protected, in the case of all these private companies, by public officers whom I described as Commissionnaires de surveillance, to whom you may complain upon general matters, and with regard to safety there is the Engineer de contrôle.

17,212. Upon the French railways have the concessionnaires the right, within their maximum rates, to regulate the charges they will make?—I believe in the conditions of the concession, and they are only available by an authoritative alteration of the cahier.

17,213. Within that they are at liberty to settle any rate they please?—On particular occasions, during festivals in France, and at the time of the Exposition in Paris, at the instance of the Government, the fares and charges on the railways were much lowered on some lines. The companies were at liberty to return to the ordinary charge, but they found that they had made so much by the increased traffic by the enforced reductions that they have not gone back to the old rates. Although the fares are much lower, and the quality of the service higher in France than it is here, there is an agitation to get the fares still lower.

17,214. Is not the right of a company based upon the rate of tolls given in the concession, and within those limits is it not entitled to exercise the ordinary rights of property, by fixing the toll it will take?—I believe they have never in France, nor, so far as I am aware, in any other State, gone so far as to confer the ordinary rights of property on the public necessities in the means of conveyance. I submit that the Commissioners would do well to send competent inspectors over to France, as well as to other places, to see how they have worked out the system of public control over private commercial companies.

17,215. How would you carry out your system of constructing railways so that there should be no profit, but that the income should merely pay the expense of the system. You have stated that they are all based upon the principle of profit?—We must deal with the existing system as we find it, and retrieve the errors in principle as we may in respect to past works. But I think we have only arrived midway in the requirements of the country. And in respect to the future, a large amount of agricultural and other traffic still remains undeveloped, and there is a large probability that there is as much to be done for the future as has been done for the past, and this service should, I submit, be rendered on correct principles by an improved, responsible, and cheap procedure, and for charges, as for a service and not for profits, as in the case of well-administered highways, as of old.

17,216. How would you proceed with the construction of new railways in this country, would you proceed on the principle that you have laid down of constructing them by contractors who were not to look to profit, but merely to repay the cost of construction?—Just the same as in the case of a town; the authorities apply for power to borrow money, and they spread the charges over a series of years, and they apply for authoritative and competent sanction. Then having obtained the proper sanction to borrow money, and spread the charge over a term of years, they may execute the works by their own engineer, or their own contractors, subject to proper supervision for the prevention of waste, and the protection of absentees and reversioners. In the case of branch railways forming part of a general system, due control would be exercised to ensure uniformity to that system.

17,217. (*Sir R. Hill.*) Are you acquainted with the system of gas-lighting which has been established in Manchester?—Yes.

17,218. Does not that furnish an instance in illustration of what you have been urging upon the attention of the Commissioners?—Yes.

17,219. Where a work is undertaken not with a view to profit on the point of the undertakers, but with a view to the advantage of the public at large?—Yes; and so also with respect to waterworks.

17,220. Can you state to the Commissioners some of the results of the system introduced at Manchester in the supply of gas?—The last results of which I was informed was that the average profit to the town was upwards of 20,000*l.*, and with the proceeds, or from the savings, which would otherwise have gone as a dividend to private companies, they paid for the widening of the streets, and for local works of improvement.

17,221. The profit obtained in that case was devoted to the improvement of the city?—Yes.

17,222. The gas supplied being of a very excellent description, and sold to consumers at a very moderate rate?—Yes; I was informed that it was so, but my impression was that they would gain more if they sold the gas at a yet lower rate, and they do not charge more than a private company would.

17,223. (*Mr. Horsfall.*) What is the charge per 1,000 cubic feet?—I think the general charge was, speaking from memory, about 4*s.* 1,000 cubic feet.

17,224. (*Mr. Ayrton.*) 4*s.* 1,000 cubic feet is the maximum rate, is it?—Yes.

17,225. (*Sir R. Hill.*) If railways were made by the State, or by the owners of the land in a particular district, you would recommend, as I understand you, that they should be leased out to be worked?—Yes.

17,226. In drawing out a lease for that purpose I presume stipulations must be made as to the maximum charge which the lessee would be entitled to make?—Certainly.

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17,227. Competition might be invited from the public for those leases, and that competition might be made to depend upon the question as to which of the several competitors would make the largest reductions in the charges?—Yes.

17,228. Then supposing a lease to be granted to an individual, or to a company that was willing to work the line upon the most advantagious terms to the public, any profit that the lessee might obtain would in effect be a payment for his services, and for the services of his subordinate officers?—Precisely; and such a system, would have this advantage, that the work would be let out, would get rid of the opposition that is raised here, although I do not think well founded, whilst open competitions are available against handing over private directors' patronage to the Government.

17,229. Under such circumstances would not the public be likely to obtain the lowest charges for which a railway could possibly be worked?—Certainly, and the wider the area of the service embraced to which it was applicable, whether by a private trading company or an individual contractor, the greater would be the economy. I should confidently expect that what Mr. Bidder stated is correct, viz., that if the railways in Ireland were let out to contracting parties to work them, two trucks or two carriages would be made to do the services of three, for there is an enormous economy to be obtained in that respect.

17,230. Under such an arrangement as that the public would obtain the advantages of competition?—Undoubtedly.

17,231. But the competition would be, to use your own expression, competition for the field, and not competition within the field?—Yes, and that touches on one large objection that I have made to the course of legislation in this country. I consider that the views of the commercial people who have gone into these speculations have been thoroughly wrong, commercially and economically wrong, for that the competition of two capitals or three capitals within one field that may be served by one must end in waste, and generally speaking that waste is charged upon the public.

17,232. You are no doubt aware that in the suburbs of London the toll bars are being and have been removed from the roads?—Yes, from an increasing perception that payments for roads by tolls are erroneous in principle.

17,233. Are you aware that this has been done also to some extent in Scotland?—Yes.

17,234. It has been done, I believe, almost universally in Switzerland by the several cantons?—Yes.

17,235. Do not these facts tend to support the view which you have taken, that the high roads may be worked with a view to the general advantage of the community, and not to the particular advantage of any individual, and that tolls need not be taken under such circumstances?—I believe, looking at the results which are obtained in all these cases with reference to the improved value of land and the development of agriculture, the increase of manufactures, the cheapening of distribution, and the general increase of intercommunication, it is quite demonstrative of the course to be taken if the evidence is looked at impartially and fairly.

17,236. (*Mr. Ayrton.*) Is there any difficulty whatever in any body of persons applying to Parliament for powers to make a railway on the principle you have suggested, precisely as towns have applied to Parliament for powers to supply gas and water?—The first and fatal difficulty is the cost and uncertain character of the procedure;—the enormous cost of obtaining an Act of Parliament, and the uncertainty as to the sort of opposition which may be generated.

17,237. But that would be equally applicable to a gas or water bill?—I think that it is a great detriment to all local works and local improvements of every description, and that the whole of the expense connected with the parliamentary procedure is scandalous. I met abroad a Prussian administrator with some others, who were urging against our form of the parliamentary Government the enormous cost at which any legislation for the public benefit or for localities was obtainable, and they put it in this way, "We have to do only with our bureau, a few memorials to draw up, and a little paper war to go through, and then we get a concession, but with you, or with America, you have two mobs to fight through, and to bribe half of them."*

17,238. Do you see no difference between a company to supply gas or water, and a railway company in all these circumstances?—Not at all, to affect the question.

17,239. You think that the analogy is complete?—I think that in the case of gas being distributed through the public ways, and looking at all the points of economy in the distribution of gas, there is upon principle a sufficient analogy to the distribution of goods or passengers.

17,240. Do you think that there is not this difference, that a gas system or a water system is complete in itself for the supply of a town, while a railway system would be of no use unless it were connected with other systems?—Instead of that connexion being an objection to the procedure I propose, it appears to me that it is an additional advantage, because it supplies the means, now by gross default omitted, of connecting the the local work, and completing its connexion with the general system of the country, to the local as well as the general advantage, for the more speedy and cheaper transit of passengers and goods throughout the country, at this time the great desideratum.

17,241. Do you not see any difference in this respect, that the gas and the water are turned into every house according to individual requirements, while a railway can by no possibility be turned into every house, or into any house according to individual requirements?—I clearly see this result as attainable by the removal of legislative obstructions, and by appropriate administrative arrangements, on correct principles, that the present jarring disconnected mess may be superseded, and that goods may be brought into every house, and that from every house everybody may be made free to go to any distance with a degree of convenience, economy, and safety now rarely experienced.

17,242. Do you think it is practicable to make a railway with a siding into every house?—I submit that I have said nothing to justify the assumption that I have supposed that railways might be carried into houses. But I do suppose that economies in the means of transit which have been achieved elsewhere might be achieved here; that it is practicable to bring railways by branches nearer to towns, and in some instances, by horse railways (or by tramways) applicable to ordinary vehicles, to bring that mode of conveyance into wide leading thoroughfares, and before the doors of shops and warehouses, by omnibuses, and the like means to take persons from them readily and cheaply, instead of inconveniently and comparatively extravagantly, as at present.

17,243. Do you not think that the individual use and enjoyment which exist in the case of ordinary roads, and of gas and water, but which do not exist in the case of railways, make a very essential difference in the character of the two undertakings?—Only very largely on the side of the railway. There is one proposition I wish to state which connects itself with the formation of branch railways, especially for certain districts, which is that the present incomplete and disjointed condition of railway communication greatly impedes the whole retail distribution of the country. I allude to the foreign parcel post system. The separation of the main lines of communication in the country from the postal system has been exceedingly detrimental in this country, by hindering the conveyance of small

* Note afterwards added by the witness. "For they cannot be persuaded that the enormous expenditure in obtaining concessions is not in reality bribery."

parcels, and hindering a great deal of the development of retail trade. In Switzerland, in Belgium, and other continental States, it will, believe, be found to have been worked out with very considerable results. I have only been enabled to inquire into it in Switzerland, where a cheap system of small parcel post in connexion with a cheap and uniform system of postal telegraphy is producing a great and beneficial change in the retail and wholesale trade of the country. In Switzerland there is no labour of inquiry to find where and how any small parcel may be sent. Every post office is a receiving house, and every letter carrier a deliverer at a small rate of charge for the convenient and responsible service. As illustrative of the disjointed means of transit in England I may cite the following passage from our report, at the Society of Arts, in 1858, since which time the system has not, I believe, been materially improved, except on some few lines:—"A small "parcel to be transmitted from the Land's End to "May near Thurso must be conveyed,—1, by one "foot messenger from the Land's End to St. Buryan; "2, by another foot messenger from St. Buryan to "Penzance; 3, from Penzance to Truro by mail cart; "4, from Truro to Plymouth by mail coach; 5, from "Plymouth to Exeter by South Devon Railway; 6, "from Exeter to Bristol by the Bristol and Exeter "Railway; 7, from Bristol to Tamworth by the "Midland Railway; 8, from Tamworth to Preston "by the London and North-western Railway; 9, "from Preston to Carlisle by the Lancaster and "Carlisle Railway; 10, from Carlisle to Greenhill "by the Caledonian Railway; 11, from Greenhill "to Perth by the South Central Railway; 12, from "Perth to Aberdeen by the Scottish North-eastern "Railway; 13, from Aberdeen to Keith by the "Great North of Scotland Railway; 14, from Keith "to Elgin by coach; 15, from Elgin to Inverness by "the Inverness and Aberdeen Junction Railway; "16, from Inverness to the south side of the Meikle "Terry near Tain by mail; 17, from the south to "the north side of Terry by a boat; 18, from "Terry to Thurso by mail coach; 19, from Thurso "to May by messenger.

"Take the case of the need of transmission of a "small parcel from the Land's End to another ex-"tremity of the United Kingdom, as to Valencia in "Ireland, it must be conveyed by the seven distinct "changes of carriers to Tamworth, and then it "must, 8, from Tamworth to Chester by the London "and North-western Railway; 9, from Chester to "Holyhead by the Chester and Holyhead Railway; "10, from Holyhead to Kingstown by the mail "packet; 11, from Kingstown to Dublin by the "Kingstown and Dublin Railway; 12, from Dublin "to Mallow by the Great Southern and Western "Railway; 13, from Mallow to Killarney by the "mail car; 14, from Killarney to Cahirciveen by "another mail car; 15, from Cahirciveen to Va-"lencia by foot messenger. A parcel from May, "near Thurso, for Valencia must be conveyed by "eleven different changes or different carriers to "Preston; and from Preston to Chester it would "be conveyed by the London and North-western "Railway; and from Chester to Valencia by the "several changes above mentioned, making in all "19 changes."

17,244. Do you think that that difficulty would be got over if there were independent bodies of commissioners acting in all the smaller districts, without any regard to profit, or any other responsibility than that which depended upon their sense of public duty?—I do not conceive action by independent bodies or individuals, but by dependent bodies or individuals acting as mail coach contractors in dependence and adaptation to the general system, on condition of the concession of low rates for the service for the advantage of the people of the locality as well as of the general public.

17,245. Do you think that those commissioners would be more likely to look to the public service if acting without any profit or interest from a sense of public duty?—We do not propose that they should act from any sense but that of their own interest as provided for in instances of a proper contract.

17,246. If there was no profit concerned what would be their motive for action?—They might and ought to have a profit or payment proportioned to the amount of service rendered. It is, I apprehend, a default in English administration that he who does much is allowed no more than he who does little, and that the piecework principle is not duly applied. In France, on the Paris and Orleans line, I have heard there has been a commencement made to remedy this default by payment, as piecework, over and above a minimum salary, proportioned to the amount of goods or passenger traffic. A double traffic would there be productive of an increase of emolument to them, here the double traffic would impose double labour upon all the employés without any advantage to themselves, and I believe that default in that respect has prevented many improvements being made in England. In some cases important reductions of rates have been made, where from my own knowledge the advantage to the public has been enormously increased, as much as three or fourfold, but where as they have not been immediately attended with any material increase of profit to the commercial shareholders, and only with a great increase of trouble without any compensation to the railway staff and labourers; of course all of those are combined as a dead weight to stop improvement on that account.

17,247. Do you not think it is probable that no application has been made to Parliament to construct a railway according to your system because those who were most competent to judge, the commercial people in large towns, deemed it to be wholly impracticable?—It is not within my observation that the commercial mind has on economical or even on commercial principles, the pre-eminence claimed for it, on such subjects as the present. Indeed, it may be proved that in questions of civil administration it has largely to be informed, especially as respects the law of the increasing range of consumption, with a diminishing range of price. As instances that immediately occur to me the commercial directors of the gas companies in London were forced to make reductions of charges, which have answered in defiance of their own anticipations; all the gas companies said that if the price of their gas was reduced from 12*s.* to 4*s.* per 1,000 cubic feet, as proposed, they would be ruined; they all believed it, but it turned out, at the reduced price, to be far more profitable than it ever was before. In the same way with commercial directors of canal companies, canal proprietors; they have alleged that to reduce their charge of 2*s.* 6*d.* per ton to anything less would be ruin to them. They were forced to charge 6*d.* *only* per ton, but that has given them a greater profit than before.

17,248. Are you aware that the gas companies have been deprived of the means of competition by having an exclusive monopoly given to them, and that upon that basis a reduction of their charges has been obtained?—The method of controlling the supply of gas in in London is exceedingly imperfect as compared with the reform which has been effected with regard to the gas companies of Paris. I believe that by following the example set there the reform in London may be carried much further than it has been.

17,249. Are you also aware that in dealing with gas companies in this manner Parliament has been compelled to impose upon them the most minute restrictions as to the nature and quality of the gas and other conditions which entirely withdraw from them any discretion?—I have not been able to observe the details of the legislation in respect to the supply of gas in the metropolis, I have only observed the complaints of its extreme, gas of inferior qualities than those promised, and at higher prices than with good legislation and administration might be obtained.

17,250. Do you not observe that we are enabled to do this because we are dealing with one single commodity which has a certain simplicity in all its

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arrangements, and that these views would be wholly inapplicable to a railway, which is an extremely complex and varied undertaking ?—Railway administration I look upon as a general system more or less simple in its principles and properly understood in their application, though multiform in their details. That has been found to be the case abroad, and I am sure with equal administrative skill or legislative attention it will be found to be so here.

17,251. Are you not aware that in practice, so far from that appearing to be the case, every day shows that the subject is becoming more and more complex, and that new duties and new obligations have to be undertaken by railway companies to satisfy the public wants far beyond the original conception of their undertakings ?—I can only reply in general terms that I think there are numerous defaults in principle and in action, and that a fair examination and comparison by competent inquirers of what is done abroad will show what may be done here.

17,252. (*Capt. Galton.*) You spoke of the French railway system as being so perfect ?—I beg pardon ; I did not speak of it as perfect.

17,253. Are you aware that a French commission sat in 1863 and examined most attentively all the grievances of the public in France, and that it appears from their report that the delays and inconvenience with regard to the merchandise transmitted on the French railways are very great indeed, and that if they could resort to the English system of not having fixed charges but special rates, that many of those grievances would be removed ?—It is an assumption I repudiate that the French system is considered, even in France, to be supremely perfect. I know that so far as they have followed the example of England in France it is generally admitted by French administrators that they have been misled. There is an agitation now in France represented by the book I hold in my hand, "La Reforme des Tarifs des "Chemins de fer et les Compeignies, par Gustave "Marqfoy. Paris, 1864," on the need of the reform, and the further reduction even of their reduced tariffs. They are beginning to see the importance of complete works and reduced charges in goods and packages, for the improvement of agricultural production, for the cheaper dimentation of their cities, as well as for their manufactures and trade. I think that a small parcels delivery is of very great importance to agriculturists and particularly to towns, especially in connexion with a cheap telegraph post. For the delivery of small parcels our Post Office has 10,000 stations which may be utilized as they are in Switzerland, and I believe in other places, for the collection and distribution of parcels. No separate companies or company independent body can get up either a separate distribution or a separate collection except by separate establishments. They must have 10,000 separate collecting and distributing places and 10,000 establishments paying separate rents, and in fact everything must be separate. The utilization of these establishments also governs the question of the cheap telegraphic post. You cannot set up a telegraph without having to pay a separate rent, having separate offices, and separate establishment charges. All the Post Offices in Switzerland are utilized in the way I have described for the public service, and hence they can do that cheaply which cannot be done other than dearly by any separate establishment whatsoever. In Switzerland the effect of this combination of the parcel post with the postal telegraphy, has been to enormously diminish the amount of the stocks kept in the retail shops. I am informed that traders do as much now with these facilities with one capital as they formerly did with five, because they can send at once and supply themselves with stock just as they want it. It is beginning to be the same with England. In wholesale dealing by the aid of the telegraph one-fifth of the capital is now in some instances being made to suffice ; but the high tariffs hinder the application of the principle to retail trades which cannot bear the cost. If the Swiss system were adopted in Manchester the business of some of the larger houses would be increased tenfold, because the retail distributors would send for the articles as they wanted them, and so have them fresh and fresh. Even now the system is beginning to be applied in London by means of private telegraphs. A druggist at the west end of the town, instead of keeping a large stock of medicines, sends to the central depôt in the city by telegram, and gets his medicines fresh and fresh ; and I believe the same thing is done in some other trades. That is now being done in Manchester. There is a large grocer's shop in the centre of the town kept I think by a company. They have telegraph stations in several of the suburbs ; anybody in the suburbs goes to the station, gives his order for what he wants, and it is telegraphed for and sent. Assuming there are lower establishment charges for stations than there must be with separate shops, with full stocks in them and servants and higher rents, the company, instead of carrying on the business of retail distribution at a cost of 25 per cent. or 30 per cent. to the consumer, are enabled to do it at 10 per cent. There is no doubt that, looking at these examples on the continent, that the reform of the railway system in this country is of enormous importance to retail distribution of every kind, even agricultural produce. Instead of sending the produce to the markets the farmers and other people would send direct to their customers in town, if a cheap parcels delivery were established, combined with the facilities, which are found in Switzerland to be very great, of ordering by telegraph in cases where the supplies are needed with speed.

17,254. What is there to prevent sending orders by telegraph in England now, because the price of a telegram, say from London to Birmingham, is not dearer than the price of a telegram in Switzerland ?—The uniform rate in Switzerland is a franc, and that they are proposing to lower ; here the charge is only a shilling for particular lines, but here the separate telegraph stations being comparatively few, about 1 to 10 as compared with the postal stations, the distance and the cost of messengers from the stations is great, and the price of a telegraphic message in the country anywhere out of the large towns is generally 2*s.* 6*d.*, and often much more.

17,255. The price of a message from London to Birmingham, or from London to Worcester, and all the towns within that radius is 1*s.* ?—I am charged for a telegraphic message from Richmond, which is only eight miles, 1*s.* 6*d.* ; to other by-places it is 2*s.*, 2*s.* 6*d.*, and even 3*s.*, on account of the messengers. They have half franc messages all over Belgium, which it is impossible to have in England, because the main lines for the telegraphs, the railways, are in the possession of private companies, and there must also be separate receiving offices and separate deliveries, and establishments for the separate trading telegraph companies.

17,256. If a person resides at any distance from a telegraph station, there is added to that franc message another franc for the cost of conveyance ?—There may be in some instances, but the distances are generally so short as not, I believe, to warrant additional charges for delivery.

17,257. Is not the reason of the charge of a telegram to you at Richmond being 1*s.* 6*d.*, because 6*d.* is added as the cost of the messenger from the station ?—Yes, but the distance from the postal station would be less. I could not have a station at the top of Richmond Hill for a telegraph company. At Petersham and other places far on in the interior of the county where there are post offices there might be telegraphs in union with the Post ; but there could not be any profit for separate company ; and that makes the distinction. The economical law of an increasing ratio of consumption with a reducing ratio of price exemplified in the case of the letter post applies to the telegraph post. In Paris they have recently reduced the charge of a telegraphic message from a franc to half a franc, and the increase has been tenfold. In Belgium they are reducing the railway

charges, the postal charges, and the telegraphic charges. They have recently reduced the uniform telegraph rate from a franc to half a franc all over Belgium, and in two months the net revenue has been increased.

17,258. (*Earl of Belmore.*) How would a cheap parcel post enable farmers to send their produce, which is generally of a bulky nature?—There are two sets of parcels, large and small in the continental states; the small ones, which may be delivered by hand, are delivered by the letter carrier; the larger ones are delivered otherwise. It might be so in England; and farmers and market gardeners might supply customers direct, at great distances by railway, on uniform and reduced rates. In my house we get potatoes direct from a farm in Lincolnshire, because it happened to be convenient. They had tried to get butter and other supplies from a farm in Devonshire, and cheese from a favourite dairy in another county; but the trouble and expense were prohibitory. These small wants to the many are shown by the progress in some parts of the continent to be very large, dispensing with intermediate agency. The cost of retail distribution is often 25 or 30 per cent., or greatly beyond what would be needed. A large proportion of the retail distribution might be effected at probably half the charge to the benefit of the market gardener or the farmer as well as the consumer.

17,259. Do I understand you to say that you think it would be advisable that the Post Office should undertake the transmission of parcels of that description as well as letters?—The principle I propose is that of utilizing the public postal establishments here as on the continent, and, here as there, connecting the railways with the postal administration. It would, I conceive, be desirable that assistant commissioners should be sent there to examine the practical working of the system. Our own disjointed and more expensive means of communication are, I believe, acting prejudicially against us abroad. For instance, for Switzerland they have two markets for silk, the one at Liverpool from Japan, the other in Italy. The cheaper telegraphic communication to Italy, and the greater facilities of railway transit on the continent, are, as I am informed, telling for the Italian market and against our own.

17,260. (*Chairman.*) Will you proceed to point out any further disadvantages which you consider are attributable to the present system of railway legislation in this country?—Besides the obstacles which it presents to the extensive development of branch lines, and rural as well as certain tramways, (the capillaries to the main arteries of circulation which it clogs and keeps disjointed,) it creates obstacles to speedy transit and distribution by a cheap postal telegraph in speeding the transit of commodities in detail as well as in bulk; for, by raising a post by telegraph for retail or wholesale distribution, by effecting in one day a transit which now requires two, or in half a day what now requires two, you do what is equivalent to doubling the speed of the quickest railways, besides impeding enormous economies of wholesale and retail stocks; the present legislation impedes the location of manufactures and the distribution of labour. Take the example of pottery. I am afraid that if potteries were to be set up *de novo*, it would be found cheaper to take the coal to the clay than it is to take the clay to the coal. Potteries might be established near the good seats of clay, as in the interiors of Dorsetshire, Devonshire, and elsewhere. I believe the present system in its disjointed and dear state does very powerfully affect the distribution of manufactures.

17,261. (*Mr. Ayrton.*) Let us take that illustration. Do you know the relative weights of coal and china clay and the saggers in which the china clay is baked?—I do not remember the particulars. I had occasion, when examining the manufacture of drain pipes for cities and towns, to go into it sometime back. Since I introduced those drain pipes I believe that about 12,000 miles of them have been manufactured in Lambeth alone.

17,262. (*Capt. Galton.*) Are you not aware that very large pottery works exist at Poole?—They exist at Poole, where there is water as well as railway conveyance, but suitable clay exists in places in the interior, where there is neither.

17,263. (*Mr. Ayrton.*) Is it not the case that where the manufacture is of coarse material, and the weight of the clay is considerable, that it is desirable to carry it on where the clay exists; but in the case of the finer clays, such as china, you have only china on the one side, and the double element of the clay for the saggers as well as the coal, and in that case the weight of the coal is of course greater than the weight of the china clay?—I have stated the conclusion of experts, or of the potters themselves, which is, that it is cheaper to take the coal to the clay. I may mention in connexion with this point that I am assured upon good authority that the business of refining sugars is going from London in consequence of the railway charges.

17,264. Do you not think that the business of refining sugars is being transferred from London owing to two causes; first, the cheapness of coal in the north, and secondly the development of the colonial trade at the two ports of Glasgow and Liverpool as compared with the old location of the colonial trade at London and Bristol?—I refer to the evidence of the sugar refiners themselves, and I rely upon that. It will be found, when impartially examined, that the time and cost of transit governs the location of manufacturers extensively. It has largely governed the distribution of cotton manufactures. Eligible sites are presented in rural districts for cotton or other textile manufacturers, sometimes from the convenience of water power, sometimes the cheapness of provisions or labour, but they are rendered ineligible by the distance and the cost of transit, which branch or cheap horse railways would reduce. The cheap coal of Yorkshire has tended to draw the woollen manufacturers from the western counties, which cheap transit might to some extent restore to them. As a general rule, I think it admits of no dispute by any impartial person who examines the subject fairly that the present state of railway communication in the country is a great hindrance to the distribution of manufactories as well as of labour.

17,265. (*Capt. Galton.*) Do not railway companies facilitate the establishment of manufactories on their lines by giving special low rates to the manufacturers to establish them?—They may do so in particular instances, but that special low rate is only an exemplification of what ought not to be special or exceptional and upon favour, but general as a common public right.

17,266. (*Earl of Belmore.*) Am I to understand you to say that you think it is advisable that branch railways in this country should be made upon the same principle that public roads are now made in Ireland, namely, out of the public rates, and that after they are made that they should be maintained out of the public rates?—Certainly it is demonstrably the most correct course; correct in economical and legislative principle that all charges on transit or intercommunication of the nature of costs should be jealously reduced; that all payments in the shape of profits beyond the bare cost of proper service should for the future be rigidly excluded as commercially wasteful and politically mischievous. The trunk lines may be economically aided by subventions from the general public or by the state—the branch lines by the local public. The Irish Railway Commissioners, Captain Drummond, Sir John Burgoyne, and their colleagues, proposed what is now regretted, as the correct principle, which will be more regretted, as a return to them is delayed, that the general railways should be so provided for, the branch lines by advances secured on local or baronial rates, or rates coincident with the immediate benefits.

17,267. (*Sir R. Hill.*) You think the rating should fall on the district which is benefited?—Yes.

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17,268. And as nearly as practicable in proportion to the benefit conferred ?—Yes.

17,269. (*Earl of Belmore.*) Are you aware that that is the principle which is adopted in Ireland where counties are divided into small divisions called baronies, and the expenses of the roads are charged on the baronies, but the expenses of bridges and works of that character are defrayed out of the rates of the county at large ?—The local rate, I am informed, is often not so well adapted as it might be upon such a local preliminary examination as I propose.

17,270. (*Chairman.*) Will you proceed with your next head ?—The great work of the extension and completion of railway communications by railways, the development of the capillaries of the system of which I have spoken, cannot well be made upon the basis of the existing joint lines, demonstrably worked on antagonistic and false principles. The real consolidation, or, so to speak, their ramification in the public interest, would therefore be a previous condition for adaptations by which the traffic of the trunk lines themselves would be augmented. But, in respect to those main lines, Captain Lawes, when manager of the Lancashire and Yorkshire lines, a very able administrator, in 1864 estimated the saving derivable from unity of management at 24 per cent. What it may be now, is, I submit, important matter of close special inquiry; but beyond the saving of stock, stated to be of making two trucks do the work of three or more, and the saving of establishment charges, derivable from a consolidation or a better utilization of the permanent staffs, there is the saving of time to the public, which is stated to be equivalent on cross roads to one-third, which is equivalent to an augmentation of speed, and would of itself be attended with an augmentation of traffic.

17,271. (*Capt. Galton.*) To what extent do you wish unity of management to be carried; do you think it desirable that all the railways of the country should be under one management ?—I deem it necessary in the interests of the shareholders as well as of the public, that all the railways of the country should be early brought under one control in the first instance, at least on the like principles and to the same extent as in France.

17,272. You say that unity of management will give you a certain per-centage of saving ?—Yes.

17,273. I want to know to what extent you think that unity of management should be carried. If there are three or four small railways adjoining each other, of course a great saving would be effected by unity of management; but, taking the case of the North-western, which also consists of 1,200 or 1,300 miles, would their union in one management effect any great saving ?—Probably it may even in that instance. But whether or not or to what extent could only be judged of by a close inquiry into details, which I submit is necessary to ascertain the amount with due precision for the sake of the shareholders as well as the public.

17,274. (*Sir R. Hill.*) You are no doubt, aware that in Ireland there is great subdivision of management ?—I am aware that there is there great and wasteful division of management, and jarring and conflicting action to the prejudice of the shareholders as well as of the public. Referring to the railway administration in France, I have been informed on English railway authority, that the uniformity and superiority of the accounts there inspected by responsible public officers serves as an important protection to private shareholders from such enormous defaults as we have had under railway management in England.

17,275. (*Capt. Galton.*) To what defaults are you alluding specially ?—Defaults of the Redpath kind, as well as other pecuniary defaults.

17,276. Considering the capital involved in railways, have not those defaults been very few ?—No; I think they have been very large, and I believe much larger than the public know of.

17,277. (*Mr. Horsfall.*) How would Government be able to prevent such defaults as you speak of ?—I can only answer generally, by doing as they do these things in France. The full answer to the question would involve the exposition of a system, and the mastery of it on my part. I submit that it would be a proper topic of examination in France and elsewhere on the continent. My particular English authority for what I have said on this topic was the late Sir John Easthope, who was connected with French and other foreign railways, and who was wont to say that there were in disposition as great rogues in French as English companies, but that they were kept in check in France by the superior accounts and administration there.

17,278. Sir John Easthope was chairman of a company in England, was he not ?—He was, I believe, the chairman of the London and South-western, and was connected with some French railways. I am speaking from the practical knowledge of experienced persons.

17,279. Have we not had some recent examples of default under Government management in this country ?—There are large branches of Government administration in England which have beaten all private commercial management.

17,280. Such, for instance, as the Patent Office ?—That was a case of proved default certainly, but an exceptional one, which is a favourite subject of generalization amongst commercial men as necessary and essential, whilst they have the experience of the postal service, which has not yet been exceeded, if it be equalled, by private commercial establishments in the transaction of business of extensive detail. Besides this they have the customs department, which I am assured, on commercial authority, beats after all common commercial administration. I may add, in self-vindication, that, under our own administration, works were laid out for 6,000,000*l.*, that under common commercial direction of the railway sort would have been 16,000,000*l.*; that under our direction three houses and three towns were well drained, at rates of expense heretofore named for doing one ill; that at those rates of charge the whole of the metropolis might have been drained at the expense of the outfalls which leave the mortality increasing.

17,281. You have spoken of the Customs; you are not perhaps aware that there is an opinion prevailing among the commercial classes that the Excise and Customs departments might be managed at an expense of half a million less annually than they are at present ?—My authority with respect to the Customs management is the able secretary of a body of commercial people in London, and whose object was to get reductions and adjustments, Mr. Sidney Smith.

17,282. If it is the fact that, by the amalgamation of the Customs and Inland Revenue departments, half a million annually could be saved, you would not presume to say what the result of such a charge would be ?—If such be the fact, as I must presume it is, I may only say, that the business management in the Customs being, as I am assured, on important commercial testimony, it now is, with all defaults, superior to common commercial administration, on amalgamation on correct principles would exalt the superiority yet higher; how much higher I cannot presume to say, but, as a general principle in administration, the more you have to do the better you may do any part of it, by extended and more complete classification and subdivision of labour, and by the extended distribution of establishment charges. But by default of such principle I believe it will be found that the railway amalgamations have generally been failures as respects the shareholders as well as regards the public. The amalgamations are frequently only the aggregation of one imperfect organization to another, without material change of the separate establishments. I have been assured that if the London and North-western were consolidated and methodized, from the economy which ought to be derivable from unity of management on that branch alone, something like a dividend of 1 or 1½ per cent. ought to be paid. My authority for that statement is a person of consider-

able intelligence, who had been employed on one of the amalgamated lines of that company.

17,283. (*Mr. Glyn.*) He was not in the employment of the railway company at the time?—No, he was not; he left the service of the company and is now an eminent trader on his account. But I had also the confirmatory statement of an officer who is now in the employment of one of the railway companies. There is a degree of reticence on the part of these railway companies which really prevents information being obtained. I have had a great deal of information given to me upon branches of the subject with which I had nothing to do, and therefore I have not noted the particulars, especially with regard to Lancashire and that district, from officers, from men, and from others, as to the unreality of amalgamation and the great benefit which would accrue to the public, the shareholders, and everybody concerned if amalgamations were competently carried out.

17,284. I do not quite understand your expression "unreality of amalgamation." Do you mean that there is no real connexion between companies which are apparently amalgamated?—I mean that separate establishments were kept up with separate officers acting independently, and without that combined action which is necessary for the proper transaction of the business of amalgamated companies. There were various points of that kind stated to me.

17,285. Is this knowledge which you have acquired recently obtained?—Being elected President of Department of Economy and Trade of the Association for the Promotion of Social Science, I was expected to give an address at their meeting at York the year before last, having reference to the condition of the manufacturing districts; and I paid a visit to Manchester to seek information on some points. I found reason to believe that the state of railway communication powerfully affected its present and its future, and though I was there only a few days I got more information than I could use. If an assistant Commissioner had been sent down he would have got more information than that which sufficed for me in respect to that one railway.

17,286. You are aware, perhaps, that it is managed by one board now instead of three?—It is managed in a way that is not conducive either to the interests of the shareholder or to the advantage of the public.

17,287. Can you enter into more particulars?—No, I cannot. I can only state my conclusion from what has been stated to me, and stated to me by persons who have been directors and who have resigned, and officers who have been under the management and have left, and who independently state their belief, which belief was stated last year; and further, it was stated to me by persons who are still connected with the railways; but of course I could not state anything they stated to me.

17,288. (*Mr. Hamilton.*) I think I understood you to say that more default had arisen in railway companies and railway management than the public are aware of?—So I am assured.

17,289. You mentioned it as a matter of general impression?—I rather mentioned it from information which has been given to me. It is a general impression that there has been a great deal of unexposed default. From legal proceedings lawyers know of it, and other people know of it. But there are large outside and frequent facts observed of officers living beyond their known incomes, and leaving with large fortunes beyond any known and ostensible legitimate sources for them. In the civil service, gentlemen in a subordinate position in permanent office, as a general rule, are seen living within their means. You never see them go out of office with large fortunes.

17,290. Do you infer from that fact that when railway officials have done well in the world, and civil servants have not done well, that the prosperity of the railway officials has arisen from default and from misappropriation in fact?—There was an illustrative case stated to me as occurring on the Northern circuit by a friend, which had been referred to arbitration. The case was with reference to a dissolution of partnership of a firm largely engaged in the supply of goods or materials to railway companies, and the objection of the sleeping partner was to some very large sum put down under the head of for "the improvement of the business." In justification of that charge, evidence was given that it was necessary for the "improvement of the business" to make payments, not merely to the lower class of officers, but to the very highest class of officers connected with railway management, and that the business could not be conducted without it; and the charge was allowed, as proved to be necessary for the improvement of the business.

17,291. Do you think it quite fair to make this, which is a very serious charge against railway management, merely upon common belief, unless you are prepared to substantiate the charge?—I was asked for my own impression; for the justification of my own impression is which I state, not on mere surmises of my own, but from the information of persons in a position to judge, and instances such as that stated to me as having occurred on the Northern circuit, which information I believe. It was only last week that I was speaking to a railway director of a great company, who said that some railway officers were living at double the amount of their salaries.

17,292. (*Chairman.*) Is it not the fact that railway servants at present have very large salaries indeed, as compared with the salaries in the Civil service?—Certainly some of them have. That is a fair precaution, so far as it goes, but it does not suffice without collateral administrative securities. I believe that the permanent subordinates of the Civil service who are permanent officers are in reputation, and in fact in life, the best of any in Europe.

17,293. (*Mr. Horsfall.*) And the worst paid?—Yes, I believe they are as a class most ungratefully paid.

17,294. (*Lord Stanley.*) I take the general tendency of your views to be, that so far from its being desirable to limit the action of the State within the narrowest possible bounds, it is desirable to extend it as widely as possible?—To the very widest possible, as a duty and a public service; exclude altogether the notion of commercial profit.

17,295. If you would extend that to railway matters, is there any reason why you should not extend it to such a matter as life and fire insurance? Why should not that business be taken up by the Government upon the same principle?—Life insurance is taken up by Government granting annuities. I hold a very strong doctrine about the dereliction of legislative duty on that topic also, and I say that insurance, as conducted by trading companies, is the mother of murder, of arson, and of devastation of life and property by shipwreck.

17,296. (*Mr. Horsfall.*) Is it not the fact that in many commercial monopolies there is a general allowance for insurance, and is it not the fact that everybody is obliged to contribute for insurance, and that there are no private companies?—That may be so, but what I am contending against is, that unguarded insurance leads to arson, shipwrecks, and murders. In respect to these trading railway monopolies, however, I was proceeding to submit that they are commonly conducted on a principle which is wholly unsound as a commercial principle; that nobody travels unless he is obliged, and, therefore, that lowering of the rates below the present monopoly charges will be a a loss of profit. That was the great fallacy under which the old postal service was conducted, that nobody wrote unless he was obliged; and a sort of practical men predicted that any lowering of the revenue would be a pure loss that could not be retrieved. The abrogation of this false commercial principle of the commercial directors of railways, which may only be done under unity of management, will be productive of the like beneficial results in the intercommunication

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of the country. In Paris an example was furnished of the principle on which defaults in the legislation and administration of the public means of communication are retrievable. A French administrator perceived two omnibuses running through the streets to the same points half empty, or three doing badly a service that might be better done by two. In fact, that there was a third capital wasted, and that he could save this third capital, and divide it between the shareholders of the omnibuses and the public: to the omnibus shareholders in somewhat better dividends, and in security for the future to the public, in that case chiefly in improved accommodation, and at some points lower fares, and at all points fixed fares. Having made good his case to the legislative authority, there was a proper legislative intervention, by which the unity of management and the economy and convenience from unity was effected, and the value of the shares was enhanced by the new security, I believe, by one-third. In respect to the supply of gas by seven conflicting trading companies, unity of management was effected by the like intervention on the like principles, with a reduction of the prices to the consumer of 30 per cent. and to the public of 40 per cent., and the shares were augmented in value at that time 24 per cent. or more. Those amalgamations were thought to be so strongly for the general benefit, which has been clear and patent, that there has been an expectation that the French Government would apply those principles to a more complete amalgamation of the railway systems even than that which exists at present, and in favour also of lower fares.

17,297. (*Chairman.*) What practical steps would you take in the present state of railway matters in England to carry your views into effect, considering the thousands of miles already made?—The first practical step I would take would be to direct closer and more particular local and special inquiries on the chief topics for the preparation of safe legislative measures. My belief is, that this has even yet to be done, and I must ask pardon if, speaking as an old commissioner of inquiry, I express my conviction that this cannot be done by the Commission with its present procedure. Those large commissions on which I have had the honour to serve with commissioners in high public positions, who could only give divided and irregular attention to such evidence as might be brought before them in London, would all have failed, would not have got the most important information, if we had not employed competent assistant commissioners to give the requisite undivided attention, and conduct uninterruptedly the inquiries into special branches of the subject, and, above all, to make close local inquiries. My knowledge and experience upon this subject, gained though incidentally at Manchester, at Sheffield and elsewhere, convinces me that there is a large amount of evidence which a competent person down there to inquire as an assistant commissioner would get out, but which the commissioners themselves sitting here have not got and cannot get. An assistant commissioner might have got out clearly and undoubtedly such evidence as that which, having no authority, I am only enabled to indicate. I believe also that if an assistant commissioner were sent over to Ireland two objects would be achieved, one to inform the local public, to get better and clearer evidence as to their wants and conveniences, and of the traffic which may be got at lower fares, and as to the districts which may be opened up by cheap branches, and more close evidence as to the loss from disunity and the gain from unity; the local public would get informed of what you are doing, and, besides that, you would also inform the local shareholders, both of whom have to be informed on this matter.

17,298. (*Capt. Galton.*) Inform them of what?—They could be informed, for instance, of the additional traffic that might be got by new arrangements, and particularly now as to the reduction possible by getting loans at the prices of the Government securities. It is perfectly fair to charge rates in profits in trade. The gains derivable from getting rid of local taxation and of the gain in security to the property for the future, by a return to correct principle, in placing the means of communication under responsible public management. It appears to me that, as one branch of inquiry, no proper account has yet been taken of the utter violation of all correct principle, the subjection of the means of transit to capricious and excessive local as well as general taxation; the excessive charges for land and the other evils that are incurred by the false basis profit on which the railways have been allowed to be placed as speculations for trading. It is as preposterous to charge the means of communication by railway with taxes, if they were on the legitimate footing, as it would be to tax the public highways over and above even any tolls levied for maintaining them.

17,299. (*Earl of Belmore.*) Are you aware that in Ireland the roads are practically charged, that is to say, that the owners of the land adjoining a road on either side have to pay the expense of keeping that road in repair?—I am aware of the fact, but I am speaking chiefly in respect to the condition of railway administration in England. Speaking as a Poor Law administrator, I am of opinion that the parochial taxation upon the railways passing through them is of no adequate advantage as a contribution to the rates. It is like rates in aid; it is a sort of out-door relief or assistance to the parish, that is generally mischievous and might be abolished with advantage.

17,300. (*Chairman.*) Do you think as long as companies make profits from their lines it is reasonable that the parishes should charge them with rates?—It is no doubt fair to do so whilst the railways are allowed to remain in their present false position, which, on account of the shareholders as well as of the public, it is due to retrieve. The whole of the savings obtainable by that retrieval, as a means of compensation to the shareholders, and of relief to the public; the whole of the savings derivable from unity of management, cannot, I think, be ascertained and determined satisfactorily without close, special, and local inquiries by assistant commissioners, who would get information from witnesses who cannot be brought or heard here.

17,301. (*Capt. Galton.*) If you do away with the inducement to look at railways as a source of profit to the people who manage the railways, how would you insure their being managed so economically as they now are?—It might, I believe, be ensured much in the same way as the entire postal communication, including the great packet service, is ensured.

17,302. Are not the arrangements with the Post Office much more special than they would be with the railway companies?—Larger capitals would, no doubt, be required to be dealt with, and a considerable amalgamation effected, but I do not believe it would be so difficult a task to execute as the plan I proposed for bringing the administration, the administration of 16,000 parishes, under control, by which, though the improvement has been incomplete, a saving of two millions per annum has been accomplished, concurrently with an improvement in the relief given to the poor.

17,303. (*Sir R. Hill.*) You do not propose that Government should undertake the detailed management of railways?—Not at all; nor pretend that the reform should be worked out by any changing and irresponsible political chief, nor as an incident to the functions of any old existing department. It should be worked out so as to effect these great economies, in fact, to effect what I have already pointed out as a desideratum, a general amalgamation. That general amalgamation cannot be obtained upon the present basis.

17,304. I thought you said it was not to be a source of profit to the people who were engaged in this carrying trade?—They should receive payment for their services certainly.

17,305. Is not that profit?—I do not know to what extent there are now mail coach contracts, but they are a profit to the mail coach contractors. In the

same way the contracts for the conveyance of the ocean mails must be some source of profit. Payment for services I would rather call them than profit.

17,306. You would make the contractors and the different people who found the locomotives be paid for running a certain number of miles?—Just so. I would go over to some of the continental states and see the way in which they work it there, and examine the details. I think it will require a special executive commission to explore and determine more closely the means by which large economies are to be effected, and the several categories of shareholders satisfactorily dealt with, and who are often sacrificed, I believe, to the interests of the directorates. I proposed a consolidation of the seven water companies in London on the same plan as the consolidation of the seven gas companies was effected in Paris. I found we could save about 100,000*l.* a year by effecting that. That capitalized would have enabled us to have provided almost a new source of supply, and we proposed to give the shareholders security payment of their existing dividends. In that case their property would have been enhanced to the amount of a public security, but we were opposed by the directors, and by the staff's engineers, and others whose interests it was conceived did not lie in the way of consolidation. In this case I should not go to the boards of direction, but direct to the shareholders. Having ascertained what was the economy to be derived, and what security could be given, and what the benefit to their property, I would send proposals to every individual shareholder, for his assent or dissent. I think on an amalgamation, if this work was properly prepared and conducted, that not only the shareholders but the great body of the existing office bearers would be satisfied.

17,307. (*Chairman.*) Do I understand you to recommend that the railways of the country should be amalgamated by the Government becoming possessors of the whole of them, and that Government should deal with the shareholders and not with the boards of directors?—Just so; the Government should resume its duties and functions towards the public. The agency employed having duly ascertained the economy achievable and the security to be given should deal direct with the shareholders; and if their consent is to be asked to plain propositions, I believe their consent would be universal. It may be so put as to be for their benefit, as well as for the benefit of the public. I do not think you can properly prepare the public mind, or prepare yourselves adequately, without open local inquiries in the chief manufacturing and commercial sites. In all those cases to which I have alluded we were obliged to employ the assistance of local inquirers, and when I have been concerned in matters of this kind, and the Government would not allow us assistant commissioners to inquire locally, I have been obliged to go myself.

17,308. (*Mr. Horsfall.*) Do you not think that the various representatives who have been sent over from Ireland by the different railway companies, and those representatives who have been sent from the commercial community of Dublin, have fairly stated their case to us?—They may have stated the case from the directors' point of view, or from the view of the few having large interests, but I do not think that they have afforded you the fullest information about it. I quite concur in what I observed to be represented by the Mayor of Dublin, as respects Ireland, persons sep by open local inquiry, that they ought to have had sent over there, because I think Ireland would be a great deal better prepared altogether, but there appears to me much of the interests of the many and other sides of the question in which, I think, you are not sufficiently informed, both as regards the shareholders and the public, for what is needed. I have not been to a single place in which I have not met with a mass of evidence which I could get on the spot, but which nobody will come up and give here, not knowing the points of inquiry, and being indisposed to the sacrifice of time to come up and give it, even if they could all be paid. We have this further advantage in local inquiry, that there is local publicity at once. I think, in the case of the evidence which you have collected with respect to Ireland, it is a great pity that it could not have been published in the newspapers *de die in diem*. It was my practice, in all the commissions upon which I have sat, to facilitate immediate publicity and local discussion as much as possible.

The witness withdrew.

Adjourned till Tuesday next, at 12 o'clock.

The following addendum was subsequently sent in by the witness:—

ADDENDA to the Evidence given by Mr. EDWIN CHADWICK, C.B.

Central examinations before Parliamentary Committees, as compared with local examinations by responsible departments.

The enormous expense of the procedure for obtaining railway concessions in England, its very unsatisfactory character, and its failure on all essential points, and the recent efforts at amendments in the House of Lords, it appears to me, render the full consideration of the procedure which I have proposed, of local preliminary examination, of increasing importance. When I had the honour to be examined before the Commissioners, statements were made to me on points of detail of the French procedure, which I was then unprepared to answer. All I knew was of the general outcome, in lower expense, in greater efficiency, and comparative satisfaction to all parties. I had proposed, however, to write over to some official friends in Paris to ascertain the facts, when I was informed that a statement of the French procedure for giving railway concessions had been given by the late Mr. Joseph Locke in his address on his election as President of the Institution of Civil Engineers.

Local examinations in France.

As an engineer of wide practice in France, as well as in England, he had peculiar opportunities of judging from experience of both systems. His exposition is as follows:—

"You are all well aware of the preliminary steps that are required in England before a company can be incorporated for making a railway; and it may be useful to observe at once, that the Parliamentary notices, deposit of plans showing the line, standing order committees, examinations, &c., are altogether dispensed with in France, as in that country the Government has long taken the initiative in all that relates to public works.

"It has a corps of engineers well organized, presided over by the Minister of Public Works, who directs the operations of that important body known by the title of *l'Administration des Ponts et Chaussées*.

"All railway lines, therefore, must originate with, or be sanctioned by, the Government before any material steps whatever can be taken. When a ministerial decision is pronounced, declaring that a particular line would be 'of public utility,' the Minister of Public Works is authorized to enter into communication with such parties as may desire to undertake it, and, having satisfied himself of the *bona fides* and ability of those who make the most eligible offer, to enter into a preliminary treaty with them; which treaty, when approved by the Government and the Chamber, or the Senate, is ultimately signed by the Emperor, and becomes law.

"The *cahir des charges*, containing the conditions of the concession, fixing the rates of charge, and defining the relative powers of the company and the State, is settled at the same time.

"The Government, having at its disposal all the means of collecting information respecting the course of the line proposed, furnishes at all times whatever plans, sections, and estimates it may have in its possession, to the company thus formed, who then proceed to lay out the line. The *cahier des charges* allows considerable latitude in this selection—the only restriction being that the line shall pass 'by or near to' certain towns therein mentioned. The preliminary survey or *avant projet*, as it is termed, is presented, when completed, either in the whole or by depart-

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ments, to the Minister of Public Works, accompanied with a list of curves and gradients, and a full description of the line generally; and the minister, after conferring with the Conseil Général des Ponts et Chaussées, ultimately notifies his approval, through the préfet, to the company.

"In the meantime the latter are occupied in preparing plans and *états parcellaires* (parish plans and references), for each *commune* separately; showing how the roads, rivers, or streams are proposed to be crossed or deviated, and these, with a description, are sent to the préfet, who communicates them to the mayors of the *communes* respectively.

"The mayor announces, by an advertisement on the doors of the *Mairie* and the church, and by beat of drum, that the plans have been received, and that they are ready for the inspection of any parties whose lands may be affected by any of the proposed works. The plans, &c., remain thus open for inspection for eight days, during which time any person may examine and comment upon them.

"The mayor then draws up a *procès-verbal*, or report, containing all the objections that have been made, which is sent, with the plans, to the préfet. The préfet then names a commission or *enquête*, over which he presides, composed of members of the *Conseil Général* of the department, the mayors of the *communes* interested, and the company's engineer; these meet and deliberate on the observations presented by each *commune*. No person whose land is to be taken can be a member of this commission.

"A *procès-verbal*, or report on the minutes of the commission, is then drawn up and signed by the parties, adding any observations they may have to offer. This, with the plans and all documents, is sent by the préfet to the engineers of control, who are appointed by Government to report on the nature and fitness of the works to be executed by the company, and to superintend the fulfilment of all clauses in the Act of Concession. These engineers make their report. All the documents, plans, and references are then sent to the Minister of Public Works, who pronounces, under the advice of the Conseil Général des Ponts et Chaussées, finally on the company's proposition.

"The plans are then sent back, definitively corrected, to the préfet, who makes his *arrêté de cessibilité*, and declares transferable for public utility the different parcels of land shown by the references, which, from that date, are fixed for expropriation.

"The *arrête de cessibilité*, with the plans and references, is sent by the préfet to the Procureur-Impérial of the civil courts of the district in which the properties are situated, whereupon the latter makes a requisition to the tribunal for the expropriation.

"The 'tribunal civil' examines with care if all the formalities required by the company's *cahier des charges* have been rigorously fulfilled; if the *enquêtes* have been duly completed, &c.; and pronounces the judgment of expropriation.

"From this moment all the parcels of land, houses, &c., shown on the plans and references become the company's property; and all rights of the proprietor to his estate are merged in a title to compensation. He is legally divested of his property, but retains possession of it until the amount of indemnity is settled by agreement or by the jury, and is paid by the company.

"The mode of fixing the value of the land by means of juries so nearly resembles the process adopted in England that I need not trouble you with an account of it.

"The length of time necessary to enable a company to pass through these various stages is considerable, varying from six to twelve months; but, however tedious, they are not, like the preliminaries of an English railway, expensive. Nor is it necessary to do more than briefly to call your attention to the fact, so much in favour of French railway undertakings, that their mode of concession exempts them from that doubtful and onerous process which has thrown on similar works in England the enormous dead-weight represented by our well-known term, 'Parliamentary expenses.'"

Which expenses, it may be added, are, in their enormous and scandalous amounts, set down abroad, set down as mere bribery, and are held to countenance what may be challenged abroad as actual bribery, by *pots de vin* as payments to officials for concessions and profit-making commercial enterprises.

A French engineer officer informs me that, as a rule, the French concessions are given gratis.

Taking the French procedure as it stands, it is to be observed upon the comparison with the English procedure, that ours is one of centralization in its worst form—centralization to an authority that has no local information, no aptitudes for examining or deciding on such questions, and little or no individual responsibility—that it is centralization authority that can only decide upon what is brought before it, attorneys or interested parties; that has no sufficient means, except casually, of testing the validity of what is brought before it, and no proper security against the sinister character of any representations made to it, and that can only attain correct information at very great expense. In respect to time, the French procedure, though complained of as requiring from six to twelve months, has, I submit, the advantage over ours where the concession from beginning to end is rarely to be obtained in less than a year, and in case of opposition may be spread over two or three years or more. The French procedure has analogies to that which I proposed for the organization of unions of parishes, for an amended Poor Law Administration, and afterwards for local works of drainage and water supply under the Public Health Act, which last procedure, I think, has the advantage over the French procedure with respect the extent of local consultation. We did not assemble the populations of parishes by beat of drum to go and look at plans, but they were assembled very commonly by the town crier to attend meetings presided over by the engineering inspector before whom they would hear the evidence given as to the works and plans needed, and to whom anybody was at liberty to tender information or from whom he might ask for explanations. The information thus got at once, on the spot, openly, freely, and without attorney or counsel, was far superior in extent and character to much of that which is got before Parliamentary committees. No one was shut out by expense from either giving or receiving information.

Our mayors in England or our overseers of parishes, who perform functions analogous to the mayors of the French communes, are not often persons from whom the preparation of useful reports might be expected. I think the procedure I proposed, that the engineer should prepare the report comprising the information locally collected, giving that information fairly, with his own opinion upon it. His report would be printed and circulated locally before any decision was made upon it. The decision upon it would be, in the first instance, by a board, to which an appeal might be had gratis, by memorial or written, as well as verbal, representations, and which would assign reasons for its decision, on which there might be a further appeal to Parliament. I would submit that much importance is to be attached to the appointment of a competent and responsible body, which may be made answerable for sanctions to the extension of means of communication in the interests of the general public as in the interests of particular localities, and that it may be responsible, it should be found to give the reasons for its decisions, which Parliamentary committees, as a rule, do not do. Decisions without facts or reasons are frequently evasions of responsibility or resources of indolence or incapacity, or of the sinister exercise of irresponsible power. Of officers in the civil service Mr. Robert Rawlinson, the sanitary engineer, has had the widest experience of the centralized procedure for examinations before Parliamentary committees, as also of the localized procedure of examination for sanctions of works under the Public Health Act. In answer to a letter of mine, he makes the following statement of the comparative results of his practical experience:—

"Local inquiries heed not cost one-tenth the sum involved before a Parliamentary committee. On a local inquiry each witness must attend on the day named. In London witnesses must be brought up and kept waiting for days, and at times weeks. A committee may be broken up before it has completed its labours, and is frequently interrupted for several days at a time. At a local inquiry the sittings may go on from day to day to completion. Before a committee of Parliament all the witnesses are usually paid, mayors and members of town councils sometimes attend gratuitously, but all professional witnesses are paid. Before a local tribunal most of the witnesses are unpaid. A committee gives a decision without reasons; a commissioner must report and draw conclusions, make recommendations from the reports, which reports must be based on the evidence, usually published along with it.

"The great costs of fees of barristers' agents, and the other contingent Parliamentary expenses are reduced to a minimum or altogether saved at a local inquiry. If there is strong evidence on either side at a local inquiry, there are many persons ready with witness to correct it. Before a Parliamentary committee there are only the witnesses summoned and on the spot."

The procedure which I propose has analogies to parties, all the powers which they could formerly only get under expensive enclosure Acts. The superiority of that procedure in all respects over the centralized procedure before Parliamentary committees will be found to be incontestible.

An inexpensive and cheap procedure is, I submit, essential to the cheap extension of branch railways so necessary

for the completion of the general system of intercommunication throughout the country. Even if such powers were conferred gratis, and all the witnesses and parties were paid by the State for the loss of their time in coming up to London to give evidence, Parliamentary committees could not, I apprehend, be got to give the time requisite for the proper performance of such extended and multifarious business. Mr. Locke sums up the comparison between the French and English procedure in these terms: "The government of France, as we have seen, whilst "strongly controlling, has also liberally fostered this kind "of enterprise, while the English legislature, on the con- "trary, unable to guide, has suffered if not encouraged "hostile and selfish interests to encumber and pervert it. "This briefly is the sum of the question; in whatever "detail the particulars of the comparison may be pursued, "the contrast in this point of view alone is remarkable. "It is in fact a contrast between method and confusion, "in a matter of supreme national interests; there they are "led and guided by the sovereign power; here, they are "ungoverned and undefended, left to the chances of com- "petition, abandoned to every kind of attack, and only "conscious of authority in the shape of exaction." I do not consider it to go into the causes of the failure of local inquiries as to local works made under the Board of Works, the chief cause of which was that they were made supplemental to inquiries by Parliamentary committees, before whom they had no place. But I am prepared to show, as respects the inquiries under the Public Health Act, that they were discountenanced really because they succeeded too well; and interfered with, or threatened interference with, active and powerful interests in the Parliamentary procedure. If that interest is to continue to be regarded as paramount, there is an end of the prospects of any efficient reform on the topic. The opposition to the procedure under the Public Health Act was, however, one to a great extent of blind jealousy, for the local business transacted under it was for the great mass business which would not have been done at all if it had not been done cheaply, and would not have borne the professional emoluments of Parliamentary agents or professional witnesses before Parliamentary committees; and so it will be with the great mass of cheap branches and horse railways needed, as the capillaries of the national communication of the country. Mr. Locke notices the disadvantages on the French side, such as the dearness of coke and iron, which he says tells largely against them; nevertheless, from the latest accounts which I was able to get from the Board of Trade, which are set forth in the following table, the working expenses in 1857 appear to be in England 1,564*l.* per mile, as against 1,191*l.* in France. Whilst the first-class fares were in England 2·01*d.* as against 1·55*d.* in France, or it ought to be rather in comparison with the second-class carriages, which are generally considered in France, as well as in other places, equal to our first-class carriages, and in France the real second-class fares are 1·16*d.* per mile.* Still, with all these advantages, it is a matter of complaint in France, the extent to which they have followed the English example they have been in error. French legislation has followed our example in respect to the reduction of the postal charges, it has followed timidly it is true, and therefore with the delay of the restoration and augmentation of the net result.

The present opinion in France amongst those who have paid attention to the subject is represented in "La Réforme "des Tarifs de Chemins de Fer et les Compagnies, par "Gustave Margfoy." On this, referring to the example of the post, he says:—

"Un grand enseignement ressort de cet exemple (that of the post), il existe des abaissements très-utiles pour le consommateur, en même temps qu'avantageux pour l'exploitant, dont le premier effet est de faire baisser la recette nette pendant un longue période de transition. Les compagnies de chemins de fer font elles des réductions de tarifs de cette nature? Non; quoiqu'elles tiennent en mains de grands intérêts publics, la notion des abaissements utiles à longues termes n'existe pas pour elles.

"Pourquoi en est il ainsi? La raison en est simple.

"Il est une loi naturelle qui se manifeste dans tous les ordres d'idées:—c'est quil faut, pour recueillir des fruits, semer des germes et attendre. Semer des germes, en fait d'abaissements de tarifs, les compagnies l'ont, dans quelques cas spéciaux, fait avec parcimonie. Mais si elles onts pu semer quelquefois, elles n'ont jamais su attendre. Disons mieux: elles ne le peuvent pas; l'assemblée générale des actionnaires, le cours quotidien de la Bourse les pressent; il faut que la recette hebdomadaire se soutienne sans interruption, il faut que les dividendes ne subissent pas, d'une année à l'autre, des alternatives de hausse et de baisse. L'actionnaire d'aujourd'hui en effect n'est pas l'actionnaire de demain. Qu'importe la prospérité future pour autrui, en présence de la détresse présente pour soi même? Les choses étant ainsi, il faut aux compagnies des tarifs qui donnent des recettes à très-courte échéance; les tarifs utiles à longs termes sont pour elles des tarifs inutile; pourquoi semer l'hiver dans un champ qui l'été n'est plus à vous.

"C'est là un système funeste pour l'intérêt public; c'est une culture en serre chaude; elle donne des fruits hatifs mais atrophies. Ainsi, dans tous les cas où les abaissements à longs termes sont sollicités par l'intérêt public, il existe un antagonisme évidents, naturel entre les compagnies et le public. Cet antagonisme existe aujourd'hui, c'est lui qui motive les réclamations incessantes dont les tribunes des chambres, les enquêtes, la presse, les chambres de commerce, les conseils généraux, les associations industrielles sont l'écho. Je suis bien dans la question; la preuve évidente qu'il n'existe pas dans la solidarité c'est qu'il y'a antagonisme.

"Il est ailleurs digne de remarque que les abaissements de tarifs non realisés par les compagnies contre le veceu public sont précisément les abaissements les plus utiles, car plus un abaissement de tarif est important, plus il est favorable au public, mais plus, aussi est longue la période de sacrifices que l'exportant doit traverser.

"Lorsque l'antagonisme existe entre des compagnies monopoles et la population, comment admettre que ces compagnies soient appélées à résondre les questions d'intérêts public auxquelles elles son liées?"

I have recently received important illustrations of the commercial doctrine I have stated in respect to the ascending ratios of consumption with reduced ratios of charges, derived from observations made in France by M. Dupuit, engineer of the ponts et chaussées, and a writer on political economy; and they are set forth in a paper he has written on tolls and on prices, applicable to the administration of railways. Starting from the point where a road is free from toll, he shows that as the toll is increased from a certain point the net receipts from it increase, after which they diminish and are extinguished, whilst the uses of the

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The trading principle rep diated by pu licity in Fran

Trading int ests and pu interests co trasted.

* Made up from the Board of Trade Returns.

Country.	Population per Statute Square Mile.	Average Cost of Railways per Mile.	Average working Expenses per Mile.	Average Earnings per Mile.	Average Fares per Mile. 1st Class.	2nd Class.	3rd Class.	Average Payment per cent. to Original Shareholders.	Proportion of Accidents and Injuries to Persons carried.	Number of Times less dangerous than England.
	£	£	£	£	£	£	£			
England, 1857	304	39,275	1,564	3,161	2·01	1·41	·87	{3·88*} {4·26†}	1 in 183,903†	—
France, 1854	168	25,668	1,191	2,706	1·55	1·16	·84	6·58‡	1 „ 1,375,092	7 times.
Belgium, 1856	337	16,391	1,259	2,158	1·33	1·0	·65	5·48‡	1 „ 1,611,237	9 „
Prussia, 1857	138	14,486	1,248	1,983	1·48§	1·15	·77	7·44‡	1 „ 3,294,075	16 „
Austria, 1857	143	18,465	1,239	2,686	1·4	1·1	·83	6·75‡	—	—
Germany, 1857	—	13,232	898	1,417‖	—	—	—	5·52‡	—	—

* Proportion per cent. of net receipts, less interest on preference shares and on loans, to the ordinary share capital; but other returns give it as 3·12.

† Out of 405 cases of so-called accidents, inquired into from 1853 to 1857, only 43, or 1 out of 10, was reported upon as arising apparently from causes beyond control. The great bulk of accidents were reported to arise, not from the neglect of the inferior officers, but from the insufficient regulations, or want of discipline, or parsimony of the directors and superior officers.

‡ Proportions per cent. of net receipts to the total capital expended, but Mr. Locke, the railway engineer, who has had much experience on railways, gives the result, it is understood, of railways in an equivalent state of developed traffic to those of England at 9 per cent.

§ In Prussia and the rest of Germany the proportion of passengers is, of the 1st class, 1·7 per cent.; 2nd class, 23 per cent.; 3rd class, 75·3 per cent. In England it is, 1st class, 13·5 per cent.; 2nd class, 31·6 per cent.; 3rd class, 54·9 per cent. "But it is to be recollected," says Captain Douglas Galton, "that in Germany the 2nd class is as comfortable as our 1st class." The same may be said of most of the continental 2nd class carriages.

‖ The average cost of coke per mile travelled is, in Germany 2*s.* 8*d.*; in England it is 2*s.* 9*d.*

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road to the public are from the first obstructed and diminished in another and larger ratio than the receipts. This is displayed in the following table; supposing the tariff of a railway (or it may be of a canal, or a bridge, or a tax, or a price) allows a given amount of traffic which is accompanied by a corresponding ratio of receipts:—

Toll or Fares.	Traffic.	Receipts.
0	100	0
1	80	80
2	63	126
3	50	150
4	41	164
5	33	165
6	26	156
7	20	140
8	14	112
9	9	81
10	6	60
11	3	33
12	0	0

In common conditions the divergence of the ratios of receipts of traffic have been much greater, but this table will serve to illustrate the fallacy of the common assertion of the identity of the interests of the private speculators with those of the public in traffic charges. The divergence of those interests is displayed by the comparison of the column of traffic with that of the column of receipts. If the railway is in the hands of a trading company it is evidently not their interest to augment the tolls beyond a given amount. But they have no such interest as the public have to lower them beyond that amount. The Government may be content with five per cent., whilst the trading company may require ten. To get the maximum of receipts the company may put their traffic at five, in which case use of the road will be confined to 33, whilst the Government may be content to put the toll at two on the scale, in which case the traffic on the use of the road will be extended or maintained at 63. The Government, M. Dupuit observes, would thus render the road useful to twice the number of persons; but under the rule in the interests of the company, it would be as if the bridge, or canal, or railway did not exist, so for as concerns those 30 passengers, travellers, or tons of goods. The proofs are numerous that in general the trading companies which have possession of public lines of communication are not to be moved by a small benefit to themselves to do a large one to the public. Such examples as those I have cited of three and four fold uses of what should be public ways recklessly sacrificed, where the trouble to them is small if the gain to themselves be not great, or the instance cited of the ruthless exclusion of thousands from social intercourse, as well as from commerce, is by no means complimentary to the state of public information and spirit, where it is permitted to be done without question or remonstrance.

M. Dupuit concurs in the conclusion, which is now the preponderant one amongst the economists of France, and gives these illustrations in support of it, that the French themselves have been in error in permitting the Government to divest itself of responsibility, even as far as it has done in giving up the means of communication to trading companies. It is held there that experience shows that the railways are, and must practically be, a monopoly, and that that monopoly ought to be responsibly devoted solely in the interests of the public. M. Dupuit points out that the French Government, dimly forseeing the danger of the abuse of the monopolies of the means of communication, in the interest of private enterprise endeavoured to protect the public by fixing tariffs for goods; but in doing so it appears to have committed the error—into which we have fallen in England—of permitting tariffs to be fixed by railway companies on estimates of *values*, that is to say, allowing them to make exactions on *necessities*, as I term them, instead of charges on the principles of payment for *services*. Thus, the tariff in France was so fixed:—

Manure, sand, and gravel should pay	0·010
Oil	0·048
Iron	0·060
Corn	0·067
Wine	0·081
Flour	0·087
Cloth	0·080

Now, he asks, what would be the case of a private carrier who said, "I will only ask 10 to carry sand, but I will "ask 48 for oil and 87 for flour." If he could carry sand remuneratively at 10, his profits would of course be enormous if he could get 87 for carrying flour. Private competition would, however, soon reduce his price; but tariffs so fixed by an irresponsible trading monopoly commonly amount to pernicious protective duties or sumptuary taxes.

If the examples of the increase of traffic upon the reduction of fares under competition in England be duly consulted, it appears to me that they show that when the reductions are prompt as well as large the public quickly respond to them, and that the period for the growth of traffic will not be so long or the risks of loss from the change so great as is anticipated. Of course, however, in a country with a population so ignorant, so poor, so slow as the Irish witnesses describe the Irish peasants and farmers to be, the response to the advantages of reduced fares will not be expected to be so quick as in a manufacturing district in England or Scotland. I apprehend the slowness of Ireland is overstated; but I believe that the rapidity of reproduction of goods traffic, as well to some extent of parcel traffic, would be quickened and augmented to a very material extent by cheap postal telegraph, say sixpenny messages, as well as by a cheap parcel post. Labourers would be collected and farming operations speeded in harvest time and on other occasions. The goods traffic would very speedily be augmented by cheap parcel postal delivery.

Mons. Margfoy goes on to say, "L'opinion publique en "France accueillerait avec une grande faveur la nouvelle "que les tarifs de voyageurs seront desormais réduits de "moitié, que les tarifs des matières premières de l'indus-"trie seront desormais compris entre 1 et 3 centimes." He says, "Que l'Etats, de son côté, ne dise pas: Laissons "faire des compagnies, ne nous mêlons pas trop de leurs "affaires, elles onts de grands intérêts à servir, de grands "charges à supporter, de grandes obligations à remplir; "ne les genons pas dans leur action, évitons leurs plaintes, "degageons notre responsabilité. Avec de semblables "idées il n'est pas de progrès possible; les réformes les "plus utiles sont étouffées en germe et les malaises, les "souffrances qui commandents ces réformes se perpetu-"ents."

Prejudicial operation of trading interests as against the public interests.

I might give further citations to show that the course of further progress, there as here, is to get rid of the misapplication of the commercial element and trading administration, to make free the means of transit.

I may add that in Switzerland, as well as in Belgium, public opinion is running in the same direction to the principle which I have advocated of reducing the cost of transit to the actual cost of a good and responsible public service. Statistical and social science congresses, persons in the interests of trading companies, of what parties interested praise as "private enterprise," have made attacks on the Government management. This was done at the congress of Amsterdam and also at that of Berne. But these views were repudiated by intelligent and impartial audiences, and at the Social Science Congress at Sheffield also, an amount of public interference and of increased Government control for the public protection was insisted upon almost, I may say unanimously on the part of the disinterested audience, that practically would supersede the trading directories by the Government. Even in the United States public is proceeding in the same direction, and reclamations are being made for the resumption of the States or public rights over railways as over the public highways. In the Senate a committee has recommended the resumption of the public rights over the means of communication by telegraph; they have reported that a public telegraph should be connected with the posts; and the separate trading telegraphic companies will, I apprehend, have to be bought up.

Tendency of public opinion abroad.

My observations as to cheap parcel transit in England, and its vast importance in cheapening the retail distribution and developing agricultural traffic is corroborated not only by information from Switzerland as to the progress there, but as to the progress of improvement in cheap goods transit made in France. I once made what I call an economical analysis of the cost of the four pound loaf and the various elements which made up the price to the consumer; I found that while the rent in the four pound loaf was about three farthings, the cost of retail distribution was more than three halfpence; the cost of the retail distribution of meat as well as of other products was in like proportion. In manufactured products the cost of retail distribution is upwards of 30 per 100. I have explained how this cost may be reduced. In corroboration of what I have stated, and especially in the reduction of the expenses of intermediate agencies for distribution, I beg to submit the following extract from a paper lately read by M. Legoyt, the eminent chef de la division de la statistique générale de France, who was selected by the Government of France as its representative at the statistical congress in England.

Excessive cost of retail distribution.

"Cest peut-être sur l'agriculture qu'elle exerce le plus directement sa fécondante influence. Avant l'ère des chemins de fer, une foule de produits devaient être consommés sur place ou ne trouvaient de débouchés que dans un faible rayon, d'une part par le fait de leur poids, de leur volume,

Effects on agriculture.

de l'autre par les dangers d'altération rapide auxquels ils étaient exposés. Les fruits, le laitage, et autres produits de la ferme, se vendaient à vil prix faute de consommateurs. Aujourd'hui le commerce n'attend même pas qu'ils arrivent sur le marché ; il va les chercher jusque chez le cultivateur et les transporte, à tiré d'ailes, dans les centres de population, c'est-à-dire la où ils trouveront le prix le plus élevé. Le blé lui-même n'a plus pour unique débouché le marché le plus voisin. La spéculation s'en empare à ce point, que les plus forts achats ne se font plus sur ce marché, mais dans le grenier même du producteur. Cette concurrence des acheteurs, ce transport rapide et à bas prix des blés, n'ont pas seulement pour effet d'élever la rente de la terre ; ils ont une conséquence d'intérêt général bien plus considérable : ils conduisent au nivellement des prix, c'est-à-dire qu'ils permettent d'approvisionner en quelques jours, en quelques heures, les régions en déficit avec les produits des régions en excédant. De là, l'impossibilité du retour des prix de famine qui ont décimé les populations Européennes en 1811, 1817, et 1847. Qu'on se rappelle les moyens de transports extraordinaires, et cependant d'une si regrettable lenteur, qu'en 1847 le Gouvernement dut mettre à la disposition du commerce pour faciliter l'arrivée par le Rhône des blés d'Odessa, qu'immobilisaient à Marseille l'insuffisance du matériel et les prétentions exorbitantes de la batellerie, et l'on se fera une juste idée de la grandeur des services que la voie de fer peut rendre en temps de chérté ! Elle a encore cet avantage signalé pour le producteur et le consommateur que, nivelant les distances en même temps que les prix, elle peut, sous un régime de droits différentiels habilement conçu, faire profiter les régions agricoles les plus éloignées du débouché des grandes agglomérations urbaines. C'est ainsi, pour citer un exemple, qu'en cas de besoin, elle peut amener à Paris les blés de la Mer Noire au même prix que les blés de la Normandie. Il en résulte que le rayon d'approvisionnemene des grandes villes, et particulièrement des capitales, limité autrefois à un certain nombre de localites contiguës, s'étend aujourd'hui sur le pays tout entier. Ce fait économique si remarquable en a déterminé un second, qui doit exercer l'influence la plus positive sur les progrès de l'agriculture. Les fermiers riches et intelligents, qui recherchaient de préférence les domaines situés dans le voisinage des cités populeuses, pour éviter les frais de transports et profiter de la concurrence des consommateurs, assurés de trouver les mêmes avantages à des distances même considérables, s'éloignent volontiers maintenant pour aller porter sur des points plus éloignés, là où le bas prix relatif du loyer de la terre leur ouvre des perspectives de bénéfices considérables, leur capitaux et leur expérience. Nous avons constaté ce fait en France, et il se produit probablement ailleurs. Il faut mentionner encore que, grâce au chemin de fer, ce n'est plus seulement le commerce que va chercher sur les lieux les produits agricoles. Le consommateur lui-même, s'exonérant du lourd tribut exigé par les intermédiaires, s'y rend aussi et entretient avec le producteur des relations également fructueuses pour tous les deux. Le chemin de fer concourt encore au progrès de notre agriculture en lui portant, au prix le plus réduit possible, les amendements, les engrais, les matériaux de construction, et les machines. Et c'est le cas de rappeler qu'au fur et à mesure que les réseaux se complètent et pénètrent plus profondément dans les campagnes, celles-ci voient s'ouvrir pour elles des sources de richesses jusque-là ignoreés ou inexploitées faute de moyens de transport marnières, dépôts calcaires, engrais marine, forêts, carrières, minières, donnent des produits qui, sans valeur autrefois parcequ'ils étaient sans emploi, sont vivement recherchés aujourd'hui. C'est encore au chemin de fer, aux débouchés nouveaux qu'il ouvre, qu'il faut attribuer le caractère de plus en plus industriels que prend l'agriculture. Les distilleries, les féculeries, les amidonneries qui s'installent rapidement dans nos fermes du Nord, par exemple, sont bien véritablement son œuvre. Ce n'est pas tout : la facilité et le bon marché des communications permettent au cultivateur des régions les plus éloignées de se rendre à ces fêtes solennelles du travail agricole que les gouvernements ou les sociétés spéciales ont eu l'heureuse idée d'instituer sous le nom d'Expositions, d'y puiser d'utiles renseignements sur les qualités des diverses races d'animaux domestiques, sur les mérites des machines qui y figurent ; au besoin, d'y acheter les sujets les plus distingués de ces races et les meilleures de ces machines. Plus tard, excité par les récompenses qu'il a vu distribuer aux lauréats de ces fructueux concours, il viendra en prendre sa part. Enfin, ne voyons-nous pas, depuis que le chemin de fer a supprimé en quelque sorte les distances entre les villes et les campagnes, les propriétaires visiter plus souvent leur terres, en contrôler l'exploitation, s'encharger quelque fois eux-mêmes, au grand profit de leur santé, de leur fortune et des intérêts généraux de l'agriculture ?

luction of changes of ermediate ncy.

" Les conséquences de ces améliorations de toute nature se sont d'ailleurs clairement manifestées sous la forme d'une plus value considérable du sol dans un rayon des chemins de fer qu'on peut déjà évaluer à 25 kilom. au moins, et qui s'élargit chaque jour par suite de l'extension rapide des voies de communication ordinaire dont ils sont les aboutissants. Elles se sont encore manifestées sous la forme d'un accroissement très-sensible et enquel que sorte continu de la situation matérielle des populations rurales.

" Quelques-unes des observations qui précèdent s'appliquent à l'industrie et au commerce. Les produits arrivant plus tôt, meilleur état, à meilleur marché, en plus grand nombre, trouvent évidemment un plus vaste débouché. D'un autre côté, les économies réalisées sur l'achat de ces produits permettent au consommateur de s'en procurer d'autres jusque-là inabordables pour lui ; de là, un plus grand essor donné à la production sous toutes ses formes. Ce n'est pas seulement le bon marché du transport qui amène la diminution des prix, c'est encore la suppression de l'intérêt que le produit devait rapporter au fabriquant dans l'intervalle souvent considérable qui séparait autrefois l'expédition de l'arrivée ; c'est la suppression de la prime d'assurance que devait également payer le consommateur, cette prime disparaissant depuis que les risques du transport sont à la charge des chemins de fer.

" Un calcul ingénieux, fait en vue des chemins de fer Allemands, mais qui est d'une application générale, met en relief, sous une forme intéressante, l'influence du prix des transports sur la valeur des produits, en indiquant la distance que doivent parcourir aujourd'hui certaines marchandises, sur la voie de terre et sur la voie de fer, pour doubler de valeur :—

	Voie de Terre.	Voie de Fer.
	Kil.	Kil.
Or - - -	960,000	33,750,000
Argent - -	642,750	2,250,009
Laine - -	5,145	18,000
Fer - - -	386	1,350
Blé - - -	577	2,025
Houille - -	32	112

" Dans le domaine des faits industriels et commerciaux, la voie ferrée entraîne d'autres conséquences, qui n'ont guère commencé à se dessiner que dans ces dernières années. La première et la plus importante, c'est la concentration dans quelques grandes villes, et là, entre les mains d'un petit nombre de grandes maisons, du commerce d'une foule d'objets d'utilité usuelle. C'est ainsi que par suite des nouveaux moyens de communications et de facilités postales particulières quelques établissemens de nos centres industriels ou commerciants envoient aux points les plus reculés du territoire des échantillons d'abord, puis les objets demandés à des prix et dans des conditions de choix et de qualité que l'acheteur ne pourrait trouver sur les lieux. Il en résulte que le commerce de la province voit chaque jour diminuer, au moins sa clientèle urbaine. La suppression graduelle des intermédiaires par les fabricants, qui établissent des dépôts de leurs produits dans les centres de population, et les gèrent eux-mêmes, est encore un fait économique dû aux chemins-de-fer, dont l'effet général est de rapprocher chaque jour davantage le producteur du consommateur. Enfin, ils favorisent le développement de l'industrie et du commerce par le transport plus rapide non seulement des marchandises, mais encore des correspondances."

With such experience we may readily conceive that the principles for the improved development of the resources of France will prevail, and lead to further reductions of the cost of transit, which is now being called for there.

These results, however, can only be obtained, as I apprehend, under complete unity of management. With us the time lost in ascertaining the cost of transit is of itself an obstruction for the distribution of large as well as small parcels, it operates in various other ways as a serious obstruction.

Time wasted in the labour verification.

One great disadvantage arising from the present disunity of railway management in England is the great "labour of verification," as economists term it, the labour of making inquiries as to the rates of charges on goods, as well of goods in bulk as on small parcels. The saving of "the labour of verification," of the labour of finding out the rates of charges on letters for different distances, and the labour of officers in taxing them was a great administrative improvement in the principle of our letter post system. On some points the actual cost of the conveyance of letters will doubtless be much beyond the uniform rate of payment, but it was wisely decided not to be worth while on their account to dispense with the economy of time to all the writers and all the officers. In illustration of the state of things in respect to heavy goods traffic, I may mention that when I

Mr. E. Chadwick, C.B.

10 May 1866.

was last in Lancashire Mr. Thomas Wrigley, the extensive manufacturer of paper, told me that he had from time to time offers of rags made to him from distant parts of the country. The eligibility of the purchase often depended on the cost of transit. He might learn readily from the nearest railway to his works at Bury what the charge was; but the railway officer there had to make inquiries from other lines what their charges were, and it generally took a fortnight before he could get his answer. Now in respect to the transit of small parcels, I am informed that this uncertainty of charge leads to extensive malversation at the expense of the shareholders as well as of the public. My informant was a person who has served as a policeman on one large line. The information arose upon my inquiry as to the grounds of the inference arising from officers living beyond their ostensible means. This he told me was frequently the case with the parcel porters and the parcel clerks, chiefly at the intermediate railway stations. On asking him how this was accounted for he stated that it was from the practice of making frequent overcharges on small goods parcels. The way in which it was done was this: A parcel was to be sent to a distant place, generally over one or more "foreign railways." The adjacent line of railway, as belonging to another company, is called a foreign railway. The real charge might be eighteenpence, but the receiver would say he believed it was half-a-crown, which he received, and he paid eighteenpence to the company. If any question arose the amount would not be recollected, or it would be treated as a mistake. Then again the companies frequently returned empties gratis, but the porters took small payments for them. These practices were not so frequent at the head stations, where there was much supervision, as at the intermediate stations, where it was slight. His belief, as a policeman, was that the malpractice was very extensive, and the amount of money taken was, in the aggregate, very considerable, and it was reported to be prevalent to a greater or less extent on all the lines. When detections did occur the delinquents were commonly "let off" with dismissals, the companies being averse to prosecutions, and the intervention of directors, who were patrons, being frequently used for the lenient course of dismissal, in support of which there was the expense of prosecution to be incurred by the company.

Is usually engendered by obscurity and confusion and bad business arrangements.

I mentioned this information to an active director of another large line of railway, who told me that there could be no doubt of the extensive prevalence of the practice, and that it was denoted by the frequent excess of incomes beyond ostensible means, but that in the existing state of things he thought prevention extremely difficult. Now I beg to be clearly understood that these surmises from the excesses of expenditures above incomes have been in no case my own, but have been those of directors or of officers in inside positions of observation. It has been their conclusion, not mine, that I have stated. It appears to me to be a topic of special and very important inquiry. I must, however, state from my experience as a commissioner of police inquiry, as also in an inquiry into various local and other branches of administration, that it must be put down as a general conclusion that, given the opportunities for maladministration and peculation, opportunities afforded by tax regulations, you may be sure that in due time the peculation will be found to be in extensive operation, especially in relation to transactions which are small and numerous and obscure, and of a character to escape constant check and observation. In poor law administration it was noted that the officers who had the dispensation of small doles of money as out-door relief to casuals or others generally got well-to-do. I was assured on reliable grounds that the peculation of small fares by omnibus conductors and drivers of the London General Omnibus Company, as denoted by their excess of expenditure beyond their income, amounted to another dividend, or 30,000*l.* or 40,000*l.* per annum. As respects the peculation in the superior administration, the informants would themselves probably admit large exceptions and qualifications in individual instances to the presumption of the excess of expenditure beyond ostensible means; but as a rule, not confidence but suspicion is the basis of sound administration as well as of sound legislation. On this particular topic of charges for small parcels transit preventive measure would, as it appears to me, only be attained through unity of administration, that is uniform charges for goods transit as a service, and uniform publication of those charges, as are the postal charges from one end of the country to the other. I entertain the confident belief on principle that the augmentation of traffic, especially that of small goods, as I know of it in Switzerland, the saving of time in getting information, and the saving from the prevention of malversation, would be a source of great gain from unity of management, in addition to the gains derivable from the consolidation of establishment charges and economies of rolling stock.

There is another source of gain from consolidation derivable from unity of management and amalgamation with the tenfold receiving and delivering agencies of the postal establishments. In London or the chief provincial towns, if you seek to send a parcel or a telegraphic message, you have commonly the labour of sending your servants or of going yourself to find out which of several competing establishments will be the best to send it by, and at what charge. The distance of the comparatively few separate establishments is also a source of loss of time, that is to say, of additional expense. On the principle I proposed, on the experience of Switzerland and Belgium, of unity of the public service, you have the one postal establishment close to you, and the one charge always known and accessible, and the principle of uniformity would be as applicable for the cheap parcel distribution and the cheap postal telegraphy as it now is for the letter distribution, with the like great results. Belgium and Switzerland comprise poorer and slower populations than those of Great Britain, and yet the experience there is applicable to this country. In both countries it is to be observed that, low as are the fares and rates, there is a popular agitation from perception of their benefits to make them still lower.

I believe that it is only by local inquiry in the chief manufacturing and commercial cities, such as Manchester, Liverpool, Sheffield, Birmingham, Glasgow, Bristol, as to the obstructions to intercommunication occasioned by disunity of management and of service, as compared with the progress amongst the poorer and slower people, where the principles to which I have referred are prevalent; that the public wants and wishes, and the means of meeting them, can be fully ascertained, and that the proper objects of the commission can be fairly or duly accomplished.

Local i needed.

I omitted to mention as one important topic of inquiry which can only be efficiently made locally as to the real results of the reductions of fares made on competitions. At present the information appears to me one-sided and very imperfect, yet most important for the question of the probable results of a general reduction of fares. In some important instances they declared that the result of very considerable reductions was the replacement in time of the original income, but a competent inquiry has as yet to be made as to what might be the results under unity of management of the two competing lines? What would be the economy derivable from the concentration of the through traffic on, say, one line with full instead of half empty trains, and so with goods, it would probably turn out that instead of mere equality of pecuniary returns as compared with old fares, an immediate or earlier gain would have been derived. But it is matter also for local inquiry from traders, manufacturers, and others, what improved business was in course of development and was checked by a return to the old fares. In respect to the reduction of fares by excursion trains, it appears to me to be an omitted subject of a special inquiry in what proportion they are habitually used simply by excursionists, and what proportion by families or others, or persons in business who are induced by the low fares to use the occasion.

Inquiry the res compet needed.

The excessive crowding of these excursion trains obviously frustrates much of the objects of the poor excursionist, and they are attended with considerable inconvenience as well as danger, and on many accounts it would be desirable to be an object of an improved railway administration to diminish their frequency, or relieve their excesses and overcrowding, by making, in fact, every day, by reduced fares and excursion day for families and individuals.

A further topic which may be commended as one for special local inquiry by assistant commissioner is that of the increased value imparted to land or houses by the railway as a justification of rating. At present the data are very wide and various. In the instance of surburban lands the rise in value has been enormous. On the Richmond line the average value of the land at the time of its formation was about 350*l.* per acre; it is now I believe from 800*l.* to 1,000*l.* per acre, an increase not entirely, but mainly, due to the formation of railways and cheapening of transit. I myself bought a piece of land intending to build upon it, but was prevented doing so. I was told, however, not to sell it again, as it would "pay for keeping," and it has done so. I have sold a little more than half at the price I gave for the whole, and I am told that the other half will yet pay for further "keeping," as the railway may come still closer. Now if no contracting company are obliging enough to augment the value of my land, it would certainly be to my interest to pay for doing so by a rate; and I suppose other owners would certainly do so if the projects were brought before them on public grounds in the manner I proposed. But such being the gain to me by improved communication

Inquiry into the creased imparte land by proved of trans

at high fares for the past, I should gain still further by doubling or trebling the means of communication at half or one-third the fares, and it would be to my interest to pay a rate if it were needed for the purpose. In fact, I apprehend it will be found on fair and close examination that the gain for the future obtainable under complete unity of management will be quite equivalent to whatsoever has been gained by railway communication for the past.

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Considering, however, all the past expenditure however incurred on railways as wiped off, and the question being one only for the future, I think it would be well worth my while to pay, say, 1*d.* addition to my income tax, if it were necessary, which I do not think it is, to obtain reformed general rates, and it would be well worth while to pay for future and special branch extension of the lines by local rates on the adjacent lands or houses benefited.

From some estimates which I made from analysis on the cost of agricultural produce, or meat and bread, I found that the *rent* contained in those commodities was, as a rule, about half the price of the distribution to the consumer; that whilst the rent in a 4lb. loaf, for example, was three farthings, the cost of distribution was more than three halfpence; that, in fact, the cost of the distribution of the *produce* of the land was double the *rental* of the land, and that half the cost of distribution might be saved. A complete railway reform as I propose it would, for the reasons I have stated, and from the facts of such experience I have cited from France, contribute to this end more powerfully than is yet commonly conceived. I concur in the expression of a policy by my noble friend Earl Fortescue: "Now that we have got "free trade pretty nearly as far as we can reasonably ex- "pect to get it, by the extensive abolition and reduction of "export and import duties, the next thing we must seek "is free transport, since an unduly heavy transport tax, "though paid to companies instead of to Government, is "none the less oppressive and restrictive upon that ac- "count, whether levied on persons or on goods."

fference with r. Galt.

Agreeing with Mr. Galt on some main points, my own views of the principle applicable to the question are distinct from his views, as also to the most eligible method of carrying out the reform. I attach more importance to the facilities for future extension and the completion of the capillaries of the system. I consider, moreover, that the amalgamation with the postal service and the use of the postal service for the cheap distribution of parcels and for the cheap conveyance of telegraphic messages as highly important for the attainment of complete and early pecuniary success. I wish distinctly to be understood that I cannot agree with Mr. Galt, that the existing directories or any selection by them are the most eligible parties for the purpose. I believe that if the votes of permanent railway officers were taken on the subject, that most of them would agree with me upon that point.

bjections to ilway di- ctorates for rrying out ilway reform.

By whomsoever the reform is conducted, it should be conducted by persons giving undivided attention to it. Divided attention, whether by a changing party political chief, or by any commercial director, however able, would be detrimental to the proper organization or working of any system. But by whomsoever it is conducted it should be conducted by persons who have given evidence of having obtained a complete mastery of the leading principles to be applied, evidence not merely assentient to the short enunciation of each principle, but of a mastery over it by the laborious process of observation of the particular facts of which the principle is made up. "To him who devises let "the execution be given," is an administrative action of primary importance for success. The Government may be advised to call for plans and estimates from those who would offer to conduct the measure. The railway directorates comprise men of the highest honour, intelligence, and ability in the country, but the competency of the common directorates may be challenged not only from their want of perception of any leading principle, but from their being imbued with principles which in their action are proved to have been false, not alone politically or administratively false, but false as commercial principles. And first and foremost of these is the principle of competition on which they have induced shareholders to commit their property, that is to say, the principle of unlimited competition by two or three capitals and two or three sets of railways in a field of service that may be supplied under proper regulations by one, or what I have elsewhere shown as the false principle of competition *within* the field as opposed to the true economical principle of competition *for* the field. Added to this is their ignorance of the economical and commercial principles of increasing ratios of demand with diminishing charges, with increasing conveniences and comforts of supply, with the increasing means of reducing cost by the distribution of establishment charges, with increasing uses of them, as manifested by their action on the erroneous principle that no one travels who is not obliged, and consequently that every reduction of fares, every expenditure for improvements in construction or comfort is an unnecessary expense and waste; by their discouragement and barbarous treatment of third-class passengers, really the most paying; by the refusal of covered carriages for them, by the declaration made by the directors whilst they were charging a penny a mile for carrying the old, the feeble, and the sick, penned together, sometimes standing in open carriages in the most inclement weather, that if they were compelled to give them close carriages it would be ruinous to them. Added to these is their false economical notion that the only test of the value of the means of public transit is by the payment of a dividend and not even bare payment of expenses by a toll, and that the improved value of adjacent land is an element of no practical value to be taken into account, that the cost of outlay, instead of the extent of consumption and the productiveness of the return, is the main elements for rates of charge. These and the other like current doctrines, and the new heretical one devised in their interests, that the means of communication may be abandoned for their trading profit, I apprehend imply states of mind as hopeless for devising or executing measures of railway reform as were those which had to be contended against and which so long delayed the great postal reform, that no one wrote a letter who was not obliged, and that all reductions of rates or expenditure for improvements in speed was simple and hopeless waste of revenue.

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The whole action of the railway directories as a class has been one of gigantic failure, having promised ten per cent. to original shareholders, they have given little more than three, so that the shareholders generally would have been better if they had kept the money in their pockets or in the securities of the Government. No Government in our times could have survived.

But the great and primary object is acknowledged to be a general amalgamation, and a general amalgamation cannot be effected consistently with the commercial conditions of competition on which they have taken their lines, nor can local and general taxes be consistently remitted or the benefit of public security be given for the advantages of mere trading monopolies, even if the directorates were to renounce the commercial and accept the public conditions of a responsible service. Their amalgamations have generally been commercial failures, the new branches, which on correct principles might have been and would have been really *feeders* of the trunk lines, have in their hands and by their mismanagement generally been made *suckers*. On impartial consideration it will appear they have no general basis of past good management to offer any proper guarantee for future reform, and especially for the first requisite step, that of general amalgamation, and the completion of a system of capillaries into one system, connected with an organized system of trunk lines.

For what I have stated as to the commercial mismanagement of our railways I have high commercial authority. The late Mr. James Morrison, who made between three and four millions of money, will be acknowledged to be a foremost one. He explained to me the principles of his success, one of which was always to consult the interests of the consumer. On asking him how it was that with such apparently very simple principles he was so singular in their application or that he had not numerous successful competitors, he said that the fact was that with the common commercial and trading minds it was rare to find any one who could act constantly on principle. In illustration of this fact the whole of the common railway management appears to me to be illustrative of his statement, in the want of proper consideration of the interests of the consumer, the public, and especially of the most numerous, the poorer and most important classes of them. Another illustration is presented as to their want of knowledge of the facts, as I assume it to be, by the persistent representations of the railway directories that they were largely losing money by book parcels post, by the statement that the loss was 55,000*l.* a year to the London and North-western alone, making it out that the total loss throughout the whole kingdom must be upwards of a million per annum, whilst the real fact was that the total receipts for the post office was little more than 1,600*l.*; and also their persistent representation that the success of the penny postage was due to the railways, whilst it has the greatest success in the metropolitan and other districts with which the railways could have nothing to do (*vide* Report on Parcel Post, which I herewith submit). The late Mr. Robert Stephenson is stated to have concurred with the best authorities on railway interests, and the term includes the interest of the public as well as of the shareholders, in unanimously avowing the inefficiency of railway management by directorates elected from the shareholders. His opinion of the qualities

Administrative qualities desirable for superior control.

desirable for a superior control was stated in the following well-weighed words in his augural address as President of the Institute of Civil Engineers:

"What," he said, "we ask is knowledge. Give us a tribunal competent to form a sound opinion. Commit to that tribunal, with any restrictions you think necessary, the whole of the great questions pertaining to our system. Let it protect private interests apart from railways; let it judge of the desirability of all initiatory measures, of all proposals for purchase, amalgamations, or other railway arrangements; delegate to it the power of enforcing such regulations and restrictions as may be thought needful to secure the rights of private persons or of the public; devolve on it the duty of consolidating, if possible, the railway laws, and making such amendments thereon as the public interests and the property now depending on it may require; give it full delegated authority over us in any way you please, all that we ask is that it shall be a tribunal that is impartial and that is thoroughly informed, and if impartiality and intelligence are secured we do not fear the results."

This view is in accordance with mine, and I think opposed to that of Mr. Galt.

Objections to reform on the score of Government patronage answered.

In respect to the objection made to the resumption of the public rights of the highway by a Government department, that the control would be subject to political influences, it might be answered that such influence could scarcely be more prejudicial than the sinister interests at present known to be in operation; but my answer is that a Government that cannot be trusted to do such work is a Government that ought to be superseded. Assuming, however, that there has been ground for the imputation (and the assumption is countenanced by some questions put by a Commissioner who is a permanent officer of the War Department), I submit that the remedy would be found in arrangements which shall remove the determination on contracts from changing party political chiefs, and place them in the hands of permanent responsible officers, acting under such checks as I am informed may be found by a consultation of the practice in France in this respect. I am assured by Major-General Balfour, who has had considerable experience as an administrator in India, who has closely examined the army accounts of France, that the army arrangements there and the securities for contracts for supplies are superior to those in England, and are efficient for the public protection, either from political interference or departmental malversation. Such testimony is corroborated by the great and undeniable fact of the outcome of the army administration, namely, an army nearly double the force of ours at no greater expense. One check in my own experience in contracts' management is, in making on every occasion a very close analysis of the cost of the production of works (as also of services) and careful cross estimates. Another is, wherever practical, actual trial works carefully conducted. As a general rule, however, it is absurd where any manufactures are conducted by private enterprise on a large scale, that public departments should manufacture on a small scale, and the converse. I speak on the authority of those who have attended committees being engaged in the investigation, and I say that although the Government management, as it is, may be improvable, yet Government works have had the decided and important advantage over private manufactures. At the Institute of Civil Engineers there was an important discussion as to whether the railway companies should manufacture their own rolling stock or not; of course private manufacturers contended against the practice, but I did not think they had the advantage in facts or arguments. I have private manufacturing authority for saying that Government ought to keep up some works of its own, of the nature of constant trial works and as a check to private contracts; and so I think it would be in respect to contracts for services as well as works. On this principle, which appears to me to require a great deal of consideration, much more may be said; it might be expedient that on behalf of the public a line or branch might be taken in England as a trial work.

Securities for contract management.

Abuse of patronage by railway directors.

The objection made by the railway interest to any reform in behalf of the public, that the resumption of the public means of communication must be attended by abuse and patronage, comes, however, with an ill grace from directorates who notoriously do use a railway service as means of private and of political patronage. The recent instance of Harwich is only a common instance. The retention of that pernicious patronage is a great obstacle to the reform needed in behalf of the shareholders.

Checks to corrupt governmental patronage.

Assuming (which I do not) for a moment that the whole means of railway communication should be managed direct for the public by the Government, I must submit that we have gained in recent times a tried and efficient check to the corrupt use of the public service for party purposes in well-conducted competitive examinations. In respect to the minor dockyard appointments to dockyard apprentices and labourers, it is admitted and declared on all hands by the officers there that the test of the competitive examination is complete and most beneficial. I believe there would be no doubt, looking at the subject impartially, that the application of the like test to the mass of minor railway appointments would be attended with great economical as well as social benefit. I think it not improbable that even contractors for services consulting the dockyard experience would be quite willing to avail themselves of that public test.

Success petitive nations lower a ments.

In respect to the superior offices of control of works or of service on the French principle, to which I have adverted, such as the engineers of control, we have at last gained a test which equally excludes political patronage, at all events for admissions, namely, in the Royal Engineers, who are admitted to the Royal Woolwich Academy by open competition in the first instance, and afterwards by close competition get commissions as engineers. Whatever faults there may yet be in the subject matter and methods of competition and of study, it is quite admitted by competent and impartial persons that the result is, a body of officers who, as a class, are superior to any that have yet been provided for the public service. An eminent professor, who has had opportunities of knowing both classes, ranks the new class of competitive engineers in quality of mind with first-class men of Cambridge. Competitive examination is, I may observe, the basis of the appointment of engineers in France, and private commercial companies in France engage those officers when they can get them to direct their service or conduct their works. The higher commercial bidding for the services of these competitives is a matter of complaint with the heads of the French army, that they are constantly losing their best officers by it. I submit that it would be one advantage of the reform contemplated, that it would afford an opportunity for the appointment and promotion of privates, non-commissioned officers, and officers who have served in the army or navy, and have had the important training in army or navy discipline. Mr. Whitworth, Mr. Fairbairn, and other large mechanical engineers, have given me testimony that some of the best men on their works, not only as artizans but as watchmen and foremen, are men who have served in the army or navy.

Success petitive mination the high appoint

Employ of army sioners.

The consideration of these points will, I am satisfied, reverse entirely the objection made by railway directories and persons in their interests to reform on the score of party political patronage.

I feel very confident that trial lines might be advantageously intrusted to officers of the engineers, which appointments might have the advantage that any errors in them might be more easily rectified by changes and replacements.

Some of the continental governments have utilized their engineer force by employing it directly in the construction of railways. I believe that not less than 20,000 men and officers of the Austrian army were employed at one time in the construction of the railroad from Cracow to Lemberg; the French army have done admirable work in road construction in Algeria for extra pay, and I see no reason why, with the increasing scarcity and high price of labour, men in the ranks of the army may not be allowed to volunteer for extensions and new branch lines. Our Indian as well as other experience established the fact that occupation of soldiers in civil work in peace is the best preparation for efficiency in war. Some governments have utilized their military force by employing it in the railway service to a very great extent. This has been often done pragmatically and in a way to offend Englishmen, who, though not offended at the sight of sentinels at theatres royal, have ridiculed their appearance at railway stations, and are offended at being ordered about by men in uniform. This professional habit, however, has now disappeared, and given place to the simple economy of service, unpretentious and simple.

Utilizati military in time o peace.

Closer in needed fo practical clusions.

The closer inquiries which I have ventured to recommend, and the special inquiries on the several topics, may not be necessary to inform myself as to the *principles* applicable to the subject, but they would clearly be very important to inform others who have had less opportunity of considering them. I should deem them necessary to inform myself of direct practical *application* of those principles, especially as to the extent of the economies derivable from unity of management, and as to the means that be got from those economies for the compensation of shareholders. The shareholders themselves appear to be in such widely different categories that no reliable opinion could, as it appears to me, be expressed in respect to them without close inquiry, and much special and judicial consideration and determination. All however may be promised *something* from reform; one set in the increased value from security, others in positive increase of dividends. I think

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the shareholders generally entitled to just compensation, and all might be assured of something which they would find good reason to accept, if directly appealed to. The passing of an Act of Parliament implies that there has been the legislative sanction to the plan, which the legislators are not warranted in divesting themselves of, as they are wont to do. It implies that the duty of examining the plan has been performed, and that upon examination the promise of remuneration held out by the plan is in the opinion of the legislature so well founded as to warrant the privilege. It is contrary to the popular belief of legislative duty that no proper inquiry has been made, and that the plan is one cast forth for people to act upon solely on their own knowledge, or that there has been no examination or recognition of its soundness whatsoever, notwithstanding the vast expense incurred apparently for a *bonâ fide* sifting of the real value of the plan. It cannot be intended to be said, "We authorize the raising of this "money upon pretences that, for aught we knew or cared "to know, are utterly false and ruinous." I think the basis of the reform should be that set forth in the examples in France to which I have referred, namely, by unity of management a given amount of capital may be saved, or improved money values given by public security, and savings made of local taxes, which may be divided between the public and the shareholders, the amount of which would be a matter of close inquiries, and the division of which would be matter of judicial examination and equitable allotment. I am assured by experienced persons that the shareholders would, if left to themselves, rely more upon any properly constituted public authority than they can now do on their directorates. The permanent staffs would all be retained. As one compensation to directors from their loss of privileges, they might be allowed free passes for life all over the entire system.

Mr. E. Chadwick, C.B.

10 May 1866.

Early practical arrangement for consideration.

It might be open to consideration whether the most eligible course would not be the early constitution of a distinct department of public railway business, to exercise the functions I have described of local inquiry, for the determination of new extensions and branches, and to charge that department with the duty and power of making the closer special and local inquiries needed, and the preparation of legislative measures for the attainment of all the economies derivable from unity of management under a general responsible public control. Such a body, possessing the attributes described by Mr. Robert Stephenson, empowered to prepare measures with expository reports and the justificatory evidence, would be in a position to assure shareholders, and to deal with them directly, would have their confidence, as well as that of the public and the legislature, if it were formed upon clear and settled public principles.

Tuesday, 15th May 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., C.B., F.R.S.
WILLIAM POLE, F.R.S., *Secretary.*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

MR. DANIEL GOOCH, M.P., examined.

Mr. D. Gooch, M.P.

15 May 1866.

17,309. (*Chairman.*) I believe you are the chairman of the Great Western Railway Company?—I am.

17,310. Have you been in former times connected with other large railway companies?—I was for 27 years the locomotive engineer of the Great Western.

17,311. Is that the only railway company with which you have been at any time connected?—The only railway company.

17,312. You are conversant with the details of railway administration?—Yes.

17,313. Can you furnish any details with reference to the working expenses of trains, either for goods or passengers?—I have a return worked out for the last 12 months, showing the cost per mile run of trains, and the various expenditures that are incurred upon the Great Western Railway. Taking the last year, 1865, our maintenance of way cost us 6·35*d.* per train mile. The locomotive account was 7·65*d.*; the carriage and waggon repairs 3·37*d.*; the carrying account was 6·91*d.*

17,314. (*Mr. Glyn.*) What do you mean by the carrying account?—The carrying account embraces all the charges for the management of traffic apart from those other definite charges such as rolling stock.

17,315. Does it include the fixed charges?—Yes, it does. I think I had better give the whole first, and then explain the principal items. General charges, 2·74*d.* Compensation and allowances—that is an item for compensation to people whose goods are injured—amounts to ·45*d.*

17,316. Both for goods and passengers?—Yes, for the total mileage. I am dealing with the total. Disbursements for repairs, which has reference to the general repairs of furniture and stations, not the buildings themselves, which are included in the permanent way, come to ·13*d.* Then we come to expenses of working joint lines and stations, ·99*d.* Fire insurance premiums, ·07*d.* General office expenses, which mean allowance to directors and auditors, establishment and secretaries, general manager, and office expenses, ·62*d.* Government duty on receipts from passengers comes out at 1·12*d.*

17,317. (*Capt. Galton.*) That does not include rates?—No, that is Government duty on receipts from passengers only. Then there are miscellaneous expenses, which is only a small item, ·04*d.* Rates and taxes, 1·10*d.* Then we pay rent for hire of waggons, ·19*d.* Those are waggons which are purchased upon a system, which is a good deal adopted, of paying so much per year for a small number of years.

17,318. You keep them in repair?—Yes, we maintain them; they are our waggons. Instead of using capital, we pay so much per annum, which repays the manufacture in the course of seven or ten years, as the period may be. Then we reserve for doubtful debts, ·06*d.*

17,319. (*Mr. Horsfall.*) That is, bad debts?—Yes. We pay so much every half-year as a reserve to meet that. It is an annual charge. We make a fixed charge of 3,000*l.* a year, which we put aside for that. Then stamps for debentures, ·02*d.* Those together amount to 2*s.* 7·81*d.* That is the actual cost per train mile for the year ending 31st January 1866. The total train miles amount to 12,396,975. I will now give the details embraced in the larger items. I will first take maintenance of way. The details embraced in that are the salaries, office and general expenses, the engineers, superintendents, and inspectors; wages of men employed in repairs and renewals of permanent way, and ballasting; materials used in repairs and renewals of permanent way; repairs of bridges, tunnels, viaducts, slips, &c.; repairs of stations and buildings, signals, cranes, weighing machines, &c.; repairs to gates, fences, and approach roads. Then there is a small sum for subsidence of mines and casualties of that kind. Then there is an item for reconstruction of bridges and viaducts, which is substituting brick or iron for timber. Those are the items embraced in the maintenance of permanent way.

17,320. (*Capt. Galton.*) Then you charge to the revenue account the substitution of brick and iron for timber in bridges and viaducts?—We assume that an iron or brick viaduct is of more value than a timber one, and therefore we charge a certain portion of the cost to capital account, the balance going to revenue. Under the head of locomotive, there are the ordinary charges

Mr. D. Gooch, M.P.

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for coal, coke, and firewood for engines; oil, tallow, cleaning, and sundry stores for engines; water and cost of engines for pumping; wages of enginemen and firemen, including allowances; wages of engine-cleaners, cokemen, and out-door labourers. Then there are wages for repairs and renewals of engines and tenders; materials for repairs and renewals of engines and tenders; factory expenses, including wages and materials for repairs and machinery and tools, factory buildings, proportion of management, &c. Then there are wages and materials for repairs and renewals of buildings and turntables. Then there are general charges, which include proportion of salaries of superintendents, foremen, clerks, &c.; and rates, taxes, lighting, freight of stores, &c. These are all included under the head of "locomotive."

17,321. The whole of the expenses of the engines are included under the head of locomotive?—The whole.

17,322. In getting at the mileage for engines, when you have piloting and shunting, how do you reckon them;—I am now dealing only with train mileages. The piloting and shunting are not counted in at all.

17,323. You throw the whole into the train mileage?—Yes, the cost of that is thrown upon the train mileage.

17,324. Does your account show what proportion of the 7·65*d.* is taken up by the wages of the engine-driver?—The 7·65*d.* is made up of these details:—Fuel, 1·71*d.*; wages of enginemen and firemen, 1·49*d.*; wages of cleaners, cokemen, &c., ·43*d.*; oil, tallow, and sundry running stores, ·28*d.*; wages and materials for repairs and renewals of engines and tenders, 3·24*d.*; water, including pumping engines, ·18*d.*; Salaries of superintendents, clerks, &c., ·16*d.*; gas, rates, buildings, and fire charges, ·13*d.*; those together making 7·65*d.**

17,325. The cost of 3·24*d.*, which is the cost of wages and materials for repairs and renewals of engines and tenders, is what keeps the engine up in full working order, but does not add a more powerful engine; for instance, if you have been building a more powerful engine than you have been previously running, would you charge the whole cost of that more powerful engine upon capital, or would you charge some of it to revenue and some of it to capital?—No; we have made no charge against capital for renewal of engines; any new engines that we substitute for old ones, although they may be an improved engine on the old ones, are debited to revenue account.

17,326. Then you do not adopt the same course with your engines that you do with your permanent way?—No; it is a very small item, which is absorbed in the general amount.

17,327. If you increase the number of engines you charge those to capital account?—Yes; we maintain our stock by number. Whatever number of engines we have we maintain that. If one is destroyed by age, and it is better to build a new one, we build it at the expense of revenue, of course, taking credit for the materials of the old one as far as they go.

17,328. (*Earl of Belmore.*) How long does an engine last?—The engines that we commenced with in the year 1839–40 are still running very well.

17,329. (*Chairman.*) But there is not a great deal of the old engine left?—Yes, there is a great deal left; there are the wheels, the axles, the boilers, and in fact a great deal of the old engine is left.

17,330. (*Capt. Galton.*) What is the most economical distance which you consider an engine should travel so as to keep the wages of the enginemen and firemen at a minimum per train mile?—We think 160 miles per day.

17,331. Is that for every day in the week?—No; it is rather a question of enginemen than engines; our engines will run a great deal more than our men will, therefore we endeavour to give our men one day in the week as a shed day.

17,332. Exclusive of Sundays?—He takes his turn on the Sunday in addition. There are necessarily a great many men on duty on Sunday, but we do not include Sunday in the shed days.

17,333. (*Mr. Glyn.*) Then you consider 160 miles per day a fair day's work for an engine?—That is what we endeavour to get, but we do not get it on an average.

17,334. What is the average that you do get?—We do not get much more than from 110 to 120 miles per day.

17,335. (*Capt. Galton.*) That would be taking in the shed days?—I am taking engines in steam.

17,336. Then the average would be even lower than that?—It would be even lower than that, because, if you take the shed days, we pay the enginemen wages for the shed days. It is, as I have said, more a question of enginemen than of engines. We do occasionally run engines a considerable distance. We used to run the engines of our express trains from London to Birmingham and back, and also from London to Bristol and back.

17,337. Did they do that four days a week?—No, they did not. We do not work the men on the main line on the same train every day; for instance, there may be 12 or 14 passenger trains started from Paddington; the man who goes out one morning at 6 o'clock will go out the next morning at 7 o'clock, and so on, and he will take the rota of each of the trains, so that he goes through the whole of them.

17,338. You do not put the same people on your express trains?—Not at all.

17,339. Do you pay them at all according to the distance they run?—No. We expect a man to run about 160 miles per day, and after that, when we ran the express trains as I have described to Bristol and Birmingham, we gave the men a day and a half for it, and the next day they worked half a day in the shed, so as to make up the two days.

17,340. (*Mr. Horsfall.*) Your calculation that the engine would run 160 miles a day is without any undue wear and tear?—Yes, even more than that. As far as the engines are concerned, they should run 200 miles a day. It is not a question of engine at all, it is quite a question of the fatigue we can subject our men to with safety.

17,341. (*Chairman.*) Does your train mileage include empty trains or full trains?—Empty trains as well.

17,342. (*Capt. Galton.*) The cost of the shunting is included in the train mileage?—Yes, clearly.

17,343. So that it includes the whole charge of your locomotive establishment?—The whole charge of the locomotive establishment divided by actual trains.

17,344. What wages do you pay the engine-drivers?—We have a scale. The highest class of wages under which the greater number of our old men are getting 7*s.* 6*d.* per day, and 6*d.* per day good-conduct premium, or 10*l.* per year.

17,345. What are the wages of the firemen?—The highest is 4*s.* 6*d.*

17,346. What is the lowest class of engine-drivers?—He begins as what we call a shunting man or a pilot man, at 4*s.* 6*d.*; then he goes on to the goods trains at 5*s.*

17,347. Then your highest class of engine-drivers get higher wages than are paid in any establishment where machinery is employed to artizans?—Yes, much higher.

17,348. (*Mr. Horsfall.*) What do your guards generally get?—Our guards get 21*s.* to 40*s.* a week.

17,349. (*Earl of Belmore.*) How do you manage with regard to your engine-drivers on short branches, upon which your trains run backwards and forwards several times a day?—He does his day's work; he is at it all day long.

17,350. You do not put him on the main line occasionally?—No, he is constantly on that branch—he lives there.

17,351. That is the system which you adopt?—Yes.

17,352. (*Capt. Galton.*) Can you separate goods from passengers?—No; we have never been able to

* The various amounts stated give a total of only 7·62, but the figure 7·65 is produced from the totals of cost and mileage.

get any satisfactory apportionment of the expenses, so large a portion of our staff over the line is employed in both goods and passengers.

17,353. (*Mr. Glyn.*) It is impossible to subdivide them at all the small stations ?—Quite so. It has been attempted once or twice to see if we can do so satisfactorily, but without success.

17,354. (*Capt. Galton.*) Do you separate your locomotive expenses into goods and passengers ?—Yes ; 7·65*d.* represents the average, and it may be taken that about 8½*d.* is for goods, and from 6½*d.* to 6¾*d.* for passengers.

17,355. In which of the detailed items would the excess arise on goods ? Would it arise on engine-drivers and firemen ?—Of course it arises a good deal on fuel ; the fuel is nearly double on our goods to what it is on our passengers trains.

17,356. Are the repairs more ?—The repairs are more.

17,357. (*Chairman.*) Now will you proceed with your abstract of the larger items ?—The next is as to the repairs of carriages and waggons, the items of which consist simply of materials and wages for that purpose. The carrying account is a large item. That embraces these items :—Guards, police, and inspectors, porters, clothing, stores consumed at stations by the carriages and waggons in the shape of grease ; stores, disbursements, that is, to a certain extent, managing our store department, carrying expenses, lighting and gas at stations, London receiving houses expenses, mileage, office expenses, telegraph expenses, and hydraulic working expenses in our various goods sheds where we use hydraulic power. Many of those are large items.

17,358. (*Capt. Galton.*) What are the relative wages that you pay the goods engine-drivers as compared with the passenger engine-drivers ?—The goods engine-drivers begin at 5*s.* per day, and as all new men go on to goods engines before they go upon passenger engines, the lower wages men are on goods engines and the higher wages men are on passenger engines.

17,359. (*Mr. Glyn.*) Do you include the station clerks in the salaries ?—They are not in that list, they are in the next head, which is general charges.

17,360. (*Chairman.*) If I caught your answer right, amongst one of the items in the carrying account there was one called carrying expenses ; that appears to be almost the same as the carrying account ?—It is.

17,361. How do you distinguish carrying expenses from carrying account ?—I am afraid I can hardly tell you what that means, but I will furnish it.*

17,362. (*Capt. Galton.*) You passed on from the locomotive to the carrying expenses ; in your first answer you gave repairs of carriages and waggons and locomotives ?—I mentioned just now that those consisted simply of repairs.

17,363. Can you give the difference in the cost of repairs between the passenger carriages and the goods waggons ?—3·7*d.* ; that is made up in this way ; taking the same period that I gave for repairs, the cost per train mile of our carriages was 1·46*d.* ; the cost per train mile of our goods waggons was 4·84*d.* ; then the luggage covers come to ·53*d.* Those are calculated on the mileage of the trains over the cost of the carriage repairs and the waggon repairs separately.

17,364. Are the waggon covers on the Great Western more expensive than on the narrow gauge lines ?—What I am speaking of here as luggage covers are tarpaulins. The other covers, which enclose the waggons with a piece of tarpaulin shut up like a fan, are included in wages and repairs.

17,365. Can you give any estimate of the average number of miles that are run by the passenger carriages and goods waggons in a day, or in a year ?—I took that out a few years ago for another purpose. I have got it up to the year 1862. In 1858 our total average mileage of all vehicles was 8,820 ; in 1859 it was 9,394 ; in 1860 it was 9,988 ; in 1861 it was 9,407 ; and in 1862 it was 8,304. I have not any later returns.

17,366. That is for passengers ?—That is the total.

17,367. Can you divide that between passengers and goods ?—I have no doubt I can furnish such a return, but I have not the means of dividing it with me.

17,368. (*Mr. Glyn.*) Have you got it for the narrow gauge also ?—No ; the narrow gauge was not quite so good. Speaking from recollection, I think that the mileage over the narrow-gauge system was between 7,000 and 8,000. Our narrow-gauge system embraces a great many lines upon which the traffic is exceedingly light, namely, those in the West Midland districts.

17,369. (*Chairman.*) Do you know whether there is any material difference between the miles run by the waggons and the carriages per year ?—A carriage runs further than a waggon does, a great deal further.

17,370. Can you give what useful mileage you get out of the carriages and waggons in running just as you say ; you run an engine from 110 to 160 miles per day, can you state how far the waggons and carriages run in the same way ?—I have no doubt we can get some return of that. These are useful mileages. The coal waggons run full one way, and empty another. The empty mileage is included, of course, because it cannot be called useless, as it must go back to load.

17,371. (*Capt. Galton.*) The mileage which is mentioned is, of course, in proportion to that which is standing idle and under repair, as well as over that which is running ?—In both cases it is on the whole stock.

17,372. The carrying account is the expenses of the staff employed ?—The working staff of the line.

17,373. Porters, and every one, except the station masters ?—The station masters are another item.

17,374. All the expenses of your large goods station at Paddington are included under that ?—Yes.

17,375. If you have carts and waggons to distribute traffic in London or in the country, is that included ?—No ; cartage is not put into our accounts at all, it is deducted from our receipts.

17,376. Cartage is covered by a separate payment ?—Yes ; it is not even put into our receipts or expenses.

17,377. You merely add to your receipts the actual cost of the cartage, and the overplus or profit ?—Yes.

17,378. (*Chairman.*) What do the general charges consist of ?—General charges is 2·74*d.* They consist of superintendents and clerks ; stationery account, disbursements and tickets ; sundry office expenses, printing, advertising, postage, &c. ; travelling expenses, &c. ; water at passenger stations, and medical expenses.

17,379. (*Capt. Galton.*) Do you provide medical attendance for all your servants ?—We pay a medical man a certain sum ; he attends the provident society, and also in case of any accident he goes at once to see the cases. We pay him a certain salary for it ; and of course bills come in for medical attendance in case of an accident on other parts of the line. The other items which I gave there is no general abstract of ; they speak pretty much for themselves.

17,380. (*Chairman.*) Does the item of expenses of working joint lines and stations include your proportion of all the working expenses of the joint lines ?—It is our proportion of them.

17,381. And the maintaining of them ?—Yes. It is not very large per mile, but it comes to a great deal ; the amount is over 51,000*l.* a year.

17,382. I believe the amount of the joint mileage

* Carrying account includes the wages of porters, police, guards, clothing, stores, gas, water, telegraph expenses, &c.

Carrying expenses includes horse shunting at stations and some other smaller miscellaneous charges.

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which you work is very small as compared with the whole length of your line?—I can give all the mileages. Our actual mileage is this. We are working on our own account 1,175 miles. We work half the line between Gloucester and Cheltenham, which is six miles altogether; three miles belong to us, and three miles belong to the Midland, each of us maintaining half. The North-western and the Great Western work the Shrewsbury and Hereford line, which is 50 miles; the Tenbury line, which is five miles; the Shrewsbury and Wellington, which is nearly 10 miles; and the West London, which is $2\frac{1}{4}$ miles, making 34 miles of joint line that we work under those heads. Then the Great Western, the North-western, the London and Brighton, and the South-western work the West London Extension jointly; $1\frac{1}{2}$ miles of that is ours. We work the Metropolitan and Hammersmith line; say one-half, that is $1\frac{1}{2}$ miles of that belong to us. We have a total mileage which our trains work, and upon which our rails are, of 1,257 miles. We are working jointly, although the receipts are not brought into our traffic account, the Birkenhead Railway. We are working the Vale of Neath Railway. We work into Manchester over the North-western, with running powers. In fact, the total mileage over which our trains work is 1,389.

17,383. What are the other items on which you think any explanation would be useful?—I think the others speak very much for themselves.

17,384. Are those much about the same which they have been on the average for some years?—They have been slightly on the increase.

17,385. Has there been an increase on all the items generally?—No; I think that some of the locomotive items are slightly on the decrease. We have been using cheaper fuel. Our wages and repairs have been slightly on the increase, and our traffic charges have certainly been on the increase.

17,386. (*Capt. Galton.*) Is that from the rise in wages?—Partly that, and partly from our establishment getting larger.

17,387. (*Mr. Glyn.*) You find wages rising in all branches, do you not?—Yes, everywhere; it is a very serious matter.

17,388. (*Chairman.*) Is maintenance of way a stationary amount?—Maintenance of way has been stationary for some little time, but the wages are now rising and increasing it.

17,389. Have you any means of forming an opinion as to how the maintenance of way is affected by goods traffic and by passenger traffic; that is, whether on a line which has a large mineral and goods traffic the maintenance of way is heavier than on lines where the traffic chiefly consists of passenger trains?—That must, of course, be very much a matter of opinion only; but there can be no doubt that goods traffic, run as it is now run on the main line, must be much more destructive to the permanent way than passenger traffic. We are obliged to run at much higher speeds than it is prudent to run for the good of the permanent way, in order to get the line clear for the passenger traffic, and the construction of the waggons and the condition of the waggons are very much worse for the road than better constructed carriages.

17,390. I presume the goods engines are less adapted to the road than the passenger engines?—I do not know that the engines do so much more harm to the road, because a goods engine is rather better balanced than a passenger engine. Of course, the great object is to distribute the weights equally upon the wheels, so that there shall not be any greater weight upon any one pair of wheels than another. In the case of a passenger engine, they are obliged to put the whole traction power on one pair of wheels; some have four driving wheels. I think the goods engines are not more destructive to the roads than passenger engines.

17,391. (*Mr. Glyn.*) Do you not consider that a high speed for goods trains is a most expensive operation for a railway company?—I think it is. It is a great evil to us to be obliged to run our mineral traffic at the high speed we do run it at.

17,392. What do you consider to be the right average speed of goods trains?—I should like to see goods trains not exceeding 20 miles per hour, or upon the average 15 miles per hour. We are running goods trains at a speed of from 25 to 30 miles per hour, and higher than that if the engine can do it. It is a question of what the engine can do. We are obliged to run them at that speed to keep them out of the way of the other trains.

17,393. (*Chairman.*) If it were possible to run goods trains at a much slower speed, taking all the traffic that is desirable, for instance, at 15 miles per hour, would that greatly reduce the cost of the working expenses?—It would certainly reduce the cost of the working expenses. It would reduce the expense of maintaining the permanent way, and we should be able to take heavier loads. There are a great many charges on railways which are not at all affected by those questions.

17,394. (*Mr. Glyn.*) Practically it is an impossibility to reduce the speed of the goods trains, is it not?—Yes, because we are obliged to free the lines for the passenger traffic. We run the goods trains at night as much as we can, for the purpose of reducing the high speed; but even then the public require high speed for some goods.

17,395. (*Chairman.*) They require their goods to be delivered the first thing in the morning?—They do. Those who live at Bristol, who send their goods at night, require them to be delivered in London in the morning by the time that the warehouses are open; in fact, we are obliged to run express goods trains, as it were.

17,396. (*Mr. Glyn.*) The same remark applies to other places sending goods to London, such as Manchester, for instance?—Yes; goods leaving Manchester at night must be delivered in London early in the morning; they send them purposely by quick trains.

17,397. (*Capt. Galton.*) Is not that class of goods conveyed by waggons which are better adapted for running at high speed than the ordinary goods waggons?—I do not think there is any difference in the waggons. They are our own waggons, which is an advantage as compared with the mineral waggons.

17,398. I believe all your waggons have spring buffers?—Yes.

17,399. Is it the case that the bearings are not so good?—The springs are much more rigid, and the waggons are very short; the wheels are probably, as a rule, not in such good order as the wheels of the carriages are kept, and they are allowed to go longer before they are turned up.

17,400. (*Mr. Horsfall.*) Of course, when the wheels are not in such good order, the wear and tear of the line must be greater?—Yes.

17,401. Have you tried the effect of steel rails?—We have a few steel rails laid down, but not to any extent.

17,402. You have not laid down sufficient to be able to speak as to the difference in the wear?—No, we have had no experience as to the difference in the wear.

17,403. (*Mr. Glyn.*) In fact, that probably can only be ascertained after many years?—That is so.

17,404. (*Mr. Horsfall.*) We have it in evidence before us, that the difference would probably be 20 years as against 40 years, iron lasting 20 years and steel 40 years?—Iron, unfortunately, does not last anything like 20 years; I should think it would be quite in that proportion. I should think a good steel rail would last 40 years; but the difficulty with steel has hitherto been the uncertainty of it.

17,405. (*Mr. Glyn.*) What do you think is the fair duration of what they call the life of a rail?—That depends very much upon the position in which it is placed. It may require relaying in six or eight months if it is in a station, or if the traffic is large; but on many parts of our line a rail has done well for ten years. Of course, rails last much longer upon branches.

17,406. (*Sir R. Hill.*) How does the cost of steel

rails compare with that of iron rails?—They are about double.

17,407. (*Capt. Galton.*) And last twice as long?—I should think more than that. I should think if we could afford to make the outlay that it would be desirable to use steel rails, particularly if we can get steel rails more certain, but the danger of steel is that they are very brittle at times. We have had steel rails delivered to us which broke in lifting them out of the waggon; and then we incur a certain amount of risk in working them afterwards if they are so brittle as that, because we cannot tell until the breakage takes place.

17,408. If steel was largely introduced would it modify the weight of the rolling stock; would you be able to use a less weight of rolling stock with the goods you carry than you do now?—No; I do not think it would make any difference in that respect.

17,409. You could have lighter axles, I suppose?—No; I do not see how a steel rail would affect the axle.

17,410. I meant if steel axles were introduced?—It would be stronger, no doubt, but I think it would be a hazardous thing, and anything that you could save out of them would be a very small saving as compared with the gross weight of the train.

17,411. (*Chairman.*) Do you think it safe to use a lighter rail of steel than an iron rail?—I would not use a lighter rail. I would look simply to the durability of the steel rather than to the strength.

17,412. (*Earl of Belmore.*) Does the manner in which a rail is jointed together and fastened to the sleepers make any difference in the wear and tear of a good road over a bad road?—No doubt the mode of fishing the rails has improved the road very much indeed. Formerly, we used to get a jerk or a blow at every joint, but now it is more a continous bearing. As long as the surface of the rails are good the joint is as good as the rest of the rail.

17,413. Does it make all the difference whether a rail is fastened by nuts or simply bolted down by iron bolts to the sleepers?—I scarcely follow the question,

17,414. I am referring to the mode of joining the rails to the sleepers?—On the best constructed roads they are generally fastened down by bolts.

17,415. Through the flange of the rail?—You have a flat-bottomed rail in that case, and then you fasten that rail down with bolts in the same way as we fasten the Great Western rail down to our longitudinal sleepers.

17,416. Does the variation of those two modes of fastening rails make much difference in the life of the rails?—No; I do not think so. I think it is a mere question of maintenance and keeping the road firmer together.

1,7417. (*Mr. Glyn.*) I presume you would say that where the traffic is very heavy it is quite impossible that there should be any lightening of the rails on the line?—The tendency is to increase the weight of the rails.

17,418. You must have a great resistance in point of fact to the weight which passes over the rail?—You must; the vehicles of the present day are nearly double the weight they used to be.

17,419. (*Chairman.*) The rails used at the present day are very much heavier than those used when the line was opened?—Yes; we are using 80-lbs. rails where 60-lbs. rails were formerly used.

17,420. (*Capt. Galton.*) Would the figures you have given apply to the narrow gauge as well as to the broad gauge?—With reference to the average cost of trains, I think it would. You may say that the broad gauge would be a little in excess of the narrow gauge, but it is not much. Our engines are heavier on the broad gauge than on the narrow.

17,421. And the goods' trains do a great deal more work, do they not?—They do a great deal more work. Both for goods and passengers we have more powerful engines.

17,422. (*Mr. Glyn.*) Do you find that the blending together of the narrow and broad gauge has added very much to the cost of maintaining the way?—Very much. The additional expense of renewing the timber has not as yet come into the cost, because the mixed gauge has not been laid long enough to render necessary a renewal of the timber, but looking to that in addition to the present cost it will be from 80*l.* to 90*l.* per mile. Our present increase per mile on the mixed gauge as compared with the single gauge is 46*l.* per mile; if we add to that the estimate of a renewal of the timber it would bring it up to 93*l.*

17,423. How many years have you worked the mixed gauge?—I should think about 12 years on a portion of the line.

17,424. (*Chairman.*) Do you know whether railway companies keep their accounts in such a form that the items you have enumerated are nearly the same on all the different lines?—I think the bulk of them do.

17,425. Do the Board of Trade returns furnish a fair comparison between the different lines?—Yes; I should think they did.

17,426. Do you see any prospect of a material reduction in any of the working expenses being accomplished?—No; I am afraid I see a very great prospect of a considerable increase. I should think our wages at the present moment are 8 or 10 per cent. higher than they were a year ago. Wages have increased within the last five or six months to one class of men after the other from 8 to 10 per cent. That forms a large item for us. I do not think much can be saved out of the working charges.

17,427. The charge per train mile in Scotland and Ireland appear to be lower than in England, do you know how that arises?—No; I did not know that was the fact.

17,428. I believe it may be stated roughly at 2*s.* 1*d.* in Ireland and 2*s.* 2*d.* in Scotland?—No doubt wages are a very great deal lower both in Ireland and Scotland than they are in England, to begin with. Men are paid in the north of England and Scotland 24*s.* per week, when we pay 36*s.* per week, which is a very large difference. All wages are much greater in England than in either Ireland or Scotland.

17,429. Fuel would be somewhat dearer in Ireland than in England?—In Ireland it would be, and I should think in Scotland.

17,430. (*Mr. Horsfall.*) The wear and tear of the Scotch lines is not so great as upon the English?—It is very much less. They do not know what their ultimate wear and tear will be yet; their lines have been very lightly used as compared with ours. A great deal depends upon the accommodation which is given to passengers. You may make a passenger carry his own portmanteau instead of having porters to do it for him. They do not give that amount of accommodation in the northern portions of England and Scotland that we give in the southern portions of England. I did not know that there was any very large difference between them.

17,431. (*Chairman.*) I think there are many instances in which one company work a line at 1*s.* 10*d.* per mile, for another company?—Where one company contracts to work for another?

17,432. Yes?—It cannot embrace the same items. There are a great many conditions attached to working by contract; for instance, the weight of the train is very often limited.

17,433. (*Mr. Glyn.*) You cannot institute a comparison unless you know all the circumstances?—The contract must be seen to know how the difference occurs. There may be an object in working it cheaply, and the case alluded to may be done at a loss.

17,434. (*Earl of Belmore.*) I suppose it is possible that a working contract of that description might not include the repair of the permanent way?—It might not. There is no reason why it ought to be worked cheaper than the railway company could work it themselves.

17,435. (*Sir. R. Hill.*) You have given the average cost per mile of passenger trains, which appears to be nearly 2*s.* 8*d*?—Yes, I have given the average cost of passenger and goods in that.

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17,436. The passenger trains are somewhat less?—The passenger trains would be less per mile than the goods.

17,437. Of course the cost of a particular train must depend on the number of carriages it contains?—Of course it depends on the number of carriages.

17,438. What would be the average number of carriages in one of your passenger trains?—I should think, taking our branches, that the whole average applying to passengers which I have given you would not be more than four to six coaches, although the maximum may be 25.

17,439. Can you say what difference it would make in the cost of a train if a carriage were added to it?—The addition of a single carriage to a train of five or six, would be the cost of that individual carriage which might be about $\frac{1}{2}d.$ per mile for that carriage. Of course there would be a proportionate increase on the road, but it would be a very minute fraction.

17,440. Would the $\frac{1}{2}d.$ cover the whole expense of the carriage repairs and so on?—The repairs of the carriage would be covered by between $\frac{1}{2}d.$ and $\frac{3}{4}d.$, according to the class of carriage.

17,441. There would be some slight addition to the cost of locomotion, would there not?—Fuel would be a little heavier. It would be difficult to estimate what the cost of one additional carriage would be as regards the locomotive. The engine would probably weigh from 30 to 40 tons, and if each of the carriages weighed five or six tons, seven carriages would be about 40 tons, so that it would be as 7 to about 80 in weight, but a much less proportion in cost.

17,442. You have not perhaps ascertained what the additional cost for locomotive would be?—No, it would be small. We have no means of getting at it.

17,443. Taking the addition of the weight of a carriage, and seeing what proportion that bore to the previous weight of the train, could that calculation be made?—Yes, you would take the carriage itself; it would be a distinct charge.

17,444. I am speaking of the locomotion?—I think it would be so small that the figure which could be put for one carriage out of six or seven would not be worth considering; it would be very small for the locomotive.

17,445. Then the expense of working a line must be very much diminished per passenger if you can run long trains containing a large number of carriages?—No doubt, that is what we wish to get. Long trains pay us best, but unfortunately for us there are too many small trains mixed up in them.

17,446. You think that the additional cost of adding a carriage is not much more than the cost of the carriage itself, that is to say $\frac{1}{2}d.$ per mile?—There must be a certain amount of increased wear upon the rails, and there would be a certain increased cost of locomotive power.

17,447. You think $1d.$ would cover the additional cost?—Yes.

17,448. If you reduced the number of carriages, that is, if you were to take off a carriage, you would reduce the cost of the train to the same extent?—Yes.

17,449. To about the same extent?—It would be pretty much in the same proportion. The engine, which is a large portion of the weight of a train, is a constant quantity, and therefore the difference in the weight of the train must be looked at in connexion with the weight of the engine also.

17,450. Roughly speaking, the additional cost arising from adding a carriage would be about $1d.$; may the saving, when you are throwing off a carriage, be taken roughly at about a $1d.$?—I think $1d.$ is too much. I should not like to say it would be $1d.$ in either case. The permanent way and the locomotive would not amount to $\frac{1}{2}d.$

17,451. (*Chairman.*) Do you see any objection to the publication of rates, that is, that all the rates charged on the line should be accessible to the public?—Do you mean the whole rates of the railway company?

17,452. That any person who wanted to send any traffic by the line should be able to ascertain what the charge would be?—I think he ought to be able to ascertain the charge, and I apprehend he is quite able now to ascertain the charge.

17,453. What are his means of ascertaining the charge?—By inquiry. Of course the rates on a railway like the Great Western are very voluminous; it is an enormous thing.

17,454. They would probably amount to some millions, would they not?—I have been making inquiry lately about some of those questions, and I have been told that the clerks have been a couple of years trying to get the rates into shape. It would take a long time to complete it. They amount to some millions of figures.

17,455. But they are all tabulated in books, are they not?—They are all arranged in books.

17,456. Is there any objection to the public having access to those books?—I do not think there would be any objection to the public having access to those books if they really wanted information, but I do not think it would be well for us to have an office where those books might be open for inspection to anybody, because a great deal of time would be needlessly occupied by our people. Anybody who wishes for information now can get it if he really requires it.

17,457. (*Mr. Horsfall.*) You would have no objection to showing the book to parties who complain of the rate being too high?—I apprehend we should not; but I am not prepared to speak positively as to what our practice would be, because that is a matter with the details of which I have not had much to do. We have no wish to conceal what the rates are from anybody, the rule being that everybody is put on the same footing for the same service.

17,458. And the same with regard to your terminal charges?—Yes, the rule and principle being that everybody is treated alike for similar services.

17,459. (*Mr. Glyn.*) Your objection would mainly be to the difficulty and inconvenience of having to deal with a vast number of rates at any particular station?—Yes, of course it would be a very large thing indeed.

17,460. An immense thing, would it not?—Yes.

17,461. (*Capt. Galton.*) Still, should you see any objection to their being kept in such a form as that they were accessible?—The rates from one particular station to another station?

17,462. Yes?—You could not have all the rates at any particular station.

17,463. I mean the rates from one particular station to another station accessible to anybody to look at if they chose?—I do not know that there would be any particular objection to that. It might be used as a nuisance to us if people from curiosity chose to spend their time in calling our clerks to attend to them. We have quite enough to do for our clerks, but as far as affording any useful information to freighters and persons sending goods upon the line, they are quite at liberty to look at the books.

17,464. (*Sir R. Hill.*) Would not that objection be met by charging a moderate fee?—Whether we should get the fee or not, I do not know.

17,465. (*Mr. Horsfall.*) Do you think the public would pay a fee for that?—I do not think they would. They think they are entitled without a fee to ask what the rate from A. to B. might be.

17,466. Do not you think that the idea of asking for a fee would cause a great deal of angry feeling?—Yes, I think it would. I think the public are entitled to every information that can be given them, and we do give it them. I have never heard any complaints that parties could not get rates if they asked for them.

17,467. (*Capt. Galton.*) Of course the only object would be to prevent any idea in the public mind that special rates were given to particular persons?—Yes, I think it would be a fallacy to suppose that if railway companies wanted to act improperly by the public, that the mere looking at our books would be any check, because we know well enough what has been done. I do not know to what extent it is done

now, but there has been such things as rebate allowances, and things of that kind, which are not in the rate book at all, and the deduction would not appear there.

17,468. (*Lord Stanley.*) I suppose the publication of rates by itself would be of very little use, and might very easily be evaded, might it not?—It could easily be evaded if there were any wish upon the part of the company to evade it.

17,469. (*Chairman.*) Do you conceive it has ever been the practice of railway companies to allow advantages to certain parties by means of rebates?—I have heard that that has been done. I could not say of my own knowledge that it has been done, but I have been told that cases of that kind have arisen. I have been told that we are charging too much. I have quoted a rate of another company to show that we are charging the same as that company, upon which I have been told by the parties sending the goods, "Yes, that is all very well; that is their "charge, but we get a rebate." How far that is true I do not know. I can only speak to it from what I have been told by the parties themselves.

17,470. Can you say whether it is ever the practice to allow indulgences to certain traders by not compelling them to pay as regularly as others?—Certain traders whose accounts are large are allowed to open monthly accounts with the company, and pay at the end of the month for the business of the month, but where a trader's accounts are small, and he only sends a small quantity of goods, it would not answer our purpose to open a ledger account with him. Our practice constantly is to open accounts with large traders.

17,471. (*Mr. Glyn.*) You are regulated as to that by the question of convenience between the traders and the company?—Entirely.

17,472. (*Mr. Horsfall.*) Do you allow any discount?—No, the rates given are the exact figures that we claim.

17,473. (*Mr. Glyn.*) When you make a reduction of rates you generally give general notice of it through the district to which it applies?—Yes, it is soon known through the district when there is a reduction of rates.

17,474. You take some steps to make it known, do you not?—Yes. A reduction of rates is generally made from some pressure put upon us by freighters, or some arrangement by certain parties who are interested in a reduction of rates. It is made known at once when the reduction is agreed upon.

17,475. (*Mr. Horsfall.*) It is to your interest to make it known with the view of getting additional traffic?—It is to our interest to make it known.

17,476. (*Chairman.*) Do you see any objection to a maximum of terminal charges being fixed by Act of Parliament?—I am not a very good witness upon such a matter as terminals, because there are a good many complications mixed up in that question, and it has never been a matter that I have had occasion to give my attention to.

17,477. Have you considered the policy of making considerable reductions in the passenger fares and in rates for goods?—Yes, I have very often considered that.

17,478. What are the results which you have arrived at?—I do not think that either the fares or the rates admit of any reduction. I think, with reference to the increase in wages and the increased expenses of railway companies, that we ought rather to have some improved rates than a diminution. We cannot be going on reducing on one side of the account while we are swelling the other.

17,479. Do you think raising the present fares would increase your gross receipts?—What we care about is not so much the gross receipts as the net divisible balance. If we can get less receipts at a much greater cost, that is the figure that we are interested in.

17,480. (*Capt. Galton.*) In fact, if you carried less at a higher price, you probably would make a better thing of it?—No doubt we might.

17,481. (*Chairman.*) Does that apply to passengers?—It applies to all, I think.

17,482. Would it answer to carry a small number of passengers at increased fares; do you think that would pay a railway company better than carrying large numbers at low fares?—What would answer the purpose of a railway company the best would not be the diminution of weight of a particular train to a small extent, but if there was a considerable diminution in the number of passengers we might diminish the number of trains, and the saving to us would become very palpable. For the purpose of accommodating the public we now run a great many more trains than the traffic requires, and the consequence is that our receipts per train mile are much less than they ought to be.

17,483. (*Mr. Glyn.*) About what is the average loading of your passenger trains; is it one-third?—It is more than one-third, I should think. It depends very much upon the district. Out of London it is a great deal more than one-third on the heavy portion of our line; but I dare say on our branches it is not nearly one-third.*

17,484. Do you average one-third all round?—Yes, I think we do.

17,485. Do not your express trains out of London average two-thirds, or more than that?—Yes, they do. There is one difficulty which we feel very much with our trains out of London on a line like the Great Western, and that is, that the public do not like changing carriages, and the consequence is we are obliged to put on the trains going out of London a great many more carriages than are necessary for the traffic leaving London, in order that the public may be able to reach their destination without changing carriages.

17,486. (*Lord Stanley.*) Do you find that the public expect to have far more room than they actually require?—Yes, you will find passengers walking along the trains to see if there is an empty carriage, as if they wanted to travel alone. There is no doubt in this country we have to carry passengers much more commodiously than they do on the trunk lines abroad.

17,487. (*Chairman.*) Then you are decidedly of opinion that any reduction of fares would be prejudicial to the interests of the companies?—That is quite my opinion. I think we are not in a position to reduce our fares or rates without some special case arises. We do reduce our fares in special cases. We give excursion trains where we are likely to get a very large number of people together. That does not apply to our general traffic. People will not constantly travel because they can go cheaply; you must get them together, and enable them to go cheaper as an excursion. But we do not find towards the end of the year, when people have had their run, that excursion trains pay. They then begin to fall off very much.

17,488. (*Earl of Belmore.*) Do you not find that people who are obliged to take journeys only upon a few occasions in the year wait for the excursion trains?—Yes, they actually write to us to know when we are going to run our excursion trains. I do not think that on the whole the excursion trains pay us much.

17,489. (*Capt. Galton.*) If you were to run more third-class trains than excursion trains, do you not think you would get more traffic?—Our third-class traffic is a very good traffic.

17,490. It is not much developed?—Yes, it is.

17,491. As a rule have you more than two third-class trains each day?—Yes, we even put third-class carriages on to our fast trains.

17,492. On all your trains?—No, not on all our trains, but to some of our fast trains in addition to our ordinary third-class trains. We bring up third-class passengers from Bristol. We put on third-class carriages to the quick trains from Falmouth to London, whereby third-class passengers are enabled to get through in the course of a day, which ordinary third-class trains would not enable them to do.

17,493. (*Mr. Horsfall.*) When you spoke of excursion trains not paying, you spoke only of the Great Western, and not of railways generally?—I am only speaking of what I know.

* See note at end of evidence.

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17,494. (*Mr. Glyn.*) Do you think, on the whole, excursion trains answer?—I do not think we earn much by excursion traffic. I think it is to a large extent accommodation given out of our own pocket. We run great risks. I do not think we get much by it. When we run an excursion train our traffic to the points to which that excursion train goes is much lighter both before and after. That is a well recognized feature of excursion traffic.

17,495. There is a further disadvantage, that in some degree it interferes with your regular traffic at the season when the excursion trains are running?—Yes, it does. Of course we endeavour to avoid that as much as possible. If we put these long trains on to our line they are more or less inconvenient, because an excursion train to be a paying train must be a long train.

17,496. (*Earl of Belmore.*) As a general rule do you not find that there is in practice more liability to accident with slow passenger traffic than with the express traffic, such as accidents arising from collisions?—I do not know that I can say that. The express train is what may be called the crack train on the line, and our people are more on the look out for the express than the ordinary trains. I do not think there is any real difference.

17,497. (*Mr. Glyn.*) There have been greater facilities afforded of late years for the forwarding of goods and passengers between the respective companies throughout England, have there not?—A great deal. I think it is our interest to do that to the utmost extent to which it can be done. I think the harmonious working of railway companies is very important.

17,498. You see a disposition upon the part of the great companies to encourage that, do you not?—A very great disposition. The more that can be done by the railway companies in that direction, instead of competing with each other as they have been doing to a great extent, the better. If they were to carry that out more than they have done, they would be serving their own interests much better as well as the interests of the public; they would do better for the public and earn a great deal more money for themselves. For instance, take the traffic from London to Birmingham; there is only a certain amount of traffic from London to Birmingham. If the North-western were to agree with us that that traffic should be carried in the manner that is most for the advantage of the public; the two companies might so arrange the trains that the public might be able to leave London by nine o'clock from the Paddington station or the Euston station and all go by that one train at that hour, and the other company might have another train at a convenient hour. The saving that would accrue to both companies by that arrangement is manifest, and it would enable the companies to give greater accommodation to the public.

17,499. (*Capt. Galton.*) If they could go by one line and return by another they would be able to economize their time in all probability?—I am quite sure the nearer the larger companies work in harmony the better both for themselves and the public.

17,500. Could not arrangements be made whereby a passenger taking a return ticket might go by one line and return by another?—Yes, it could be worked in this way; suppose two companies are working to given towns in a given district. Instead of unduly competing for that traffic, they might say we will divide the traffic and give the public all the accommodation that can by possibility be wanted, instead of running duplicate trains at the same time, one only doing half the work. We should thereby each save a large sum, and the public would not be inconvenienced in any way.

17,501. You think they might work the traffic jointly and divide the receipts?—Yes; in some fair proportion according to the position of the parties.

17,502. (*Sir R. Hill.*) That is done now on some lines, is it not?—Yes; it is done, but the more it is done, I believe, the better it will be for everybody.

17,503. (*Chairman.*) Are there instances of arrangements of that kind between the Great Western and the South-western?—Yes; we divide the traffic from Reading with the South-western and the South-eastern.

17,504. You have ceased running your trains at the same hours, have you not?—We have not got to that point, because we run trains to very different districts.

17,505. The intermediate traffic is more important than the through traffic?—Yes; but we do divide the Reading traffic in certain proportions between the three companies.

17,506. (*Earl of Belmore.*) Have you not an agreement with the North-western scheduled to your Amalgamation Act of 1863?—Yes; we have.

17,507. Does that apply to passenger traffic?—It applies to everything, it applies to all the business of the companies.

17,508. (*Chairman.*) Can you make any suggestions for further facilitating the interchange of traffic throughout the country?—No; the only suggestion I have to make is one which I have already made, and which we did discuss with the North-western and the Midland, feeling that that should be the principle that should guide us in our intercourse.

17,509. (*Sir R. Hill.*) I suppose the real difficulty in carrying out such arrangements is in determining the share of each company?—That is a simple difficulty, because we refer that to arbitration when we do not agree. One of the greatest difficulties in all these arrangements between companies has been these absurd contractors' lines which have been forced upon us in all directions. We fear that Parliament and companies are too much inclined to encourage some of them. They are difficulties in the way of arrangements which would have been made had it not been for these companies, which exist without a single 1*s.* having been subscribed to make the lines, or a single sod having been turned towards the construction of them.

17,510. (*Capt. Galton.*) Would not facilities for interchange of traffic be more materially advanced, with respect to your line, if you had the narrow gauge instead of the broad gauge?—Yes, they would. I am an old broad-gauge man, but there is no doubt that circumstances have changed very much during the last 15 or 20 years, and the time has come when we have very seriously to consider how the question of the narrow gauge is to be met. We shall either have to change our gauge to a great extent or double it to a great extent, and there is no doubt it will be in the interest of the public to do so. That is a question we are now considering.

17,511. In fact it is a question of very great importance to the whole of the community as well as to yourselves?—It is a very serious question to us; in point of money it is a very large question.

17,512. (*Chairman.*) In your case it would entail a very large expense through having to change the rolling stock?—The change of rolling stock would be a very large burden, because a great portion of the present rolling stock is broad gauge.

17,513. Would it be possible to adapt any portion of that to the narrow gauge?—I think the waggons and carriages to a certain extent might be adapted, but the engines could not, because the broad-gauge engine is too wide in the boiler for the narrow gauge, therefore there would be no possibility of adapting the engines to the narrow gauge.

17,514. Could not your engines be adapted to the Irish gauge?—I think very few of them. Most of our engines are already wider even than the Irish gauge.

17,515. (*Sir R. Hill.*) Do you think that the broad-gauge carriages might safely be run upon the narrow-gauge lines by placing the wheels nearer one another?—No; I do not think they could, I think they would be overhanging too much to be comfortable. I do not think that would do. The change of gauge would not alter all our stations and platforms and things of that kind, which are now constructed to allow of overhanging to a fixed extent. I do not think that even the tunnels would be clear. It would necessitate an entire alteration of the stock.

17,516. (*Mr. Glyn.*) Have you considered the question of forwarding goods between companies, as to whether any more stringent regulations than now exist are required for the purpose of securing quick and regular forwarding?—I think it is so much to the interest of the companies themselves to get the traffic on the line, that the public cannot have a stronger interest than we have.

17,517. You would not allow one company the right to call upon all other companies up to a given point to forward their traffic, and then leave the question of payment to arbitration, should you be afraid of that?—I think if any company had the power of calling upon another company to run special trains constantly over their line, that its exercise would entail a great deal of risk.

17,518. The question of payment for special trains would of course be a matter for arbitration?—I think that it would lead to such constant arbitrations that we should always be in hot water. I think if it will not work without such arbitrations that it will not work at all. Our interest, of course, at present is to get every ton of goods that we can.

17,519. You think that could be left to the interests of the companies themselves?—I think it is their interest, and their interest is much stronger than an Act of Parliament.

17,520. (*Chairman.*) Do you think that any difference might be established with respect to perishable goods from the ordinary traffic, and that there should be stringent powers with reference to forwarding perishable goods without delay?—We are punished as it is, very severely, if we do not forward perishable goods.

17,521. You do not have to pay for them where you receive them from other companies?—We have to pay for them if we receive them at all. If a delay takes place upon our line, of course we should be liable. An action might lie against the person receiving, but the question has been settled that we are ultimately liable.

17,522. (*Sir R. Hill.*) But you are only bound to forward them by the first train after you have received them?—Of course, only by the first train; but with regard to perishable goods there is an organized system. We know what day they are coming, and we know the districts they come from. Our trains are regulated for the purpose. Our object is to get perishable goods. It is a good traffic, and a very profitable one to get. We have to get them into London in time, because if we do not get them into London in time people will not send them. Therefore it is our interest to get the traffic and do the work in the best way in which it can be done.

17,523. (*Chairman.*) Are the mineral waggons on your line chiefly owned by the company or private traders?—I should think the bulk of them belong to us, but we have a great number of private waggons on the line.

17,524. Do you find any inconvenience result from there being a number of waggons belonging to private parties?—Yes; one great inconvenience is the difficulty of getting the private traders to keep them in that state of repair which we keep our own in, and the consequence is, that even with reference to the question of greasing those waggons we have had a great deal of difficulty. The quantity of grease used by them is something extravagant, from the neglect of the bearings. The greasing has hitherto fallen upon our shoulders, and has been a very serious expense to us. We have been calling the attention of these parties to it, and we have determined that if they do not alter their practice we shall charge them for the greasing.

17,525. A smaller quantity of waggons belonging to the company will do the work better than a larger quantity when they belong to private owners?—No doubt; the spare stock of the company, if it is not wanted for one district, could be used for another; if they are not wanted in Birkenhead they can be used in South Wales.

17,526. But private owners do not allow their waggons to be used by other parties?—No, they all go back empty.

17,527. You can get more work out of a waggon if they belong to the company than if they do not belong to the company?—I think, as the coal trade has been carried on, that you cannot make use of the return empty waggons; you must devote certain waggons to that particular trade. The working of coal depends upon the regularity of the supply, therefore the result is, that we do not carry other goods in our return coal waggons, which are made up into certain trains, and go backwards and forwards with the most perfect regularity that we can maintain.

17,528. I believe it is the fact that the signal system on the different lines varies considerably?—Yes, there is a difference upon the different railways, although it is becoming much more uniform than it was.

17,529. Are there any advantages resulting from different companies having different systems of signals?—No; there is no advantage at all. Each railway company thinks its own class of signals the best. We used to have what we call the disc and cross bar signal, which is a very good signal, and easily worked, and is the signal used now upon the Great Western main line; but upon a great many portions of our line the semaphore signal is the signal we use, because it was in use upon the different lines which have amalgamated with us.

17,530. Have any accidents been caused by different companies having different signals?—I cannot call them to mind. I cannot remember any accident which has resulted from the use of different signals.

17,531. Then you are of opinion that the establishment of a general system of signals would probably not be attended with any very great public advantage?—I do not think it would, because the enginemen who work over these different lines are accustomed to the road; they are not allowed to go by themselves until they are accustomed to the road. It is not as though any railway company might run over our line; it is only, as a rule, our own men who run over our own line, and therefore they are acquainted with the signals. A man who works between Paddington and Swindon may never work on any other part of the line at all; he is confined to that district.

17,532. (*Mr. Glyn.*) Have you the telegraph from station to station?—From Didcot to London, where the traffic is very thick, we have the block system.

17,533. I believe you carry the system of through-booking to a great extent upon the Great Western?—Yes, we do.

17,534. And with other lines also?—Yes.

17,535. In fact, you carry the facility of through-booking as far as it can be carried?—We carry it as far as we can get other railway companies to unite with us in doing so.

17,536. Do you find general willingness to meet you upon the part of other companies?—Yes, unless there is some local question between the companies which may affect it. Competition sometimes may have an influence on the companies.

17,537. But that, in fact, works itself as between the companies without the necessity of any interference?—Yes, it may be taken as a rule that the companies are anxious for it, and, for their own interest, give facilities for through booking.

17,538. (*Chairman.*) Are there any instances in which competition is maintained for any considerable length of time?—I suppose competition is continuous to a certain extent, but not the kind of competition which there was at one time, and which had the effect of lowering the rates very considerably between London and Manchester, and London and Reading, when, in fact, people were carried almost for nothing. Such hot fights of competition as that do not last long.

17,539. There have been no instances of that kind for some years?—I do not think there have been any for the last seven or eight years.

17,540. (*Mr. Glyn.*) The system of competitive reduction of rates has ceased?—I think it has.

17,541. The competition for accommodation still

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goes on?—Yes, and there is a sort of competition which still exists, by means of touting and looking after traffic, when the companies have their own agents. It is a question of how to get the most traffic you can, and then the parties will give it to whichever company they think suits them best.

17,542. (*Mr. Horsfall.*) They agree to charge the same rates?—Yes, generally there is the same rate.

17,543. (*Chairman.*) Do you think that the rates on the whole have been lowered by competing lines?—Yes, I suppose in some cases they have been lowered by competing lines.

17,544. It used to be stated that after two competing lines had come to an agreement, they would both agree to raise their fares; has that practically been the consequence?—Of course, they have raised their fares beyond that which they were competing at; but they have not raised their fares, in any case that I know of, beyond what the fares were before the fight began.

17,545. Have they been generally the same as they were before the fight began, or have they not, in most cases, settled down to a lower point?—It has been the tendency to settle down to a lower point. The tendency has been a reduction in the rates on goods and passengers.

17,546. (*Sir R. Hill.*) Have not the lower fares been maintained, because it has been found that the lower fares were more profitable than the higher?—Not as a rule. I think, in some cases, a low fare has been taken on special occasions, either on an actual market day or other days; when we can tempt people to go to market by lowering the fares, we give them facilities on those occasions. I do not think merely reducing the fare tempts people to travel. The working classes have not the time to travel. A man who has a necessity to travel does not care whether he pays 2*s.* more or less from London to Bristol.

17,547. I am speaking of instances in which the fares have been lowered by competition, and after the competition has ceased the low fares have been maintained?—There are instances in which that has been done.

17,548. Was there any other reason for maintaining low fares than that they had proved more profitable than higher fares?—No; it would be entirely a question of receipts to the company, without there was competition at the same time. There is always some feeling of competition.

17,549. The competition having lowered the fares, the companies found it to be their interest, or considered it to be their interest, not to put the fares again quite so high as they were before the competition?—I think it will be found, where fares have been reduced in that kind of way, that it has been more local than general, and has arisen from local circumstances, owing to the nature of the traffic. For instance, take the district between Birmingham and Wolverhampton. I have no doubt that low fares between those places would induce people to go Birmingham or to Wolverhampton, because a man might easily do that, and yet only be absent from his business an hour or so; but with regard to a longer distance, as a general rule over the railway I do not think that persons can be dealt with in the way that is suggested. It is merely those local cases, arising from circumstances which do not affect the whole question.

17,550. (*Chairman.*) You have a large amount of mineral traffic on your line?—Yes, we have a great deal of mineral traffic from South Wales, North Wales, and the Radstock district.

17,551. Do you bring coals to London and that part of England?—Yes, especially from North Wales and South Wales.

17,552. Can you state how much the coal charge is per mile?—We carry now from South Wales to London at three-eighths of a penny per ton per mile.

17,553. Do you think that that low rate pays you?—It has only been tried a short time. It was a reduction that was made last year. I think it is a very low rate. Of course, a great deal depends upon the question of the rate per ton on goods and minerals upon the nature of the gradients. What is a very fair rate as between Swindon and London is a very bad rate indeed over gradients where we can only take one-third or one-fourth of the quantity that we can take between Swindon and London.

17,554. Where you charge three-eighths of a penny do you find waggons?—No; the rate that would suit us, for instance, over our main line would not suit the South Devon or the Cornwall lines where there are gradients of one in 60; such lines as those cannot carry coal at that rate.

17,555. (*Mr. Glyn.*) You could not carry it at that rate, unless there were full loads?—No; even then it is too low.

17,556. (*Mr. Horsfall.*) How many tons can you carry in a load?—500 tons, from Swindon to London.

17,557. (*Earl of Belmore.*) What is your worst gradient?—Our worst gradient is four feet a mile. It is pretty nearly level. We have two very steep inclines between Bristol and Swindon, one of which is the Box tunnel.

17,558. (*Mr. Glyn.*) Is your starting load 500 tons?—No, we have to come over the line between Gloucester and Swindon and have gradients of one in 60.

17,559. (*Earl of Belmore.*) What is the worst gradient of the line between Bristol and Swindon?—One in 100.

17,560. (*Mr. Glyn.*) You charge three-eighths of a penny for the whole distance?—Yes.

17,561. You make up your full load only at Swindon?—Yes; we increase our load from Swindon to London. We do not as a rule get 500 tons. The rule ought to be so, but the difficulty is to get the coal with that regularity which will enable us to work it so as to get full trains up to Swindon, and bring them on to London.

17,562. How long have you tried this rate?—I think it was somewhere about last June or July that we commenced. It was just before I took the chair of the Great Western. I do not know the date exactly.

17,563. (*Chairman.*) Has the tonnage of the coal traffic materially increased since these low rates were commenced?—The tonnage has increased, but our proportionate receipts have fallen off very considerably. As regards our comparative net receipts we are worse off for the change.

17,564. What were your previous rates?—Our previous rates were from $\frac{7}{16}$ths of a penny to a halfpenny.

17,565. (*Earl of Belmore.*) You mean that your net receipts have fallen off?—Although we have done much more work, I do not think we have made so much money. We are losers by it.

17,566. You have not so much available for dividend as you had before?—No, I think not.

17,567. (*Chairman.*) Do you consider when you have made an experiment of that kind that you can go back again to your old charges when the experiment has not proved successful?—It is very difficult to do so; but the understanding in this case was that it was by way of experiment. We are carrying to Birkenhead from South Wales at the same rate.

17,568. You have expressed a strong opinion against what are called speculative lines; have you any suggestions to make with respect to the course that it would be right for Parliament to pursue with regard to the sanction of new lines?—The system which was in operation at the early period of railways, when it was necessary to prove subscription contracts and so on, although I admit it was very much abused by the signatures being obtained without any guarantee of their soundness, was a good one. If a line is brought before Parliament, Parliament ought not to sanction it without being satisfied that it is a *bonâ fide* line, and that the money is forthcoming to make it. Under the present system an engineer, a contractor, and a lawyer will promote a scheme; the contractor will probably find the interest upon the deposit; they will introduce the scheme and get it through Parliament. It costs railway companies very large sums of money annually to fight these lines in Parliament. It

cost us last year 40,000*l.* merely to protect the company against these lines in Parliament. They are lines which are not intended to be made *bonâ fide* by the promoters when their acts are obtained, and there are no means of constructing them without they get other companies to aid them.

17,569. Are not those lines generally taken up by one or other of the large companies after the acts have been obtained?—I hope that will not be the case any more. We have made up our minds not to do so, and I believe the North-western have done the same. We will leave them to fight their own battles for the future. The jealousy that has hitherto existed between railway companies has unfortunately given much encouragement to that kind of lines.

17,570. (*Mr. Glyn.*) Then you think it would be expedient to return to the old system of subscription contract, but that Parliament ought to take some means of seeing that it was a *bonâ fide* subscription contract?—Yes; care is taken by business people who take bills for a large amount to ascertain that the man who puts his name to a bill is able to meet the obligation when it falls upon him. In the same way when a man puts his signature as being responsible for a large amount to a subscription contract, an investigation ought to be made that he is really worth the sum for which he has put down his name. I think that the rule with regard to subscription contracts should be, that every man who puts his name down enters into an obligation that if needful he is to find the money for which he has put his name down. With regard to railway companies who go before Parliament for bills, Parliament has the security of their railways, but there is no security whatever against the buccaneering schemes of lawyers and contractors which are now infesting the country. It is a serious curse to railway companies, not only through their being obliged to keep their staff half the session employed in fighting them before Parliament, but in the outlay of money that is incurred in doing so.

17,571. (*Mr. Horsfall.*) Do you not think that these speculators would still be able to evade what you are now suggesting?—I would try to prevent it. They used to evade it by getting the signature of anybody who chose to write his name down for 10,000*l.* or 20,000*l.*, and who had not as many farthings.

17,572. (*Mr. Glyn.*) They will try to do it?—No doubt they will try to do it. I would throw the responsibility upon the opposition and the committee of investigating every signature. If the opposition had an opportunity of bringing proof before the committee that a certain signature was the signature of a man who although he had put his name down for 10,000*l.* or 20,000*l.* was not worth as many farthings, I think very few of these bills would get through Parliament.

17,573. (*Mr. Horsfall.*) Do you not think that that would be rather an inquisitorial system to adopt?—Not in the least. If you put your name to a bill, the man who takes it inquires whether you are able to meet the obligation which you incur, and I do not see anything inquisitorial in investigating into the responsibility of a man who chooses to write his name against a large sum of money in a subscription contract.

17,574. If the individual enters into the contract he does it with his eyes open?—If I were to enter into a contract with you to do some work I must satisfy myself that you are able to execute the work. I do not think an investigation by Parliament of that sort would be more inquisitorial than that.

17,575. (*Chairman.*) A considerable portion of the parliamentary expenses have arisen from conflicts between different companies?—It has to a great extent more or less. Of late there have not been such contests between railway companies that there used to be.

17,576. You do not think it desirable to put an end to those contests?—No, I do not think that there will ever be again that amount of competition that there formerly was.

17,577. (*Mr. Glyn.*) Does it not become a matter of very serious inconvenience to the staff of the great railway companies who are obliged to attend the Committees of the House of Commons for the purpose of fighting these lines that you have alluded to?—It is a serious loss to us. For instance, Mr. Grierson, the general manager of our railway, and our secretary, are really from the commencement to the end of the session spending their time at Westminster. That is not the place for them; they ought to be on the line; it is a very serious loss to us. They are the only men of that stamp who can do the work at Westminster, owing to the details that they have to deal with.

17,578. (*Chairman.*) Do you think amalgamations of this large class have been carried as far as it is expedient that they should be carried?—Yes, I think the amalgamations of the large companies have gone far enough. The public think that they will be injured if the amalgamation of the large companies is extended. I believe the facilities afforded by amalgamations might to a great extent be obtained without actual amalgamation; I do not know that amalgamation may not be carried too far.

17,579. (*Mr. Glyn.*) I presume you think that the Great Western, the North-western, and the North-eastern are sufficiently large in themselves for any board to manage?—They are quite sufficient for any staff to control, because one mind must control the one system.

17,580. (*Chairman.*) Do you find any inconvenience arises from the extent to which your company has carried amalgamation?—Ours is a very large concern, and I do not know if it were smaller whether it might not in some respects be better managed.

17,581. You think, with all the care of the directors and the officers of the company, that some points get neglected?—Our systems extends over 1,400 miles, and of course it is almost impossible for our supervision to be so effective in every respect as it should be.

17,582. (*Mr. Glyn.*) There is some advantage in the long run it gives you to different points, is there not?—We do not get the full advantage of that. Our engines only run a certain distance, and then they are changed. I do not know that a long run is a matter of much consequence.

There is one point which I wish to mention, and that is the question of a communication between the guard and the engineman. There is a strong feeling in the minds of many that there ought to be a constant communication between the passengers and the guard, and after that between the guard and the engineman. As to a communication between the passengers and the guard, I do not see that there is any necessity for it. If the Board of Trade returns are referred to, going back for years, I believe not a single case will be found, and certainly in my experience of the Great Western there is not one case in which the accident could have been prevented by any communication between the passengers and the guard, or the guard and the engineman. The first intimation that people in the train get of an accident, where injury has arisen, is the accident itself; it is all over before they have time to think of it. But if it were in the power of the passengers to stop a train, and that was really brought into practical use, the stopping of a train upon a main line of railway unexpectedly, with other trains following it, as they do now on many parts of the line, every five or ten minutes, would be highly dangerous. Take the North-western; the trains almost keep within sight of each other. The danger we have now, if an accident happening on the line, either to a waggon or to an engine, arises from the difficulty of getting back in sufficient time to stop another train running into the one which is disabled. It will be found that many accidents of that kind have arisen from there not being time to get back to stop the succeeding train. I do not know that the mere stopping of the train by the passengers could have prevented any accidents.

17,583. I believe this question has been very much discussed by railway managers, has it not?—Very much indeed. There is a public clamour about it certainly, but I do not know any railway officer who has had much experience in railways who does not look upon it as fighting with a shadow. It would be

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introducing an evil which they do not know the extent of.

17,584. Do they not even carry the objection further, and say that it would be really introducing an element of danger ?—I have no hesitation in saying that certain danger would be introduced into the railway system by giving any such power to passengers.

17,585. (*Sir R. Hill.*) It has been proposed that the passengers shall simply inform the guard that danger exists, leaving it to the discretion of the guard to stop the train or not; do you see any objection to that ?—I do not see that it gives any practical result. If a passenger signals to the guard that there is danger, the guard cannot tell by stopping in his box what the danger is. It is left to the discretion of the guard whether he will do a certain thing or not. If the passenger can tell the guard what his fears were, and explain to him exactly what the danger was before the guard was called upon to act it might be practicable, but upon the mere intimation of the passenger to the guard that he thinks there is danger the guard is left to act; the guard must either act upon that or he must take the responsibility of not acting upon it. What is he to do? His orders must be that he must at once stop the train if the thing is to be carried out.

17,586. Have there not been instances in which part of the train has been on fire, which would have been manifest to the guard if his attention had been drawn to the circumstance that there was something wrong ?—I think that the guard must know when a train is on fire, because he rides at the tail of his train, and would see it.

17,587. Have there not been cases, even upon the Great Western line, in which a train has been on fire and which the guard has not known of for a very considerable time ?—No; the only case in which a train was on fire was in the case of a train coming into Paddington station. A spring of one of the carriages had broken, and the wheel coming in contact with the iron guard which there is in a sort of well inside the carriage, made that hot, and set the carriage on fire. That was found out, and the train was pulled up outside the Paddington station. There was no communication between the passengers and the guard. That is the only case which I know of as happening in 27 years. By introducing such a system you will be introducing an evil which will be a certain one for the purpose of curing an evil which may happen once in 27 years, and certainly will not happen continuously.

17,588. (*Chairman.*) Is it not the fact that railway managers have been consulting with one another upon the subject ?—Yes.

17,589. (*Sir R. Hill.*) The practical question is whether the arrangement might not introduce more danger than it would prevent ?—I do not think it would prevent any danger. I go so far as to say, that if you take the Board of Trade returns and look at the accidents that have occurred, in no case would such a facility have been of any use. You must see first of all the evil you have got to cure before you attempt to cure it. There is no such evil, in my opinion, existing which deserves to be called an evil. I have been told that because a man was murdered in a carriage on the North London that it is a monstrous thing that passengers are not able to communicate with the guard. If you are going to murder a man you do not tell him so. I look upon it as a very serious evil. I see there is a bill in Parliament which proposes to introduce something of the kind.

The witness withdrew.

Note to No. 17,483, *and following questions.*—The annexed is a table showing the receipts per passenger and goods' train mile, on the Great Western Railway, from 1849 to 1865, exclusive of the Shrewsbury lines, which shows the effect that a reduction of fares and rates, the opening of branch and other lines, and other causes, has had in reducing the receipts per train mile, notwithstanding the increase of traffic, and the increased power of locomotives, &c.

GREAT WESTERN RAILWAY.

STATEMENT of RECEIPTS per Train Mile.

Date.	Coaching.			Goods.		
	Receipts.	Miles run.	Receipts per Mile.	Receipts.	Miles run.	Receipts per Mile.
	£		*d.*	£		*s.* *d.*
December 1849	314,590	711,813	8 10·07	103,892	147,699	14 0·82
June 1850	295,112	692,292	8 6·308	100,269	167,339	11 11·81
December „	335,432	733,281	9 1·785	103,304	163,478	12 7·66
June 1851	331,849	761,516	8 8·586	106,984	165,069	12 11·55
December „	459,705	872,745	10 6·416	111,976	186,236	12 0·302
June 1852	331,249	899,950	7 4·33	151,415	297,981	10 1·95
December „	390,081	1,043,722	7 5·69	150,230	311,205	9 7·85
June 1853	367,084	1,180,585	6 2·62	181,567	427,547	8 5·92
December „	441,830	1,297,806	6 9·71	209,341	478,218	8 9·06
June 1854	417,364	1,335,430	6 3·00	255,469	538,140	9 5·93
December „	462,342	1,430,324	6 5·57	249,069	574,578	8 8·20
June 1855	446,443	1,587,843	5 7·97	269,632	650,068	8 3·64
December „	534,609	1,643,638	6 6·06	287,135	734,570	7 9·81
June 1856	487,287	1,565,445	6 2·70	306,230	782,966	7 9·86
December „	577,879	1,726,670	6 8·32	316,055	862,773	7 3·91
June 1857	528,424	1,822,416	5 9·58	334,609	943,057	7 1·15
December „	615,953	1,826,630	6 8·93	327,900	954,963	6 10·40
June 1858	508,160	1,585,716	6 4·91	313,824	941,721	6 7·97
December „	607,755	1,710,258	7 1·28	344,565	954,940	7 2·63
June 1859	537,617	1,658,643	6 5·92	355,093	991,486	7 1·96
December „	643,238	1,786,748	7 2·96	377,249	1,076,341	6 11·67
June 1860	557,670	1,785,788	6 2·94	411,320	1,101,352	7 5·63
December „	626,219	1,910,334	6 6·67	412,566	1,184,231	6 11·61
June 1861	548,765	1,884,433	5 9·89	421,993	1,275,397	6 7·59
December „	636,725	1,979,580	6 5·19	445,037	1,321,898	6 8·79
June 1862	636,093	2,245,698	5 7·98	517,772	1,610,506	6 5·14
December „	915,611	2,984,525	6 1·63	696,213	2,367,716	5 10·57
July 1863	910,376	2,992,180	6 1·01	807,482	2,475,562	6 6·28
January 1864	879,456	3,073,781	5 8·66	883,529	2,669,373	6 7·43
July „	908,096	3,302,692	5 5·98	886,118	2,819,782	6 3·65
January 1865	895,557	3,350,339	5 4·15	847,405	2,746,767	6 2·04
July „	889,255	3,339,589	5 3·90	811,128	2,916,373	5 6·75
January 1866	917,093	3,548,822	5 2·02	867,482	3,124,234	5 6·64

Mr. WILLIAM WAINWRIGHT examined.

Mr. W. Wainwright.

15 May 1866.

17,590. (*Sir R. Hill.*) You are, I believe, secretary to the Glasgow and South-western Railway Company?—Yes, I am.

17,591. In the last report of that company we find the cost of locomotion for passenger trains stated at something less than 5*d.* per mile?—That is so.

17,592. Can you explain how it is that the expenditure is so much lower on your line than on the lines of any other companies?—I think one main reason is, that the cost of fuel in our district is lower than in any district of the kingdom. The Caledonian are also much in the same position. In the year 1864 the average cost of coal for our locomotive power was 4*s.* per ton only, but this year, owing to there having been a general increase of wages amongst the colliers, it has increased to 5*s.* Then, again, we run a longer train mileage in proportion to the amount of traffic than almost any other line. I have made a statement taken from the Board of Trade returns which includes the lines worked by the different companies, and shows the expenditure, including the rates and taxes, and all outgoings on the revenue account. I find that we earned on the average for the year 1864, which is the last published report of the Board of Trade, only 4*s.* 0½*d.* per train mile, whereas many companies earn between 5*s.* and 6*s.*, and some upwards of 6*s.*

17,593. (*Mr. Glyn.*) What is your length of mileage?—The mileage of our line is 250 miles.

17,594. And your average earnings?—Do you mean per train mile?

17,595. Yes?—4*s.* per train mile.

17,596. (*Sir R. Hill.*) Are there any expenses omitted in your statement of the cost of locomotion which are usually included in that amount?—No, every possible expense is included.

17,597. Does it include repairs of engines?—Yes.

17,598. And the renewals?—The renewals, and wages, and materials of every kind; in fact, each of the items you will find in the abstract B. of our report.

17,599. Then we may assume that it is a correct statement?—Perfectly correct.

17,600. And that the difference arises from the low cost of fuel?—It arises chiefly from that. Then, again, wages in Scotland are generally lower than in England. For instance, the average wages of the engine-drivers on our line vary from 24*s.* up to 36*s.* per week, whereas on a great many of the railways in England the men get 42*s.* per week.

17,601. In another part of the same report the expenses per train mile, including all the expenses which are incurred, are stated to be 1*s.* 3*d.*?—Yes.

17,602. That, again, as you are probably aware, is much below the ordinary average; can you explain how that occurs?—That, I think, principally arises from the fact, as I said before, of our running such a large train mileage, because, taking the general expenses of last half-year, 8,197*l.*, those expenses are not at all affected by running any additional trains. Suppose we run another 100,000 miles in one particular half year, those general charges are not increased, but the average per train mile is reduced. There are a great many other items which are precisely in the same way; for instance, maintenance of way may not be much increased.

17,603. But all expenses usually included under that head have been included in this report?—Yes. There is one expense which in some companies is dealt with in a different way. We have a contingent account for the renewal of way, and we charge a certain sum every half year, 10,000*l.*, against revenue on that account, but that does not come in in the ordinary expense of the 1*s.* 3*d.* that you have taken. That would add 2*d.* per train mile to the cost.

17,604. (*Mr. Glyn.*) You think that ought to be added?—Certainly it ought.

17,605. (*Sir R. Hill.*) That would make the expense about 1*s.* 5½*d.*?—Yes.

17,606. (*Mr. Glyn.*) Is that the only item?—That is the only item that is left out as compared with other companies, but that is not the only working expense. I may mention that the Board of Trade returns include everything chargeable against revenue, and in that way you get rather a fairer comparison than you do in taking the accounts of the companies, because some people charge them in one way and some in another.

17,607. No other item is omitted than the one you have mentioned?—No other item at all.

17,608. Does it include taxation?—No, not in the 1*s.* 3*d.*, but that is not generally considered as a working expense. Taxation is included in the returns of the Board of Trade, but in all the accounts of the railway companies we do not look on taxes as part of the cost of working the railway. It is an incidental charge.

17,609. It is not included in the statement of the other companies?—No.

17,610. (*Sir R. Hill.*) It is included in the establishment charges?—Yes. If you will allow me to put in the paper which I have prepared from the Board of Trade returns with reference to the total traffic receipts and total expenditure of all the large companies, showing the per-centage of the expenses as compared with the receipts, it will be found that the per-centage of our line, which is 47 per cent., is the exact average of the United Kingdom, and that, although per train mile our expenses are exceedingly light, when taking the per-centage of the amount earned, our per-centage is only the average.

The witness handed in the same, which is as follows:—

Taken from BOARD of TRADE RETURNS.—Includes LINES worked by the respective COMPANIES.—EXPENDITURE includes RATES and TAXES, and all OUTGOINGS on REVENUE ACCOUNT.

Name of Railway.	Length of Line, 31st Dec. 1864.	Train Mileage.	Total Traffic Receipts.		Total Expenditure.			Net Receipts.	
			Amount.	Per Train Mile.	Amount.	Per Train Mile.	Per-centage on Receipts.	Amount.	Per Train Mile.
			£	*s.* *d.*	£	*s.* *d.*		£	*s.* *d.*
Great Eastern	692	6,120,763	1,607,671	5 3	835,879	2 8¾	52	771,792	2 6
Great Northern	437	7,304,458	1,803,869	4 11¼	921,028	2 6¼	52	882,841	2 5
Lancashire and Yorkshire	431	6,926,639	2,037,966	5 10½	912,015	2 7¾	45	1,125,951	3 3
London and North-western	1,274	19,100,306	5,871,866	6 1¾	2,534,414	2 7¾	43	3,337,452	3 6
London and South-western	529	5,451,649	1,411,818	5 2	712,553	2 7¼	50	699,265	2 6¾
London, Brighton, and South Coast.	249	3,728,653	985,925	5 3¼	510,962	2 8¾	52	474,963	2 6½
London, Chatham, and Dover	127	1,614,590	378,952	4 8½	224,341	2 9¼	59	154,611	1 11
Manchester, Sheffield, and Lincolnshire.	242	2,798,620	815,207	5 9¾	368,638	2 7½	45	446,569	3 2¼
Midland	691	10,803,631	2,623,701	4 10¼	1,130,087	2 1	43	1,493,614	2 9¼
North-eastern	1,095	14,491,477	3,116,790	4 3½	1,473,684	2 0¼	47	1,643,106	2 3¼
South-eastern	291	4,186,318	1,198,187	5 8½	605,586	2 10¼	50	592,601	2 10
Caledonian	359	4,148,887	1,041,987	5 0¼	458,846	2 2½	44	583,141	2 9¾
Glasgow and South-western	250	2,531,454	512,681	4 0½	240,578	1 10¾	47	272,103	2 1½
Great North of Scotland	226	716,140	143,975	4 0¼	74,550	2 1	52	69,425	1 11¼
Highland	233	852,187	163,135	3 9¾	84,538	1 11¾	52	78,597	1 10
North British	626	4,584,733	1,142,120	4 11¾	509,796	2 2¾	45	632,324	2 9

Mr. W. Wainwright.

15 May 1866.

Name of Railway.	Length of Line, 31st Dec. 1864.	Train Mileage.	Total Traffic Receipts. Amount.	Total Traffic Receipts. Per Train Mile.	Total Expenditure. Amount.	Total Expenditure. Per Train Mile.	Total Expenditure. Per-centage on Receipts.	Net Receipts. Amount.	Net Receipts. Per Train Mile.
			£	s. d.	£	s. d.		£	s. d.
Scottish Central -	113	1,085,478	340,796	6 3¼	141,896	2 7¼	42	198,900	3 8
Scottish North-eastern -	143	1,437,874	278,200	3 10½	133,138	1 10¼	48	145,062	2 0¼
Total and Average -		97,883,857	25,474,846	5 2½	11,872,529	2 5¼	48	13,602,317	2 9¼
Total England - -	8,890	106,402,834	28,563,632	5 4¼	13,535,813	2 6½	47	15,027,817	2 9¾
„ Scotland - -	2,105	15,656,426	3,766,309	4 9½	1,713,965	2 2¼	45	2,052,344	2 7¼
„ Ireland - -	1,794	7,071,683	1,581,606	4 5½	750,530	2 1½	47	831,076	2 4
„ Average - -	12,789	129,130,493	33,911,547	5 3	16,000,308	2 5¾	47	17,911,239	2 9¼

17,611. (*Chairman.*) Which do you think is the fairest way of estimating the expenses, by taking a per-centage of the traffic, or by taking a per-centage of the train mileage?—I think a per-centage on the traffic; because you may extend your mileage to such an extent as only to show a very slight amount of expense indeed. For instance, the half-year ending 31st July 1862 the per-centage of the working expenses was 40¼, the cost per train mile was then 1*s.* 8*d.*, and we were earning about 4*s.*, just about the same as we are now. We have extended the train mileage very considerably, though the earnings per train mile remain the same, and the cost is now only 1*s.* 3*d.* as against 1*s.* 8*d.* in 1862.

17,612. (*Sir R. Hill.*) Can you tell us what is about the average number of carriages included in your passenger trains?—I should think about six or eight.

17,613. They are unusually short, are they not?—Yes, some of them are. We run very frequent trains in some parts of our district.

17,614. Would not that in part account for the unusually small expense of the passenger trains?—Yes, it certainly would to some extent. Of course the locomotive expenditure would not be quite so great with a light train as a heavy train.

17,615. Are you prepared to say what would be the additional expense of adding another carriage?—No, I scarcely could. The additional expense of one carriage would be very slight, but comparing a light train and a heavy train, there would certainly be a greater expenditure of fuel.

17,616. The principal causes of the expenses per train mile being less with your company than others are, first, that you do not include in the expenses the renewal and repair of the road, and, lastly, that your trains are unusually small?—Yes, we do no include the renewal of the road.

17,617. (*Chairman.*) Is the cheapness of fuel in your district such as to affect the per-centage of working expenses?—Certainly it does.

17,618. (*Sir R. Hill.*) Do you burn coal or coke?—Coal almost exclusively.

17,619. (*Chairman.*) What does your traffic chiefly consist of?—Minerals. Nearly half our traffic is minerals.

17,620. How do you divide the cost of maintaining the permanent way as between passenger trains and minerals?—We take the whole mileage, and divide the cost equally.

17,621. Do you think the cost of the permanent way should be fairly divided between the passenger and goods traffic in proportion to the wants of each?—No; we do that here because there is, perhaps, no particular reason why we should not; but I think certainly goods and mineral traffic must wear out the permanent way more than passenger traffic, though on the other hand the quick passenger trains require a more perfect road.

17,622. Are you of opinion that any economies have been introduced on your line which are not generally practised by other companies?—I am afraid that I can scarcely give ourselves credit for any better management than our friends.

17,623. Your experience does not suggest any mode to your mind by which the working expenses generally could be reduced?—No, not as regards one particular railway; but I think the working expenses as between the different railway companies might be reduced by an altered arrangement of the trains. In many cases there are a great number of trains more than is necessary, because of two companies competing in the district. The public would still be as well served by a smaller number of trains.

17,624. Do you mean that if your company and the Caledonian made arrangements with one another, for instance?—Assuming that we and the Caledonian had an arrangement with regard to our traffic to Dumfries, we might save expense in not running so many trains, because we now run seven or eight trains a day each to serve that district.

17,625. (*Sir R. Hill.*) Have you ever attempted to make such an arrangement?—We have an agreement with regard to the south traffic. We also have a small traffic arrangement with regard to Dumfries, but not of a sufficiently extended character.

17,626. (*Chairman.*) Can you make any suggestion with regard to facilitating the interchange of traffic between neighbouring companies?—I think, perhaps, if Parliament would give railway companies rather more extended powers to make agreements, which would be of a legal character, we might. The danger is in making agreements between two companies which are ultimately held to be *ultra vires* of their powers, and this very frequently prevents it being done. There was a very large arrangement of that kind in Scotland between the Caledonian, the Edinburgh and Glasgow, and the Scottish Central, which was suddenly put an end to.

17,627. By one of the parties who did not find it to their advantage?—Yes, they began to have other interests.

17,628. On the whole, do you think a better understanding exists at present among neighbouring companies than was formerly the case?—I think decidedly.

17,629. And the tendency on the part of the railway companies is to give facilities to each other?—Quite so. I scarcely know an instance now in which there are not through booking and similar facilities between neighbouring companies.

17,630. Impediments are not purposely offered now in the way of an interchange of traffic or through booking?—Certainly not; we all of us in our district endeavour to run our trains so that they shall fit into each other at the various points of junction. We give through booking to all places where there is any necessity for it. We cannot have through booking to all stations because the ticket office would not contain the tickets, but still, whenever there is any demand we give through booking arrangements.

The witness withdrew.

Adjourned till Thursday, the 31st inst., at 12 o'clock.

Thursday, 31st May 1866.

PRESENT:

THE RIGHT HON. THE EARL OF BELMORE.
THE RIGHT HON. LORD STANLEY, M.P., F.R.S.
SIR ROWLAND HILL, K.C.B., F.R.S.
T. B. HORSFALL, ESQ., M.P.
GEO. CARR GLYN, ESQ., M.P.
CAPT. DOUGLAS GALTON, R.E., F.R.S.
E. T. HAMILTON, ESQ., M.P.
WILLIAM POLE, F.R.S., *Secretary*

HIS GRACE THE DUKE OF DEVONSHIRE, K.G., F.R.S., IN THE CHAIR.

MR. CHARLES HUTTON GREGORY examined.

Mr. C. H. Gregory.
31 May 1866.

17,631. (*Chairman.*) I believe you are a civil engineer, and one of the Vice-Presidents of the Institution of Civil Engineers?—I am.

17,632. You have for upwards of ten years acted as arbitrator for the Post Office in cases for fixing rates of payment to railway companies?—I have.

17,633. (*Sir R. Hill.*) Have you, in your capacity of arbitrator for the Post Office, had occasion to consider the cost of working trains and the charges made by railway companies to the public?—Yes.

17,634. Do you consider there are circumstances which cause great difference in the items constituting the cost of working trains?—I think there are. The elements of the difference of expense are of a very various nature. In the first place, while the railway is new, or while the rolling stock is new, the actual outlay in maintaining the rolling stock and the railway does not represent the amount of expense which will be incurred when the stock and the lines arrive at an average condition. Then again, the character of the permanent way or of the engines may affect their expenses. The gradients and curves and loads will also be a cause of difference; while there are certain elements of expense which are constant, whatever the amount of traffic may be, and there are others which vary in proportion to the amount of duty done.

17,635. From what sources have you ascertained the cost of running trains?—It has generally been my object, in acting as arbitrator on behalf of the Postmaster-General to ascertain, where necessary, as nearly as I could the actual cost of the trains of the railway under consideration, as a basis for ascertaining what the cost of a mail train would be; and similarly, in dealing with payments, I have considered that the earnings of that particular railway would be a guide as to what the earnings of a mail train ought to be. But with reference to the answers I am now about to give before the Commission, with regard both to expenses and earnings, I have directed my attention to the last return from railway companies which was presented to Parliament, showing the expenses and earnings of all the railways in the United Kingdom.

17,636. For what year was that?—That return was ordered by the House of Commons to be printed on the 4th July 1865. It has reference to railway expenses and earnings in the year 1864.

17,637. Will you give the results of the last investigation which you have made?—I will first deal with the question of expense. I find from summaries giving the per-centages of the different items of expense the average results in the table which I now hand in:—

	Per mile. *d.*
Maintenance and renewal of way and works	5·619
Locomotive power	8·388
Maintenance and renewal of carriages and waggons	2·658
Traffic charges	8·526
Rates and taxes	1·188
Government duty	·807
Compensations for injury to persons	·258
Do. to goods	·219
Legal and Parliamentary expenses	·420
Miscellaneous charges	1·917
	30·000

It will be seen from the return that the average cost of all trains, including both passenger and goods trains, was about 29¾*d.*, but for convenience in division I take it as 30*d.*, or 2*s.* 6*d.* per mile. I believe that this rate has been for some years the accepted average rate among railway engineers and railway officers.

17,638. At what results have you arrived in dividing the details of the receipts?—Dividing the total receipts from passenger trains by the total mileage of passenger trains in the United Kingdom, I find this result, that the earnings have been on the average 56·56*d.* per mile. This amount is rather less than the usual rough estimate of 5*s.* per mile, which I believe has been considered to be the average earnings of a passenger train. The average earnings per mile of the goods trains appear, from the returns which I have named, to be about 70·31*d.* per mile, or nearly 25 per cent. more than the average earnings from passenger trains.

17,639. You have referred to the average expense attending the working of trains, can you separate the cost of goods and mineral trains from that of passenger trains?—I have no means of making such a separation as would give correctly an average result; but I have no doubt that it will be found that in most respects the cost of goods trains is very much greater than the cost of passenger trains.

17,640. Will you refer to some of the items of cost which differ in goods trains and in passenger trains respectively?—I believe that the injury to permanent way caused by the running of goods trains is very much greater than the injury which is caused by the running of passenger trains. In the first place, the engines themselves are generally heavier and the large weight upon the driving wheels is one of the elements of a destructive nature affecting the permanent way.

17,641. (*Capt. Galton.*) Is it the case that the weight upon each of the driving wheels of the engine of a goods train is heavier that on those of the engine of a passenger train?—If you take the total weight on the driving wheels I think you will find the weight very much greater.

17,642. I refer to the weight on any individual wheel which will be the means of injury to the permanent way?—I do not think that is the sole measure of injury to the permanent way done by the whole train. I believe it will be found, generally speaking, that the weight on the driving wheels is not only greater as regards the total in goods engines, but also as regards the individual driving wheels. There no doubt are exceptions in which you have a very great excess of weight on one pair of wheels of a passenger engine, but the system that has lately obtained on many railways has been to have passenger train engines with two pair of driving wheels coupled, in order to obtain additional adhesion and to diminish the total amount of weight which would be on any one pair of driving wheels of a passenger engine. Of course you are aware that with goods engines all six wheels are generally coupled, by which means a greater total weight is obtained upon the driving wheels, while the weight on the wheels of the rest of the rolling stock is very much less than the weight on the driving wheels. I believe from my own observation that the running of the waggon stock of mineral and goods trains does a very large amount of injury to the permanent way, not so much in the actual crushing effect arising from the weight upon the wheels as from the extremely

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irregular action of the wheels arising from the inferior nature of the waggon stock, from their not being coupled up, and from the waggons not being kept up as passenger carriages are. Anybody who observes the running of goods trains will see that the waggons are moving about in such a way that the lateral blows must be highly destructive to the permanent way, and very likely to derange the fittings of the permanent way. The next item to consider is the question of the locomotive expenses. While I am not prepared to state exactly what the average additional cost of locomotive power for goods trains is as compared with passenger trains, I have heard it variously estimated at from 25 per cent. to 100 per cent., and it is also clear that the traffic charges connected with goods trains must be very much higher than those connected with passenger trains. The staff of clerks, inspectors, porters, and other railway officials, necessary for carrying on the goods traffic is enormously in excess of what is necessary for carrying on passenger traffic. If a person went first to Euston Square and saw the staff of clerks and porters engaged in the passenger station there, and then went on to Camden Town and saw the staff of clerks and porters engaged in the goods station, he would see the great excess in the goods department.

17,643. (*Sir R. Hill.*) What general inference do you draw from the differences to which you refer?—That on the whole the cost of conveying passenger trains is very considerably less than the cost of conveying goods trains, and that such is the case whether you include the general expenses or whether you are dealing with the question of bare additional cost.

17,644. Would all the items of cost which appear in the table to which you have referred form part of the actual additional cost to the company of running an additional passenger train, say, a light mail train?—Certainly not. In running an additional passenger train of the ordinary description there are many of the items in the table which I have handed in which would not necessarily be at all increased, and still more so as regards a light mail train, in which the use of the railway staff is even less than with a passenger train.

17,645. Take, for instance, a special mail train consisting of an engine and two vehicles, say, a post-office carriage and a break van, and see how the results of the return would apply to such a train?—The running of any additional train would affect the permanent way, but it would not affect the permanent way to a proportionate amount. There are a certain number of the items of the expense of maintaining the way which are constant, and others which are nearly so, and very little affected by the running of a train. For instance, the fencing, the earthwork, most of the bridges, drains, roads, and station buildings are either obviously affected not at all by the running of trains or affected only very little. Some bridges are affected, of course, more than others. Timber bridges and some iron bridges may be affected by the running of trains. Stations and station buildings would to a very small extent be affected in their maintenance by the running of trains, inasmuch as the running of trains would involve the wearing out of floors, and so forth. But still those items that I have named are practically hardly affected at all by the running of the trains. Again, the ballasting is not actually affected in proportion to the number of trains run; the packing of the ballast would probably be proportionate to the number and weight of trains. There is an amount of ballast lost by means of grinding and wear, but a very considerable quantity of ballast is lost by wind and by water. The sleepers are affected partly by wear and partly by decay. Approximately, I should say, that the wear of the rails is proportionate to the number of trains; but a correction, even here, will have to be applied for light trains or heavy trains, for light engines or heavy engines. I see that I have omitted to refer to station yards, and the accessories in station yards, such as turntables, switches, and sidings, to which it is obvious that the amount of injury done by passenger trains would be less than the amount of injury done by goods trains on account of the smaller use of these accessories by passenger trains. The amount of injury done would be still less, when we are considering a light mail train.

17,646. (*Capt. Galton.*) As a broad rule, do you not find that the maintenance of way varies in a direct proportion to the amount of traffic?—I cannot say as a matter of fact. As a matter of figures I think you will find that it has, but for this reason, that with the increase of railway traffic and the increase of mileage on the railways of the country generally there has been a great increase in the cost of the permanent way, arising from causes which were not introduced into the earlier accounts. The expense of reproduction is not an element in the accounts of a perfectly new railway; so that while a large mileage may, bring out in figures a mileage cost for maintenance of way as great as when the mileage was small, I think this result has arisen from the introduction of that element, which at the beginning of the running of any particular railway did not exist.

17,647. (*Sir R. Hill.*) What sum in your opinion would represent the cost per train mile of maintenance and renewal of the permanent way?—I feel that any figure which I can name will be merely an estimate; but I remember some years ago the matter was very carefully investigated, and a conclusion was come to that upon the average of trains, the actual injury to permanent way by the running of trains, including goods and passengers, amounted to 2*d.* per train mile, but then the cost of maintenance was considered only to be about 4½*d.* Now the introduction of the element of reproduction has raised the average cost of maintenance, and I should be disposed to add another 2*d.* to make up that reproduction, and so should assume, which I admit is only an assumption, but I think not a very unfair one, that the actual injury done to the permanent way by the running of an average train would be about 4*d.* per mile. If you come to apply this to a passenger train I believe that the result will be diminished, and still more if applied to such a light train as that to which my answers are now directed. I think that for such a train, that is to say, consisting of one engine with two vehicles, 3*d.* per mile would amply represent the actual injury done to the permanent way.

17,648. (*Mr. Glyn.*) In estimating the cost of goods trains, have you allowed for the difference of speed between the goods trains and the passenger trains?—Yes.

17,649. What do you allow for that?—Are you alluding now to the question of maintenance of way?

17,650. You said, generally and broadly, that the expense of goods trains as regards the company itself was higher than that of passenger trains?—Yes.

17,651. But you did not state whether in that you made any allowance on the other side for the less injury done to the permanent way by the slower speed of the goods trains?—I was speaking of the general result.

17,652. You did include that as part of your calculation?—Certainly.

17,653. (*Sir R. Hill.*) Will you now have the kindness to direct your attention to the question of the cost of locomotive power?—I have already observed that the cost of goods trains is generally greater than that of passenger trains. In considering the cost of locomotive power I assume a difference of 25 per cent. I am not able to say whether that is perfectly correct, or whether that would be the real average if we could get returns from all the railways of the kingdom: but I think it is a fair approximation. Taking the sum of 8·388*d.*, which appears in the Table I have handed in, as being the average cost for locomotive power for all the trains in the United Kingdom, and making a correction which should bring the proportion of the cost of goods train engines to 25 per cent. more than the cost of passenger trains engines, the result gives a little less than 7½*d.* as the cost of locomotive power for an average passenger train. It

will be seen in the summary of the return in the Parliamentary paper to which I have alluded, that the mileage of passenger and goods trains is tolerably close, but there is a slight difference, and in making the reduction I have taken that difference into account, and $7\frac{1}{2}d.$ is the result as showing what I estimate as the average cost of locomotive power per train mile for passenger trains.

17,654. It may be a question whether for the present purpose the interest on the cost of the engines should be added; if it were, what would be the result?—Taking the average cost of an engine to be 2,500*l.*, and assuming its yearly duty to be 20,000 miles, interest at 5 per cent. would work out at $1\frac{1}{2}d.$ per mile, and if that be added to $7\frac{1}{2}d.$ it would make the total cost of locomotive power for a passenger engine $9d.$ per mile.

17,655. You have now given your calculation of the cost of locomotive power for an ordinary passenger train; would the cost of locomotive power for a small mail train be as great?—Not necessarily so, for a smaller engine might perform the duty, and the power required would obviously be less for so light a train than for an ordinary passenger train; but I think it is safer to retain the amount which I have named for the following reasons, that it would avoid the necessity of having a special stock of engines for mail purposes, and it would make some allowance for the speed at which mail trains are frequently required to run.

17,656. Can you give an estimate of the cost to the company of the maintenance of a carriage or van?—The Clearing House rate for break vans and carriages of that description is $\frac{1}{2}d.$ per mile. That rate is universally known to be a rate far in excess of the actual cost of keeping up the stock, and I believe is intended to be a rate greater than the real cost, in order to prevent Railway Companies from keeping foreign carriages on their line. It is generally my custom in Post Office arbitrations to take that rate of $\frac{1}{2}d.$ per mile in order to make an allowance which should be quite upon the safe side, and liberal to the Railway Companies.

17,657. For two vans that of course would amount to $1d.$ per mile?—Yes, which I think would be more than enough; it would cover interest and maintenance and every other item of expense in connexion with the carriage.

17,658. Would not some of the remaining items of the general average require modification, or entire suppression in estimating the additional cost of such a train as you have named?—Clearly. To begin with, the Government duty cannot apply to a mail train, nor compensation for injury to goods, and I think neither legal nor Parliamentary expenses. Excluding those, the remaining items with which I have not yet dealt are the traffic charges, amounting to $8{\cdot}526d.$; Rates and Taxes amounting to $1{\cdot}188d.$; Compensation for Injury to Passengers $0{\cdot}258d.$; and Miscellaneous charges $1{\cdot}917d.$; making a total of $11{\cdot}889d.$

17,659. Have you anything to say upon the subject of rates and taxes?—I presume that the taxes would not be very much affected by the earnings; but the rates I believe are, and I think it is generally accepted that the value of a railway, in other words its earnings, are the proper basis on which the parochial rates should be assessed. Therefore I think I should not be wrong in saying that the rates may be estimated in direct proportion to the earnings. I therefore take the sum of $1{\cdot}188d.$, and I assume without any precise reason, for I have no exact data to show for it, that seven-eighths of a penny would represent the fluctuating amount included in that item. Supposing that an average passenger train consisted of seven vehicles, the amount assignable to each vehicle would be one-eighth of a penny, and therefore the rates for the two vehicles to which you have alluded, would amount to a farthing per mile; that result being based on the assumption that the earnings of those vehicles are the same as the earnings of the vehicles in an ordinary passenger train.

17,660. Do you consider insurance against accidents an item which ought to be added to the cost of a mail train?—I think it ought, and for that reason I should put down say, a farthing, and strike out the third figure in the decimals in the table I have given. I do not think the risk is quite so great, because there are not so many passengers in the exclusive train to which you have alluded, but if a mail servant is injured he may be rather more injured than an ordinary passenger would be; he may be thrown from one end of the carriage to the other. I think, therefore, on the whole, it is safe to put down a farthing.

17,661. Do you take into account in estimating it at a farthing the circumstance that the mail train may be the cause of accident to another train?—Yes; that was one consideration which led me to put down so large an amount.

17,662. Now as to the traffic and miscellaneous charges, what do they consist of; how far would they apply in this case?—They consist of the general expenses of administration to begin with, the manager's office, the secretary's office, and the accountant's office. It seems to me that not a single extra clerk, or a proportion of a clerk, could be required in order to meet the actual expense to the Company of running an additional train for postal purposes. While voluminous accounts have to be kept with regard to the Companies' general business, when once the rate for a mail train is fixed it involves no accounts, and scarcely any correspondence. So that I cannot see how there can be any expenses in the head administration, or in the accountant's office. The remainder of the charges are the traffic charges, and those traffic charges are made up of superintendents, porters, police, clerks, &c. I do not see how any of those can be affected by the running of an additional mail train—not necessarily, although there may be cases in which they are affected. There is one element of expense which clearly is attached to the running of a mail train, and that is the expense of a guard. I assume the payment of a guard at $5s.$ per day, and that he runs the low average of 120 miles a day, and that produces a result of a halfpenny per mile.

17,663. You have not made any allowance for special items of cost where a special staff is necessary?—In the estimate I have just given I have not, but it appears to me that in most cases those expenses can be very readily ascertained. It has been my invariable habit in Post Office arbitrations to endeavour to ascertain whether there is any actual addition to the staff arising from the running of a mail train, and to make an allowance for it. Night service, when there are no goods trains running, sometimes requires a special addition. Again, on those railways in Scotland where there is no ordinary passenger traffic on Sundays, it is clearly right that the expense of keeping up the necessary establishment on Sunday, such as gate-keepers, signalmen, police, and others, should be taken into account.

17,664. Will you recapitulate the items of the cost of a light mail train, and give the result?—The items that I have examined are as follows:—Permanent way $3d.$, locomotive power $9d.$, two vans $1d.$, rates and taxes $\frac{1}{4}d.$, injury to passengers $\frac{1}{4}d.$, guard $\frac{1}{2}d.$, making a total of $14d.$

17,665. What is your estimate of the cost of other carriages added to such a train as you have named?—About $1d.$ per carriage, or a trifle more. It may be a trifle under, but I would set down $1\frac{1}{2}d.$ in order to be on the safe side so as to include every possible expense; that sum including locomotive power, injury to road, and every expense which would be incidental to the addition of those carriages.

17,666. Apply this to a train of, say seven vehicles in all?—Five additional vehicles would make it amount to $7\frac{1}{2}d.$, and that added to the amount which I have previously given would bring up the total additional bare cost of the running of a mail train of seven vehicles to $1s.\ 9\frac{1}{2}d.$

17,667. Do you think this estimate is a fair and full one of the actual cost to the company of running

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an additional train?—I think it is. The Commission will perhaps recollect the estimate of the late Mr. Robert Stephenson which was made in 1856 for railway purposes when he was endeavouring to point out that by moderate fares a large amount of profit might be brought to Railway Companies. The words he used were: "The cost of running a train may "be assumed in most cases to be about 1*s.* 3*d.*" Of course I do not know what items he included in that cost, but from the context I supposed that it meant the actual bare cost to the Railway Company. My estimate, as you will see, is very much higher.

17,668. In the event of the Post Office requiring an exclusive train, should not the additional cost to the Company of running such a train form the basis on which payment for the service should be estimated?—That has generally been the basis which I have adopted in arbitrations between Railway Companies and the Post Office, believing it to be a fair basis, and considering that the cost of an exclusive train, with a proper amount of profit added, would give the maximum cost to which any mail train should be subject.

17,669. That is to say, you are of opinion that the Post Office should not pay so much for the partial use of a train as for the exclusive use of a train?—I think they should not; I cannot see on what ground it can fairly be urged that they should.

17,670. Are you prepared to say what addition to the bare cost to the Company should be allowed for profit, including under that term "interest of capital, "&c.?"—I have been in the habit of proposing to umpires that an addition of 100 per cent. should be made to the bare cost.

17,671. You would probably think it fair that the profit should bear the same ratio to the expenses as is customary when a service of a wholesale and continuous character is performed for the public?—I think so. The view which I have taken and endeavoured to urge upon umpires, believing it to be just, in arbitrations between the Post Office and Railway Companies has been this: the Postmaster-General is obliged to make use of a particular railway; it is in comparatively few cases that he has the benefit of competition at all, and I endeavour to consider what the charge would be that the Railway Company might make in fairness to itself for particular services. According to that view I think that the principle on which I have proposed rates of payment has not been an unfair one. I do not think if a railway company were considering what they would charge for additional traffic that they might have or might not have, according to the rates they charged, that they would endeavour to make that additional traffic pay part of the general expense of the other traffic by calculating in their own estimate the cost of general expenses which are not really affected by the running of a particular train, and I have heard railway officials say that when they were calculating what the actual cost of a train would be for their own purpose they assume a considerably less amount than that which I have here put before the Commission as the bare cost.

17,672. You are no doubt aware that the law officers of the Crown have repeatedly affirmed that mail trains are legally exempt from toll or other charges for the use of the road?—I have heard that; it was brought under my notice when I first began to act as arbitrator for the Post Office.

17,673. As arbitrator for the Post Office do you ever claim such an exemption?—I never have. I believe I have alluded to it as a claim which might be raised, but I have never claimed it myself.

17,674. (*Capt. Galton.*) If you consider you have a legal right to claim it, why have you not claimed it?—I did not mean to say that I considered I had a legal right to claim it. The opinion to which Sir Rowland Hill has alluded was mentioned to me when I was first asked to act as arbitrator for the Post Office, but I was told at the time that the Postmaster-General did not desire in any way to influence my judgment as to the rates that I proposed in dealing with Railway Companies. I was not desired to press that point, and my own judgment being that that point ought not to be pressed, I never have pressed it.

17,675. (*Earl of Belmore.*) Would it not necessarily happen, if that point were to be pressed, that the Post Office would have to find the vans and engines if they were to run free of toll over the lines?—Yes, the practical result might be that, or the alternative would be that the Company would have to run without profit as regards the road.

17,676. What I mean is this, although the Post Office assert that they have a right to use the railroad without paying tolls, they do not mean to say that they have a right to use the engines and carriages of the Company free of charge?—No.

17,677. Therefore, if they do not make an arrangement with the companies for the use of their rolling stock, and claim to use the lines free of toll, they would have to find their own rolling stock?—Yes. I remember at one time that was in the serious contemplation of the Post Office. They tried to get power to run their own trains on the railways, in order that they might have an engine of an inexpensive character, so that they might keep down the expense attending the running of trains. In most of the Railway Acts the toll for the use of the road is kept separate from the charge for the use of engines and carriages, so that, in point of fact, if the assumed legal right to run without paying toll were enforced and allowed, it would simply then come to paying for use of engines and carriages.

17,678. (*Mr. Glyn.*) Practically, whether that is a legal claim or not, the Post Office have not pressed it?—They never have through me, and I do not know that they have pressed it through anybody else.

17,679. (*Sir R. Hill.*) The payment by the Post Office for an exclusive train, consisting, say, of an engine, a break van, and a Post Office carriage, would then, in accordance with these views, be, under ordinary circumstances, 1*s.* 2*d.* plus the ordinary profit?—Yes.

17,680. If the mail train is not exclusively devoted to the Post Office service, you would, I presume, be of opinion that the payment should be less than that of an exclusive train?—I think so.

17,681. The reduction from the maximum charge being determined, I presume, with reference to the use the Company might make of such train?—Yes; and having reference also to the earnings of the mail train as compared with those of other trains.

17,682. The evidence you have given applies only to mail trains established on the requirement of the Postmaster-General, or, as they are technically called, trains under notice. Is not that so?—Yes.

17,683. But does not the Post Office frequently use the ordinary trains, namely, those run by the Companies at their own hours, for their own purposes?—Yes.

17,684. Can you suggest to the Commission any fair mode for determining payment by the Post Office for this latter description of service?—It seems to me that the fairest plan is to endeavour to ascertain the charges which are made by the Railway Companies to the public in their passenger trains, for services analagous to those required by the Post Office. There are no services which are precisely identical, and some correction would be required, however close an approximation might be got.

17,685. What are the mail services usually required as regards ordinary trains?—The mail services are of two characters: first, the service which involves the use of a certain number of vehicles, or parts of vehicles, in which the Post Office servants take charge of the dead weight; and the other service, and the more frequent one in ordinary trains not under notice, is where a number of mail bags are carried in charge of railway servants.

17,686. Can you give the Commission any idea of what the public pay for the use of a passenger carriage on the average?—I have before stated the average earnings of a passenger train in the United Kingdom

at 56·56*d.* What the public at large pay for the use of a railway carriage is what each carriage earns, and assuming that the number of vehicles in a passenger train were seven, which I think is about fair, the result produced would be an earning of about 8*d.* per mile per carriage. If the average number of vehicles is taken at six it will give an average earning per vehicle of a little less than 9½*d.* per mile. I do not name seven as a number which is arrived at by any certain calculation, or by returns which I can put before the Commission, but I think it is very near the truth. It is a subject upon which there is a considerable difference of opinion. I heard one railway manager of great experience within the last two or three days estimate the average number at ten vehicles throughout the whole of the United Kingdom, and I heard another say he thought it did not exceed six vehicles of every description. I have not heard anyone set the average at less than six. I make a clear distinction in the answers I have just given between what the Companies really charge the public for the use of a carriage and what they might charge if that carriage were full of passengers. I have found that arbitrators acting on behalf of Railway Companies have not unfrequently set up a claim for the use of the mail carriage running in a passenger train, whether it be a van or a portion of a second-class carriage doing van duty, as portions of second-class carriages very often do for parcels and luggage, on the assumption that the compartment or the carriage was entirely full of passengers paying the full rates at single fares. I consider that is not a fair basis of calculation, because it would be in fact making the Post Office pay more than the public really do pay for the use of a carriage or of a compartment.

17,687. Assuming seven to be the average number of carriages in a train the payment by the public amounts to what sum per mile?—8·08*d.*

17,688. Assuming mails to be conveyed by passenger trains, can you not find some analogous service in passenger trains which is performed for the public?—I look upon the mail service as, to a great extent a van service. There is a somewhat analogous service which is performed by most passenger trains that is generally excluded from express trains, I mean the conveyance of horses and private carriages.

17,689. Would the comparison of the mail van service with the use of horse-boxes and carriage-trucks be exactly analogous?—Not exactly; corrections would be required both ways. A carriage-truck or a horse-box costs less than a mail van or a second-class carriage, a portion of which may be doing duty for mail service. But then there is a continuity of service in the mail duties, and to a large extent a regular return duty, while the use of carriage-trucks and horse-boxes involves a large amount of stock standing idle, whereas the stock employed for the running of mails is a stock which has a regular use for that particular purpose. Horse-boxes and carriage-trucks may sometimes have to run empty in order to restore the balance at the different stations. Then, again, a large amount of compensation may have to be paid for injury done to a carriage or horse, and I believe it is the fact that compensation has never been asked for injury or loss of mail bags. On the other hand, seeing that horse-boxes and carriage-trucks are rarely carried by express trains, some slight addition might be considered necessary in order to pay for extra speed. Assuming that an analogous service was rendered to the public, I think that the increase for speed would be more than balanced by the reduction which the Company would naturally make to any large customer for regular continuous service which was not only regular in one direction but regular in both directions.

17,690. What is the profitable load carried by the vehicles you have named?—A horse-box on the average carries considerably less than two horses, some fraction between one and two horses, and a carriage-truck is often run with a two-wheeled vehicle, for which the charge on many railways is smaller than for a four-wheeled vehicle; I therefore take a charge above the average, in taking the charge for two horses; and I take the charge for a four-wheeled carriage, and in taking those two charges I clearly take an amount which is above the average, which the Railway Companies charge to the public for the use of those vehicles.

17,691. Have you worked out the results which those charges would give?—I have worked out the results several times, and I took a number of averages within the last few days. The last averages which I have taken out show a result of about 5·8*d.* per mile for the use of a horse-box, and 5·2*d.* for the use of a carriage-truck.

17,692. Are these the full rates paid?—Not always. Supposing a private carriage is loaded with luggage, an extra rate is charged, which very often is set down at 50 per cent. If that were added to the rate I have named it would bring up the total charge for a carriage-truck containing a private carriage loaded with luggage to 7·8*d.* per mile. A reduction is made upon that rate for commercial travellers.

17,693. A groom sometimes travels with a horse, is any charge made in such cases?—Grooms travelling with horses are charged third-class fare, say 1*d.* per mile, and if two grooms travelled that would bring the charge for a horse-box to 7·8*d.* per mile, the result in either case showing an average of less than 8*d.* for each vehicle with its load. I stated before that that amount would not include any deduction whatever for continuity of service, return work, and extent of custom, nor any increase for higher speeds.

17,694. Will you now apply these charges to the determination of what a company may be considered as earning by the use of a single compartment of a carriage?—I think that on the whole the elements of difference to which I have alluded are rather in favour of the mail van, and that a small reduction ought to be made. I think 7*d.* or certainly not more than 8*d.* per mile would be a very fair charge to the Post Office for the whole of a carriage. Then, in order to arrive at a rate which would be applicable to a compartment, you must take the proportion which the compartment bears to the whole carriage, that proportion being in some cases three and a half in a second-class carriage and in some cases four; therefore, I think about 2*d.* per compartment per mile is a very fair charge for the use of that compartment for mail purposes.

17,695. That being according to your view the sum earned for the Railway Company by that compartment?—Yes.

17,696. How far is the carriage of mail bags in charge of the railway guard analogous to the carriage of ordinary parcels?—It differs from the carriage of ordinary parcels in several ways. With ordinary parcels there is no continuity or regularity of service. The parcels bear in all cases terminal charges; charges of booking, collection, delivery, and handling, and under no circumstances are those charges entirely abstracted from the charges upon parcels; therefore, to begin with, in ascertaining parcel rates, which at all apply to the carriage of mail bags, you must take long distances, so that these terminal charges, although they may not disappear, will bear a comparatively small proportion to the whole charge. Then, again, the loss of or injury to ordinary parcels may involve a large amount of compensation, and, as I stated before, I am not aware that there ever has been a case, indeed I am positively told so at the Post Office, in which payment was ever made for the loss of bags however valuable. The Inspector General of Mails confirms me in that statement.

17,697. You consider, then, that the ordinary parcel rates are for a more expensive service than the carriage of mail bags?—Certainly, because the carriage of parcels involves expenses to which mail bags are not subject.

17,698. How would you arrive at parcel rates which would be analagous to the carriage of mail bags?—By taking rates of parcels conveyed long distances, and making some reduction for the regularity and continuity of service, and for the large

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amount of business. The Railway Companies themselves make reductions in many cases for regularity and continuity of service and the omission of collection nad delivery. For instance, newspaper parcels are charged by most railways at about half the rate of ordinary parcels. That is a very general proportion. Then again, a commercial traveller's luggage is charged at a very reduced rate. I have at several times taken out haphazard from the published charges of different Railway Companies what the parcels rates are, and when you arrive at a certain distance which varies from 70 to 200 miles or more, you find that the charge for parcels arrives at a sum of about one halfpenny per cwt. per mile, and applying the reduction which I have named for newspaper parcels, brings out a result of a farthing per cwt. per mile.

17,699. Are these rates subject to reduction when large quantities of parcels are carried ?—Yes ; I find that with commercial travellers' luggage a very frequent rate of charge is 6*d.* per mile for the first 30 cwt. which is one-fifth of a penny per cwt. per mile. This is for luggage taken in the gross and dealt with in the mass, not dealt with by the cwt., but it is a service by passenger trains, and for each additional ton after 30 cwt. the charge is 3*d.* per mile, which is at the rate of less than one-seventh of a penny per cwt. per mile. In some cases 6*d.* is charged for the use of a whole truck loaded with luggage, not more than 50 cwt. being carried, in one truck. Supposing 50 cwt. to be carried, the rate produced is one-eighth of a penny per cwt. per mile. The rate which I have been in the habit of proposing in Post Office arbitrations for the carriage of bags by ordinary trains not under notice is one halfpenny per cwt. per mile, being in fact very much more than I think the Post Office might claim that the bags should be carried at.

17,700. I think it is one halfpenny per cwt., or the fraction of a cwt., is it not ?—Yes ; and I have always taken the weight at a period of the journey when the bags are heaviest.

17,701. The halfpenny per cwt. per mile is reckoned on the maximum weight of the bags ?—Yes, and upon the total distance travelled ; for instance, supposing the quantity of mail bags carried by a particular train is four cwt. at starting, and before it has got to a quarter of the distance some bags are dropped, and then when it gets on further other bags are dropped, and by the time it reaches the end of the journey the total weight of bags is only two cwt., I still allow for 4 cwt. for the whole distance.

17,702. It has been stated in evidence that the Railway Companies carry the Post Office parcels for nothing ; can you confirm that statement ?—Oh, no ; it is utterly groundless ; at least as far as those rates are concerned which have been determined in arbitrations with which I have had anything to do. I never consider the contents of the bags ; I only know that there are certain bags of a certain weight ; I get returns from the Post Office of the details of the service, which are always very fully supplied to me. Those returns give the weight of the bags. I do not know whether they contain newspapers, or book parcels, or letters, and in my statements to the umpires I only give the total weight, where we are dealing with a service which is a mail-bag service of the sort you are alluding to. I do not always go into the question of weight, for when the Post Office has the use of a whole van, whether they put little or much into it, does not affect the Company. I do not think it would be fair to base the charge on a very small amount of weight, which might still involve the use of a van or a compartment of a carriage.

17,703. When acting as arbitrator for the Post Office did you ever object to Post Office parcels being considered as part of the mail ?—Never. I should have thought it would have been a most absurd objection for me to make.

17,704. I think you have already stated that you usually supply the other arbitrator (and the umpire, where there is one,) with a statement of the weight of the mail ?—I give it to the umpire and to the other arbitrator when he likes to have it.

17,705. And your statement of the total weight includes the parcels ?—It includes parcels and every thing that is in the mail bags, and the bags themselves.

17,706. Do you ever attempt to separate letters from parcels in your statement ?—I never have the means of doing so, and I have never been asked to do so.

17,707. Could the umpire then, even if so inclined, make an award which should exclude payment for parcels ?—I do not see how it would be possible for him to do so ; it was a perfectly new idea to me till you put the question.

17,708. (*Mr. Glyn.*) Parcels would, in fact, be included in the general weight ?—Yes, and paid for to the Company at a higher rate than they charge for their ordinary parcels. Perhaps you will tell me with regard to what railway that statement was made ?

17,709. (*Chairman.*) It was made with reference to the North-eastern Railway ?—I was the arbitrator for the Post Office in the last two arbitrations with the North-eastern Railway, and I am quite certain I never attempted to exclude payment for parcels. I may add that in both cases a very full award was made. The statement is entirely incorrect ; I am sure unintentionally.

17,710. (*Mr. Glyn.*) Do you recollect who was the referee ?—There have been two arbitrations with the North-eastern in which I was the Post Office arbitrator. In the first with which I had to do the referee was Sir William Cubitt, and in the last the referee was Mr. Stuart Wortley.

17,711. (*Mr. Horsfall.*) I suppose the arbitrations are conducted in the usual manner, the Railway Company nominates one arbitrator and the Post Office the other, and those two agree to appoint a referee ?—Yes ; the law prescribes that mode of dealing with an arbitration. There are no instructions as to the principle on which an arbitration is to be conducted. It is left entirely in the breast of the arbitrators. The arbitrators are bound before they enter upon their duties to agree upon an umpire, and the Act of Parliament simply prescribes that the arbitrators and their umpire shall award, I think the expression is, "a reasonable rate of remuneration." The usual course is this—it is not the invariable course, but it is the usual course—before getting their formal appointment the two arbitrators meet and try to agree, having previously privately agreed in honour who the umpire shall be. If they find they can agree, they do not go to the umpire ; they simply get an appointment and make their award. If they find they cannot agree, they obtain their formal appointments, and appoint their umpire, and after each having obtained from the other such information as they may desire, they each make out a written statement, and exchange those written statements, and send copies of those written statements to the umpire. They then within some agreed period exchange replies, and send copies of those replies to the umpire, and generally speaking it is left to the umpire to decide whether he will have the arbitrators before him or not.*

17,712. (*Mr. Glyn.*) I think there are many cases now in which the two arbitrators settle between themselves without going to the umpire ?—I am sorry to say not so often as I should like.

17,713. But the arbitrators frequently do that nevertheless, do they not ?—Not very often.

17,714. What class are the umpires generally taken from ; they are all men of eminence in some way or other, are they not ?—We always endeavour to get persons of the highest respectability, and most of them are men of eminence. My desire always is if possible to get somebody who understands railway working, but I frequently find a great objection to that on the

* In some cases the arbitrators only make verbal statements to the umpire, and in some cases the umpire and arbitrators sit as a court, and witnesses are examined by counsel.

part of the Railway arbitrators, who rather prefer somebody who does not understand railway working. We have been very fortunate in the character of our arbitrators, and the distinguished position of many of them, and the great attention which gentlemen of such distinguished position give to their duties.

17,715. Can you furnish a list of the umpires who have acted for the two sides, wherever you have been called in?—I have not a list here, but I will forward one. The arbitrators are generally railway managers or engineers. In the last reference I had, Mr. Harrison was the Railway Company's arbitrator, and our umpire was Mr. Hawkshaw.

17,716. (*Capt. Galton.*) What sort of award did you get in that case?—I thought it too high, but I have no doubt Mr. Harrison thought it too low. For a long time I have had very few arbitrations for the Post Office, and the negotiations have been carried on I think generally by the Inspector-General of Mails with the railway officials.

17,717. (*Mr. Glyn.*) Is it not the fact that a certain number of general principles have been laid down which make it much more easy to come to a settlement than formerly?—I cannot say that, because the arbitrators on behalf of the Railway Companies invariably dispute my principles, and I cannot admit their principles. The principle on which the Railway Companies generally go is this, that if the Postmaster-General requires trains they must be paid for as exclusively special trains, and when such a claim is made I invariably ask for the earnings of the mail trains, and if I find that the mail train is an exceedingly good one as regards its returns, compared with other trains, I repudiate its being paid for as a special train.

17,718. I suppose the principles of the decisions of the umpires are never arrived at?—I cannot say what their principles are, for the umpires of whom I have made inquiries almost invariably refuse to give me any explanation of the principles on which they make their award.

17,719. (*Mr. Horsfall.*) The award would be illegal if they did, would it not?—Not necessarily so. It might be made a ground for setting aside their award, and therefore they very properly refuse it, but, nevertheless, I try to get it sometimes, not for the purpose of invalidating the award, but for my private information.

17,720. (*Chairman.*) I will read to you the evidence which has been given with respect to the North-eastern which has been referred to, and I should like to have your opinion upon the statement of the General Manager. "The Post Office have taken "from us our parcel traffic under powers acquired "distinctly for no other purpose than the carriage of "letters. We are quite ready to do anything that "may be wanted for the letters, but we feel it very "hard that those powers should be, as we think, "abused for the purpose of transferring the receipts "of a large parcel traffic to the profit of the Post "Office, that is to say, of the country generally, and "taken from the Railway Company, the Railway Com-"pany being at all the trouble and expense."

Then he is asked—"If the Railway Companies had "organized an efficient parcels traffic, do not you think "that they could compete with the Post Office upon "their own lines?" To which he answers,—"Cer-"tainly not. The Post Office having got an award "for carrying letters at a certain rate, choose to call "parcels letters, and they thus get them conveyed "without paying a single farthing to the Railway "Company."—The conclusion there is certainly incorrect. I am quite sure that Captain O'Brien would not intentionally give a false impression, but the impression upon my mind from that answer is, that the parcels are actually not paid for. I can only repeat what I said before, that in the arbitrations with the North-eastern Railway Company I never for one moment sought to exclude parcels. I have not the power of doing so if I wished to do so. I may state this, that in the last arbitration Captain Huish who was the arbitrator on behalf of the Railway Company raised a great point by referring to what he considered a grievance against the Post Office, that the Post Office robbed Railway Companies of the parcels traffic, and I stated, what I believe to be the fact, that a large amount of parcels carried by the Post Office would not be carried by the Railway Companies, because their organization would not admit of it, they not having a system of communication throughout the whole of the country, and that whatever is carried by the mails, whether it is parcels or letters, really pays the Companies a much higher rate than the Companies charge the public for ordinary parcels.

17,721. (*Mr. Hamilton.*) Is not the explanation of that answer that the witness was there referring to exclusive trains, that is, trains of which the Post Office had the exclusive use?—He could not have done so, because there is no such train on the North-eastern Railway; the only exclusive train running which I am aware of is that on the Great Western Railway.

17,722. It appears to me that the charge there intended to be made is, that having secured the service of carrying letters at a certain price, the Post Office then included in that service a new service for the carriage of parcels which it formerly had not, giving the Railway Company only the same remuneration?—That is entirely erroneous, because the arbitration upon which payment was last made by the North-eastern was after parcels had long been carried by the Post Office. The very fact of the carriage of those parcels, inasmuch as it was asserted that it robbed the Railway Company of traffic, was made by the Company's arbitrator a distinct ground of complaint and high charge. Not only was the fact of parcels being carried by the Post Office before the umpire, but the fact of their being carried was made a very strong argument, for a very high rate of payment and a very high rate of payment was awarded.

17,723. What was the rate of payment?—I find from the table which I hold in my hand of the last two awards for services by the North-eastern, that Sir William Cubitt awarded for a certain train 2*s.* 6*d.* per mile, and Mr. Stuart Wortley awarded for that train or a corresponding train 3*s.* per mile. Sir William Cubitt awarded 3*s.* per mile for a train for which Mr. Stuart Wortley awarded 3*s.* 6*d.* per mile. Sir William Cubitt awarded 2*s.* 6*d.* per mile for another train for which Mr. Stuart Wortley awarded 3*s.* per mile. The next train is the same. There is one train for which 2*s.* was awarded by Sir William Cubitt and the same amount by Mr. Stuart Wortley. For the following train Sir William Cubitt awarded 2*s.* 6*d.* per mile, and Mr. Stuart Wortley 3*s.* per mile. For the next train Sir William Cubitt awarded 3*s.* per mile and Mr. Stuart Wortley awarded 2*s.* 6*d.* per mile. For the next train Sir William Cubitt awarded 3*d.* per mile and Mr. Stuart Wortley awarded 4*d.* per mile. For the four next trains 4*d.* per mile was awarded by Sir William Cubitt and 6*d.* per mile by Mr. Stuart Wortley.

17,724. (*Mr. Glyn.*) That does not show your figures?—No.

17,725. Your figures are the other side?—Yes.

17,726. (*Mr. Hamilton.*) Do you say that the Post Office pays the Railway Company a higher rate for parcels than the public would pay?—Certainly.

17,727. Then why does the Railway Company complain?—Because they want to get as much as they possibly can.

17,728. Is it not the case that the amount paid by the Post Office for letters and parcels together is less than the amount which the Railway Company would receive, first, from the Post Office for letters, and then from the public for parcels?—If you are to divide that which goes in the mail bags in bulk into little separate parcels going either a few miles or a long distance, and take that away from the letter-bags, I suppose that Railway Companies would earn more if they could get all the parcels, but I think they could not get all the parcels because the rates which they would charge in some cases would exclude those parcels from going.

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17,729. But if they got all the parcels that they carry now for the Post Office, and the public paid distinctly for them, you admit that payment might in that case be greater than the Railway Company now receives from the Post Office for the combined service?—I think it might.

17,730. (*Sir R. Hill.*) That is, if a charge were made on each separate parcel?—That is assuming that a charge was made on each separate parcel.

17,731. But they are not separate parcels, they are bags containing several parcels?—They are, practically, what are called "packed parcels."

17,732. Is it not the fact that all the attempts of the Railway Companies to charge packed parcels at the rate levied on each separate parcel contained in the package have been defeated?—I believe that the practical result has been that Railway Companies cannot charge a higher rate on packed parcels.

17,733. Have not all the decisions of the courts been to the effect that they have no right so to charge?—I do not know what all the decisions have been, but I believe the practical result is that Railway Companies cannot prevent carriers from packing parcels. There is no doubt that if the Post Office did not carry t ese small parcels, many of them might be made into packed parcels, and that jewellers' goods might be sent in a bookseller's parcel, for instance, while many of them would not go at all.

17,734. Can you say whether the Railway Companies have any monopoly of the conveyance of parcels; have they by their Acts any monopoly given them?—Not by their Acts; they have no legal monopoly of the carriage of parcels. I think that the terms of the notices under which the Railway Companies are required to perform the mail services require them to carry mails and post letter-bags.

17,735. Do you happen to know the date of the Act authorizing the North-eastern Railway Company to construct its main line?—I do not. That is a railway which has been made up of two or three other railways which were at last amalgamated into the North-eastern.

17,736. (*Chairman.*) Would not your calculations as to the cost of running an additional train for the Post Office also apply, in many respects at least, to any additional passenger train?—In many respects they would. They would not apply in all respects.

17,737. But they would apply to a considerable degree?—Yes.

17,738. Ought not the result then to be that in proportion to the increase of the amount of passenger traffic the working cost of an additional number of passenger trains on any line ought to be reduced?—I think that the increase of passenger trains would not produce in itself a proportionate increase in the cost. With regard to goods the increase of expense would be much more nearly proportionate, because if you have an additional quantity of goods you must have additional porters, and it would involve additional clerks and additional accounts. There have been certain elements of expense to which I previously alluded, such as the cost of renewals, which have come in to disturb the results which might arise from any comparison of present statistics with those obtained some years ago. And, again, the increase with regard to the passenger trains would come by fits and starts. There would not be an exact proportionate increase in general expenses; one train might cost nothing more in general expenses—two trains might cost nothing more—but a third train might involve an addition to the staff. Of course, the number of guards would always be increased.

17,739. Practically, the expense per train mile remains very nearly stationary whatever the traffic of the line is; is it not the case that the average on all the lines differs but little?—The result is, practically, pretty nearly the same if you take all the railways of the United Kingdom. If you take a large system you will find that comparing the expenses of several past years, although the mileage has increased, yet the mileage cost has not diminished, and that, I think, arises to a great extent from the circumstance to which I have alluded, that the expense of renewal has come in so much more largely.

17,740. (*Sir R. Hill.*) Does it not also arise in part from the circumstance of wages having advanced considerably?—Yes, that would be also an element of additional expense.

17,741. (*Earl of Belmore.*) Do you think it costs the same amount per mile to run a train backwards and forwards to the Crystal Palace as it would to run it backwards and forwards from London to Brighton. From London to the Crystal Palace is about five miles. Of course, if that can be done at 2*s.* 6*d.* per mile, each train will cost five times 2*s.* 6*d.*; would it cost 50 times 2*s.* 6*d.* to run a train to Brighton which is 50 miles from London?—You can hardly say what the cost would be without knowing whether you can get a good mileage out of the engines. On large systems you can generally get a better mileage out of your engines than on short lines. Then, again, the question of gradient and load becomes an element of comparison; the gradient is rather bad between London and the Crystal Palace.

17,742. I am assuming for the purpose of my question, that the gradients are the same. What I want to arrive at is whether you can say that it costs exactly the same sum under similar circumstances to run a train for a short distance as for a long distance?—Running on a short branch generally costs more per mile than running on a long line.

17,743. You cannot quote a fixed sum per mile irrespective of distance?—No, you cannot. At the same time there is this to be said, the comparison might go the other way in one sense; upon a short line you might very likely have a very small train, and upon a long line you might have a very long train which involves a larger class of engine, and consequently greater locomotive expenses. So you may say that the expense of running on a long line will, in some cases, be very great. For instance, take the express trains on the Great Northern Railway, which not only run at a very high rate of speed, but are very heavy trains, and are obliged to have enormously powerful engines. I believe those express trains consist generally of 14 or 15 carriages, and they run at a very high speed, and such trains as that will cost a great deal more than a short train, even though it may not have the advantage of running a long mileage.

17,744. (*Sir R. Hill.*) Your estimates are founded upon the cost of all the trains?—Upon the averages of running short and long trains.

17,745. (*Mr. Hamilton.*) Should you not, in order to get a safe guide, give average examples to show what it is at its maximum and what it is at its minimum on the different lines?—I think it would be almost impossible to give any rates but averages, which might not tend to mislead. I do not propose to put before the Commissioners the returns which I have in my hand, where the locomotive rates come out considerably less than anything which I have put before them. I know these returns to be true and correct, but I am aware that there are circumstances which make them less than the fair average, because the stock is to a considerable extent new.

17,746. Have you any returns which show on the other hand a very much higher rate?—Yes, I have no doubt I can find you cases where a passenger train has cost as much as 10*d.* per mile for locomotive power.

17,747. The mean which you give here is very little indication of the great fluctuation which may take place upon different lines?—I quite admit that; I think I said in the early part of my evidence that I always endeavoured when acting as railway arbitrator to ascertain what the costs were of the particular cases.

17,748. I am asking you these questions more with a view to informing us as to how far we can safely assume this as a practical guide. It may be true with referenee to all the railways of the country, but

yet it appears to me that it may be very fallacious as regards an individual line?—It may be fallacious no doubt; I think at the same time the rates which I have put down here are in most cases liberal. But if we assume a mail train running at a very high speed over very bad gradients and bad curves, the price might be brought up, not only to the amount I have named but to a larger amount. I have endeavoured to give my evidence from the very first with the intimation that the elements of the expenses vary in a very marked degree according to certain circumstances which I have alluded to, such as the character of the load, the gradients and the curves. I should be very sorry to say that any average would absolutely apply to every case. I think, however, from what I have seen of the mail service that the instances where my rates would be too low would be rather exceptional.

17,749. (*Sir R. Hill.*) I learn from your evidence that whenever the charges made by the Companies to the public for service are applicable to the determination of the charge, which should be made by the Post Office, you make those charges to the public the foundation of your estimates?—Yes.

17,750. Do the charges made to the public for the conveyance of passengers, parcels, and goods vary with reference to the badness of the gradients, and so on?—Well, I do not suppose that they do.

17,751. Does a Company which has a line of bad gradients charge more for carrying a passenger an equal distance than a Company which has a line of good gradients?—Not that I am aware of.

17,752. Then, in point of fact, the charges to the public, which in your opinion ought to be the foundation of the charges made to the Post Office, do not vary in the way that has been assumed?—No, the charges do not. I understood Mr. Hamilton's question to be with reference to expenses, not to charges.

17,753. (*Mr. Hamilton.*) I suppose the rule of the Railway Companies is that, so long as it keeps within its maximum limit that it fixes its charge at such a rate as is most remunerative to itself?—Yes.

17,754. (*Capt. Galton.*) Can you furnish any instances of the cost per train mile upon a railway on which a small number of trains run, and the cost per train mile upon a railway on which a large number of trains run, so as to enable the Commission to form any idea what proportion of the charges are charges dependent upon the traffic, and what are not dependent upon the traffic?—I dare say I can do so, but I think they might be fallacious, because it is so difficult to find cases which would be analagous in all the elements, excepting those to which you allude.

17,755. (*Chairman.*) In your opininion the cost of working goods trains considerably exceeds that of working passenger trains; do you include mineral traffic in that?—Yes.

17,756. Are you aware that it has been stated in some evidence before us that large mineral trains can be conveyed at a very much lower rate than the average of all trains, including both passenger and goods trains?—I was not aware it ever had been asserted that upon the average mineral trains would cost less. I am aware that some people have considered that the charges made for the conveyance of minerals might be less, but I have never heard it asserted that the cost of average mineral trains was less than passenger trains. If you introduce the condition of slow speed I certainly should think that the result might be materially affected, but I have taken what I find is the actual state of the case on the average of the railways of England, that goods trains and mineral trains have to run at a very high speed. If they could be run at a slow speed I do not think they would do so much injury to the permanent way as the passenger trains, and the cost of locomotive power would be diminished, but it is because they are obliged to run at high speeds that they inflict the damage on the permanent way, and cost so much for locomotive power.

17,757. The average speed is 10 miles per hour for a mineral train, is it not?—I cannot say what the average speed is, but I have seen them running between stations as quickly as passenger trains.

17,758. (*Sir R. Hill.*) The object being to keep out of the way of the passenger trains?—Precisely so. The traffic charges upon the mineral trains would no doubt be very much less than the traffic charges upon the goods trains, because the same staff of clerks would not be required, and the traffic expenses are not so great.

17,759. (*Chairman.*) Still you consider that really the most expensive part of railway traffic is the goods traffic as distinguished from the minerals?—Goods traffic would be more expensive than mineral traffic, and goods and minerals taken together would be more expensive than passengers. The earnings, upon the average, of goods and mineral trains are greater than the average of passenger trains.

17,760. In the single instance where there is an exclusive train, what does the Post Office pay per mile?—The general agreement with the Great Western now includes all mail service, but the award was 3*s.* 9*d.* per mile for the exclusive train.

17,761. In your opinion, about 2*s.* 4*d.* would have been sufficient?—In that particular case there were circumstances which made the service specially inconvenient and expensive, and I was prepared to agree with the railway arbitrator, the late Mr. Saunders, upon 3*s.* 6*d.* per mile, but we could not agree upon the rates for the other trains; the consequence was the whole question went to the umpire.

17,762. What was the award in that case?—3*s.* 9*d.* per mile.

17,763. (*Mr. Hamilton.*) Was that an exclusive train?—Yes; and it was a train which I thought involved some items of expense for which I made special allowances. It was a heavy train with several Post Office carriages specially fitted up; it required an extra staff, and interfered with the working of other traffic.

The witness withdrew.

MR. ARCHIBALD STURROCK examined.

Mr. A. Sturrock.

17,764. (*Chairman.*) I believe you are the locomotive superintendent of the Great Northern Railway?—I am.

17,765. The Commission are anxious to obtain some information from you with regard to the various elements which constitute the cost of running trains in the locomotive department.—The principal cost is the cost of engine power; afterwards, in the passenger trains the passenger carriages, and in the goods trains the goods vehicles or waggons. The cost of the locomotive power consists in labour and materials. The principal running cost in working the train is the coke or fuel burnt. Then come the different wages. The greatest individual element is the cost of repairs to the engines, then the cleaning, the oil and coking, and other small matters that form the cost of running a locomotive.

17,766. (*Capt. Galton.*) Can you give any idea of the general average of the cost of either goods engines or passenger engines for each of those services?—The cost of engines is determined greatly by the amount of work done by each, that is, the load they carry and the speed at which they run. On the Great Northern Railway the average cost of the engines over a period of 10 years, from 1st January 1856 till 31st December 1865, has been 8½*d.* per train mile.

17,767. Is that the whole cost of the engines?—That is the whole cost of the engines.

17,768. Including repairs and renewals and cost of

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every description?—Including everything. That is the average cost for 10 years ending in 1865.

17,769. (*Sir R. Hill.*) What is usually called the cost of locomotion?—Yes, the cost of the engine. That does not include the vehicles dragged at all; that is the mere cost of the power.

17,770. (*Mr. Glyn.*) All the repairs and the renewals?—All the repairs and the renewals. But the cost of the engine is increasing. The cost for 1865 individually was 9·577*d.*

17,771. (*Capt. Galton.*) To what do you attribute the increased cost of the engine?—It is principally attributable to the fact that there has been no infusion of new engines. I consider that the cost of railways will gradually increase (but to what extent I am not prepared to say), for two reasons. In the first place there is a serious increase in the price of labour, and there is also a serious increase in the cost of fuel. Those two items form a considerable portion of the cost of locomotion. In the first place locomotion will increase, in my opinion, to some extent, for those two reasons; and in the next place, I consider that as railways become older, and there is a smaller number of new railways and a less infusion of new stock and new railways into the railway system, that the cost will gradually go up.

17,772. Do you mean the cost of maintaining the old stock?—Yes, and the cost of working railways in point of fact, because if you add a new railway to the old one, it is perfectly clear that you have a considerable advantage in working a new one. I have cut out the first five years of the Great Northern's existence altogether, because I did not consider it was a proper element to bring before you, as the whole railway was new, the whole of the engines and rolling stock were new, and hence they were worked at a very small cost. The cost I have given you has been the cost of the last 10 years of the life of a railway 17 years old, not the whole life of the railway. There has been an infusion of new vehicles during that period. During the last nine years there have been very few new engines bought on the Great Northern, because the traffic remained stationary for a long period and there was no reason why we should buy new engines. In 1863 the traffic ran up, and has continued to run up, and has gone up very much; hence the cost of the maintenance of the stock has become greater. The old stock has been obliged to do a greater amount of duty, but it is requiring a little more maintenance, and the engines, which on the average only cost 8½*d.* formerly, now cost 9½*d.*

17,773. A considerable proportion of that increase was due to the increased price of coke, was it not?—A portion, but not a considerable proportion.

17,774. Can you state to what extent the price of coke had risen in the 10 years you have named?—There is not a great portion of that amount due to coke, because the Great Northern Railway is gradually giving up coke and taking to coal. There is no doubt there is a certain cheapness in coal, and that coal is a more economical fuel than coke. I think there is at least three-fourths of a penny due to the maintenance of the engines during 1865.

17,775. Do you pay your engine drivers a higher rate of wages now than you did formerly?—They are a highly paid class of men, and always have been.

17,776. Are the wages of all your servants generally increased?—They are all very much increased. I should think we are paying 10 per cent. more for wages within the last 18 months.

17,777. (*Mr. Horsfall.*) But an increased cost of fuel, be it more or less, may be merely temporary?—Of course that is a very difficult question to determine. My own opinion is that the price of fuel will go up even higher than it is.

17,778. But it may be otherwise?—It may be otherwise decidedly. A very great depression in the iron trade of this country would affect the price of coal very materially, and no doubt of coke also.

17,779. (*Mr. Hamilton.*) In arriving at your estimate of the cost, do you take the actual value of the engines on hand at a given period?—No, I am speaking of the current cost.

17,780. You treat the engines as a charge upon capital?—Yes. That does not include the interest at all.

17,781. The 8½*d.* per train mile which you have given as the cost of locomotion only includes maintaining the engines in efficient order, paying wages, and providing fuel?—Yes; working the engine, and maintaining it to go on for ever, but not to go into the question of actual value, because I conceive that no railway will ever go into the market to sell its stock.

17,782. But still, as a matter of account, I should think it must be taken in?—The locomotive engineer generally writes a letter to say that he considers his rolling stock is in good working condition. That is the extent to which railways go into the question of their rolling stock. I do not think a railway company ever values their rolling stock as a valuer would do.

17,783. Then it is wholly irrespective of the interest on the money expended in the original purchase of the engine?—Yes; the figures I have given you are entirely for the working of the engine and maintaining it.

17,784. (*Sir R. Hill.*) And renewing, I presume?—Yes, I hold that repairing means renewing; I do not believe in the word replacement. I think that once a railway company has bought a vehicle or an engine, it ought to be repaired, and in that way admit of going on for ever.

17,785. (*Mr. Glyn.*) The price of engines is rather increasing, is it not?—Yes, the price of engines has increased lately on account of there being such a demand for them.

17,786. (*Sir R. Hill.*) Is the increase in the price of engines owing mainly to the higher wages paid to the artificers?—No, I think it is mainly owing to the very great demand for them.

17,787. (*Mr. Hamilton.*) Do you keep the wear and tear of the engine as a matter of revenue account?—Yes; everything expended upon an engine after it has once been purchased by capital is charged to revenue.

17,788. Suppose when it is worn out you buy another; what do you do then?—Then it is charged to revenue.

17,789. Would that 8½*d.* per train mile cover the repurchase?—Yes.

17,790. (*Capt. Galton.*) When you once put an engine on the line you keep that engine up for ever?—Yes; the engines are maintained for ever out of this 8½*d.* We rebuild our engines. If you purchase an engine entirely it would be spending more money than is necessary, inasmuch as though it is very probable that an engine has to be altered in construction when it is wanted for different descriptions of traffic, yet there is always a pair of wheels or an axle or some portion of the engine which comes in, and hence it cheapens the cost of producing a practically new engine.

17,791. (*Mr. Horsfall.*) It includes, in fact, an entire replacement?—Yes, maintaining for ever the engines that have been bought by capital.

17,792. (*Sir R. Hill.*) The 8½*d.* per train mile I think you stated to be the average cost of all engines whether for passenger trains, or goods trains, or minerals?—Quite so.

17,793. Can you separate the cost of one from the other?—To some extent I can, but it is a very difficult thing to get from the accounts the exact cost of running a fast train against a slow train for this simple reason, that a goods engine which runs with an express goods train from Peterborough to London probably goes back from London to Peterborough with a slow train, and you could not keep those details without such voluminous accounts as do not exist on railways. I have endeavoured to look into that question. I find that the cost of working a passenger train of seven carriages on the loop district of the Great Northern Railway has been 5·9*d.*, or about

6*d*. At Peterborough station it works out an average of 7·63*d*. for 8¼ carriages.

17,794. (*Mr. Glyn.*) Are the gradients much the same in both cases?—On the loop it is practically a level line, and the traffic is carried on more slowly. The loop goes from Peterborough to Lincoln, and then the East Lincolnshire from Boston to Grimsby. The loop line is almost a level line. It requires a much less powerful engine than the other part of the line requires.

17,795. (*Sir R. Hill.*) Are the engines smaller?—Yes.

17,796. Are they what are called tank engines?—We have a considerable number of tank engines. A tank engine answers very well for short branches or short distances, where a great deal of water is not required. The cost of the engine in the London district is on the average 8½*d*., and, including carriage repair, 10¾*d*. per train mile.

17,797. (*Chairman.*) Is that an average of the whole?—Yes. Goods engines which have carried 25 vehicles, and which go at a slower speed, have cost 8·99*d*., which brings up the average to 8·5*d*., which is about the same as the London passenger engine.

17,798. (*Mr. Glyn.*) Do you include the engines for mineral traffic in your list?—Yes, the goods and mineral traffic we keep together; we do not separate them; they are worked by the same description of engine.

17,799. (*Sir R. Hill.*) Do these estimates include the expense of what may be called the locomotive establishment and its officers?—Yes, everything; the whole cost of carrying on the establishment.

17,800. (*Mr. Hamilton.*) Only special services, I presume, and not a share of the general service?—No; that is merely the locomotive department; that is all the officers necessary to work the engine, firemen, labourers, cleaners, in fact, every person who is employed in the department.

17,801. (*Chairman.*) How do you calculate the amount of mileage; do you take merely the distance run from station to station, or is it an addition made for work done at the station, such as shunting?—No; the train mileage of the Great Northern is calculated by taking the exact distance from station to station. There is no addition made for shunting at stations, but there is an addition made for the mileage run or work done by engines which are specially provided to shunt. For instance, at King's Cross there are 8 or 10 engines continually shunting; those engines are charged as train mileage, instead of being paid for in money. The locomotive engineer is ordered by the traffic manager, or his subordinate, to send an engine out for the purpose of shunting. The cost of that engine per hour has been ascertained accurately, and, according to the number of hours it is employed, a mileage charge is added to the train mileage of the Great Northern.

17,802. (*Capt. Galton.*) How many miles do you put to each hour?—Seven miles per hour.

17,803. What is the most economical arrangement for running your engines with trains?—We are running on our main line engines 200 miles per day, from London to Grantham, and back again from Grantham to London.

17,804. How many days a week will they run that?—Four days a week, and sometimes five, if we are pressed for engine power.

17,805. And two or three days in shed?—Either one or two days in shed; they are never more than two.

17,806. That is out of six days?—Out of six days. I am not referring to Sunday, because we have very little traffic on Sunday.

17,807. (*Mr. Glyn.*) That is very full work for an engine, is it not?—Very full work; these engines run very much beyond the average.

17,808. (*Mr. Hamilton.*) With reference to making up the accounts of train mileage, are you aware whether the same system that you adopt on your railway is adopted by other railway companies?—I think not. There is the greatest possible difference in the way the accounts are kept by different railway companies.

17,809. It is very difficult, therefore, to form any comparison?—Extremely difficult; there is generally not one element alike.

17,810. I am alluding to the number of miles. Is shunting charged in some railway accounts?—It is in some, but in others they do not charge it at all.

17,811. Then that would disturb any comparison of the receipts?—Yes. On other railways they add 10, 15, or 20 per cent. for work done at roadside stations. There is no doubt there is a considerable quantity of work done at roadside stations. It is not an uncommon thing for an engine to shunt at a roadside station; that does a good deal of damage to the engine, and I have known 15 or 20 per cent. added on the mileage for that.

17,812. (*Mr. Glyn.*) You would not venture to make any general average for all the railway companies of England?—No, I should not venture to do that.

17,813. (*Mr. Hamilton.*) Has any attempt ever been made by railway officials to settle what should be the allowance made for the purpose of comparison among themselves?—No, I think not. The various officers have from time to time prepared their own accounts. I know that the Midland charges are very much the same as the Great Northern, but I do not think there has been any any attempt to get an uniform system of accounts; such a thing does not exist.

17,814. An uniform system of railway accounts has not been made?—No, I do not think it exists in England at this present moment.

17,815. (*Mr. Glyn.*) I suppose if any large engine manufacturer undertook the working of the line with his own locomotives he would be obliged to have all the details?—Yes.

17,816. That has been done, has it not?—Yes; railways have been worked by contract, but it has been done very much to their detriment, inasmuch as they had to pay little per-centages for every vehicle, &c., and that ran up the cost to something ridiculous.

17,817. They are made to cover contingencies?—Yes, but those charges come up to an enormous cost.

17,818. (*Capt. Galton.*) What is the average number of miles run by engines upon your line?—We have lately been running 24,000 miles a year with our goods engines, which is a great deal too much. We have only done that from being pressed for power. We did not choose to refuse traffic, and so we forced our engines to run, repairing them during the night and at all times and seasons. But we are endeavouring to get out of that position, for it is not a good position for any railway to be in.

17,819. You do not consider that fair work for an engine?—No, I think 20,000 miles a year is about as much as it is possible to get out of an engine with the greatest economy. It is more economical to buy new engines than run the engines too much.

17,820. 24,000 miles a year would give an average of 80 miles a day?—Yes.

17,821. An engine has to go into the workshop for a certain portion of the year?—Yes.

17,822. For what portion of the year?—For two months out of the year.

17,823. Then it has to spend one-sixth of its time in the workshop?—Yes; and then it has its days in shed, or ought to have; for instance, a Great Northern goods engine running from Doncaster to Peterborough and back every day, should not run more than three days without being kept one day in the shed. If that is not done it is not possible to keep the engine in order. It is not properly washed out, and there is a residuum left in the boiler which would ultimately do great damage. If you attempt to wash out the boiler before it has cooled down that is very injurious, because you injure the structure of the boiler excessively by running cold water into a boiler which is partially hot. 20,000 miles a year are quite enough for an engine which is 10 or 12 years old.

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In the early history of a railway you may very well run your engines a little more, because they are all new, and will not require much repairing. I am at this moment turning out a new engine every week, or practically a new engine, for it has a new boiler, cylinder, or framing.

17,824. You do not add an engine a week to your stock ?—No, I am simply replacing. The age of the engines, and the great work they have done, obliges me to do that to maintain the number of engines. An engine cannot be taken in and rebuilt under three months.

17,825. (*Mr. Glyn.*) What is the working stock of the Great Northern goods and passengers ?—I have about 437 engines, and shall have 453 very soon. We are buying engines.

17,826. (*Capt. Galton.*) Do you replace your engines every eight years ?—That is too often; I think if you replace an engine every 10 or 12 years that is as much as is necessary.

17,827. You think your engines ought to last that time ?—Yes.

17,828. (*Mr. Horsfall.*) Are there no railway companies who still have their locomotive power supplied by contract ?—I believe very few.

17,829. It being found to the disadvantage of the company as well as more expensive to the public ?—Yes.

17,830. (*Mr. Hamilton.*) But all of them buy occasionally, I presume ?—Yes; we purchase all our new engines—all our additions; if we increase the number of our engines we buy.

17,831. You do not make them ?—No; we have not workshops sufficient to enable us to do more than repairs and rebuild old ones. Our workshops are sufficient to replace the old ones, that is, to keep up the number, but nothing more.

17,832. (*Capt. Galton.*) Have you introduced steel into your engines lately ?—I am using steel tires universally; I am replacing all the iron tires by steel tires.

17,833. What is the relative length of life of a steel tire as compared with an iron tire ?—I believe the steel tires will last twice or three times as long as the iron tires. The express engines of the Great Northern Railway wore out a pair of Low Moor best Yorkshire iron tires in 40,000 miles.

17,834. They have been turned in the meanwhile I presume ?—They had been turned twice. The engine had been brought into the shops, and the tires turned up twice. They were originally turned, and were turned up twice again. I have lately taken off some steel tires worn out; we got 112,000 miles out of them.

17,835. How often have they been turned ?—Twice after being put on.

17,836. What were the relative prices of the two ?—I paid about 65*l.* per ton for the steel, and the iron 40*l.* I think there is a considerable saving as far as the permanent way is concerned as well.

17,837. Have you tried any steel rails yet ?—Yes; there are some steel rails laid down, but not any considerable quantity.

17,838. Do you find the result is the same with regard to the rails ?—I am told it is favourable, but I am not sufficiently informed to be able to give the exact statistics. I do not think the Great Northern have yet made up their minds as to the value of steel rails.

17,839. (*Mr. Hamilton.*) Is your experience gained from the use of any particular quality of steel ?—I am using Krupp's steel from Germany; I am also using Vickers' and Butcher's steel from Sheffield and Monkbridge—Taylor, Brother's, and Bowling's steel from Leeds.

17,840. You do not think it suffers under the influence of sudden changes of temperature ?—I believe steel is excessively strong, but it requires more careful manipulation in applying it to wheels than iron does. If a steel tire is carelessly put on and too much contraction given to it it will break very readily.

17,841. Have you ever had an accident from that cause ?—None. Of course I have had a broken tire. I think that steel properly applied is safer than iron. I think they are very strong indeed.

17,842. Do you use steel for axles ?—I am using steel now. I am trying crank axles. English steel crank axles have not done very well with me, for the crank axles which have been put on our express engines have broken rather earlier than the iron. Krupp's steel appears to answer remarkably well. I have two or three cranks running which have run far above the average life of an English iron axle; they are perfect yet; I cannot detect any fault in them.

17,843. What is the average life of an iron crank axle ?—They vary with the different descriptions of traffic. The engine of the Great Northern, which drags from 15 to 17 carriages in a train from King's Cross to Peterborough in 1 hour 35 minutes, breaks its axle in from 38,000 to 45,000 miles. The goods engine, which runs more slowly, works often 150,000 miles.

17,844. Do you always run an axle till it breaks ?—No.

17,845. How do you avoid that ?—I hoop every axle when it is made. We examine them every time they come in. I have no doubt that an axle begins to break from the day that it first goes out. We do not take an axle out until it shows a flaw, and even then not immediately, because we know when to take it out so as to prevent any danger of an accident. We take care to prevent it breaking on the road. If we should make a mistake, and the engine-man finds that the valves are not working right from the crank axles springing a little, of course he does not keep on full speed. He gets down and examines the engine and goes on slowly to the next station. I do not think there is any danger to passengers on good railways from crank axles breaking.

17,846. Do you introduce steel tires to your tenders ?—Yes, I am trying them

17,847. And to carriages ?—I have not put them on to carriages yet, but I believe they will be put on to carriages.

17,848. You think it will be a more economical arrangement ?—I think so. I have not put steel tires to carriages yet, simply because before one has had a certain amount of experience one does not like to take the responsibility. That is the only reason why I have not introduced them to carriages, for I believe them to be perfectly safe, and I have no doubt that ere long they will be applied to carriages.

17,849. Do you think that less attention would be paid in applying them to carriages than to engines ?—It might be so. I think that steel will be used more so soon as further experience has been had of it. I think that that experience does not yet sufficiently exist.

17,850. Then the use of steel, you think, gives some prospect of reducing the cost of working railways ?—I think it will reduce it in two ways; *per se* it will be cheaper, and it will enable the engines to run for a longer time and keep them out of the workshop, which will be a great advantage.

17,851. (*Chairman.*) Is there any other direction in which you can see any possibility of reducing the cost of locomotive power ?—The only way that I can imagine in which you can introduce economy in working passenger traffic would be by massing the trains and passengers as the French do, that is, filling every carriage and running few trains. That no doubt would diminish the locomotive expense of running passengers.

17,852. If passengers would submit to that proposal could any large diminution of expense be effected ?—Ten carriages cost 11*d.* Suppose you put 60 passengers into 10 carriages, which is not a large number, being only six passengers to each carriage, that number at 2*d.* would be 10*s.* per mile, and the per-centage of cost is 9·1. If you slow the speed

and fill the carriages you might get 90 passengers into them, and the per-centage would not be above 6·4. That is what it works out. There is no doubt whatever that an engine which drags a parliamentary train or a slow train, and burns about the same quantity of fuel that an express does, can take half again as many carriages comfortably.

17,853. (*Capt. Galton.*) Then the parliamentary trains are probably the best paying trains upon the line, because they are probably full of passengers?—I think that is very likely; they convey a greater number of passengers no doubt than the other trains. They mass the passengers together. In that way you might make them all more or less paying. If you can run a through train with a large number of passengers and with a comparatively small number of carriages, that would be the cheapest way of working passenger traffic; but then the difficulty would be in England to get a sufficient number of passengers going that long distance. In France, where they run fewer trains and stop more frequently, they fill their carriages much more than we do, and consequently they carry on their passenger traffic more cheaply. If we could have more passengers in each compartment and the rate of speed reduced, I have no doubt the cost of working trains would be cheapened.

17,854. (*Chairman.*) That would have a tendency to diminish the number of passengers, would it not?—It probably would, but at present any railway company which refuses to run trains at the same pace as another, and to give the same convenience, immediately loses its traffic.

17,855. (*Capt. Galton.*) Do you consider that speed adds very largely to the cost of running trains?—I do.

17,856. Can you give any idea of the proportionate increase of cost which is caused by speed?—It increases the cost directly; probably an engine which costs 7½*d.* per mile in one case would cost 8½*d.* per mile or 9*d.* per mile in another case running fast.

17,857. With what speed?—A difference of between 30 and 40 miles per hour. But then there is another element, it reduces the load, which is a much more serious thing than the mere cost of the engine. A train to cover 30 miles an hour would cost 1*d.* more than a slower train, and the latter would drag half more carriages. I am speaking of the locomotive cost. Every other account, such as signals, permanent way, &c., will increase with speed, because you must have your signals much better, and the cost of maintenance is greater, because the rails are damaged to the same extent as the engines.

17,858. Have you ever compared the cost of locomotive power on the English railways with that of railways in France and Belgium?—Not very carefully; I have spoken to French engineers upon the subject.

17,859. Do you think the difference is represented by the difference in the quality of the service?—Yes; I think that their cost is often greater than ours.

17,860. Even with a less goods service?—The reason is that they do not get their fuel so good or so cheap as we do; however that is improving every day, and their cost is getting down. But they carry their traffic very differently to us; they carry it in such large loads that generally speaking the cost per train mile is very considerable.

17,861. One would naturally suppose, other things being equal, that the cost would be less because their speed is so much less?—Their per-centage is less. I have no doubt their cost of repairs is very great, one reason of which is that their workmen possess less mechanical skill than the English workmen. But they are improving very rapidly. The French and Germans are both improving very rapidly as mechanics, and in fact are running the English very hard now.

17,862. Are they as highly remunerated as the English workmen?—No, but still the fact is that the expensive English workmen are being less used every day. The production of the workshops of England is being increased by the use of improved tools, and those tools are again worked by a low class of labour. Abroad they are introducing the best tools, indeed quite as good as we ourselves use; and their low class of labour, which is paid much less than the average, produces from good tools quite as much as we do. I was speaking of a time when their skilled labour necessarily produced all the parts of engines. Now the parts of engines are produced by labour with less skill but good tools. They get just as good tools as we do; in point of fact they obtain their tools from English makers.

17,863. By tools you mean engineers' machinery?—Yes, lathes, planing machines, drills, and so on.

17,864. (*Mr. Glyn.*) Then in point of fact they work their railways at a considerable cheaper rate than we do in England?—Yes.

17,865. (*Capt. Galton.*) You have given 8½*d.* per train mile as the cost of engines?—Yes.

17,866. Can you state what the addition is for the cost of a carriage?—The cost of working a train of seven carriages on this line was 1·47*d.* The total cost of working that train was 7·37*d.* The cost of working a train of 8¼ carriages was 1·74*d.* The whole cost of that train was 9·37*d.*

17,867. What does the cost that you put down for the carriages include?—Maintaining the carriages for ever.

17,868. Repairs and everything?—Yes.

17,869. (*Mr. Glyn.*) Does it include the first cost?—Not the first cost; merely the repairs and the cost of working.

17,870. It includes replacement?—Yes. The cost of working a passenger train of 10½ carriages was 10·75*d.*, while the repairs of the carriages was 2·21*d.* The cost of working a mixed goods train is 11·59*d.* on the average.

17,871. (*Capt. Galton.*) How many waggons?—Twenty-five vehicles. That includes the small goods trains on the branches.

17,872. Can you state what the cost of a coal train is?—The cost of a coal train of 35 vehicles is about 9½*d.* per mile; for the engine and the vehicles about 3½*d.*, so that it would be about 13*d.*

17,873. But then, as it is run one way empty, that has to be doubled?—That has to be doubled decidedly. A coal truck is rather an expensive article. It carries a larger weight a great deal than a goods truck, and thence it wears out much faster and is more expensive to maintain than an ordinary goods truck. An ordinary goods truck does not carry more than two tons on the average, and the coal trucks carry from seven to nine tons. That must be divided by 2 on account of its having come back empty; but still, a vehicle which is loaded at one time with from seven to nine tons running over the line does more damage to itself than if it ran double the distance with half that load.

17,874. (*Chairman.*) What is the speed of your coal trains?—20 miles per hour is what is put down in the time bill, but they far exceed that on a great portion of their journey, because, with a view of keeping the traffic regular, they have to give way to passenger trains; and on the other hand they are loaded to such an extent (because every ton is a paying load) that they do not get up the rise of the gradients as fast as the average time, and hence they are obliged to run down the other side a little more quickly. In fact, the coal trains of the Great Northern Railway run 30 miles an hour down inclines. If a train from Edinburgh comes up behind a coal train, the coal train has to shunt into a siding in order to enable it to pass, with a view of keeping as great regularity as possible; but afterwards the coal train is forced on, if possible, to keep its time, so that it overruns the average speed.

17,875. Could coal trains be worked much cheaper if there were not passenger trains on the same line?—I think so, because then coal trains might be worked at a lower and at an average speed, which would diminish the cost.

17,876. (*Capt. Galton.*) What do you consider the most favourable speed for economical working?—I should think about 15 miles per hour. I am speaking of actual speed, not the average speed.

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17,877. (*Mr. Hamilton.*) Would the reduction in the price of coal be considerable, irrespective of the cost of working the train?—It would be something, no doubt; but it is rather difficult to say what it would be.

17,878. (*Mr. Glyn.*) What rate per mile do you think you could carry at under those circumstances?—Coal is being conveyed now at three-eighths of a penny per ton per mile. I think you might take one-sixteenth of a penny off, and in all probability it would leave a small profit then.

17,879. (*Capt. Galton.*) How many tons do your coal trains carry?—An ordinary engine carries from 210 to 220 tons net. An auxiliary steam tender engine takes 320 tons net. On the Northern Railway of France, where the gradients are similar to the Great Northern, they carry 350 to 450 tons net. By going much more slowly we might greatly diminish the cost of conveying the mineral traffic in England. I have thought it advisable to make use of the tender, and with that view I have lately added cylinders to the tenders of the Great Northern engines. This has enabled them to use the adhesion of the tender, whereby we have increased our net loads 100 tons.

17,880. Then you go at a lower speed?—No, you cannot alter the speed on the Great Northern. By using the tender the cost is increased about 1*d.* per mile in repairs, and one halfpenny for fuel, but then we get an additional 100 tons.

17,881. It in fact adds 1½*d.* to the cost of your locomotive power?—Yes; and it adds 100 tons to the net load, which is a very considerable amount.

17,882. Are you carrying all your coal traffic in that way?—A very large quantity of it, but it is to some extent still an experiment. We have 50 of those tenders at work.

17,883. Then that is one way in which economy can be produced in the working of coal trains?—I think so, and in my opinion it would be a very considerable economy wherever you have gradients as bad as 1 in 200. I would not recommend such a mode of dealing with minerals on a level line, nor for goods on gradiends of 1 in 200, because the train necessary to exhaust the power of such engines would become so long as to be unmanageable. I believe great economy would be produced in working the mineral traffic on gradients beginning at 1 in 200, or for goods on 1 in 100, if such a plan were adopted.

17,884. What is the length which you consider renders a train unmanageable?—About 400 or 450 yards.

17,885. That would be how many waggons?—From 60 to 65 waggons. If you take seven yards for a truck with the couplings loose, you cannot couple up a goods train of that length so as to render it manageable.

17,886. It must start in separate portions?—Yes. From 280 to 300 yards I think quite safe. If you were to take 60 trucks, which you would require to put on the Great Western line, for instance, to use the powerful engines which I was speaking of just now, you would get from 420 to 500 yards.

17,887. It would, in fact, become unmanageable and very unsafe, and there would be great difficulty in shunting at the small stations?—Very great difficulty indeed; you would have to prepare sidings for the purpose.

17,888. (*Mr. Hamilton.*) A witness who has been examined to-day stated that he considered great injury was done to the permanent way by goods trains, arising from the waggons being loosely coupled. I understand you to say that is to a certain extent unavoidable with large loads?—It is quite unavoidable with all goods traffic, except where one or two goods trucks are taken with passenger trains. We tried it on the Great Western 20 years ago, and found it quite impracticable; we could not start from the station. When once you get the train in motion, there is no difficulty in going on, but it is impossible to start it.

17,889. Without a jerk?—Yes; each waggon must start separately, and at last the engine gets into power, and the momentum of the engine is then sufficient to carry on the train. Very often it happens that an engine cannot start a passenger train until it has moved back.

17,890. (*Chairman.*) Have your goods trains generally, as distinguished from minerals, full loads?—In number they generally are; they rarely start with less than the full number of trucks, except what are called picking-up trains. There are a certain number of trains on every railway which are called picking-up trains, which necessarily start with a light load, otherwise there would not be any power in the engine to pick up at the different stations. But generally speaking, all the goods trains run with the full number of trucks.

17,891. You do not see any prospect by any convenient process of reducing the number of the goods trains?—It was the practice one time to transhipp goods, but competition has created such great speed in goods trains that it has been found impossible to continue the system of transhipping. By transhipping I mean a system of stopping a train at a station, taking some goods out of a truck, and then letting the train go on. For instance, the merchants at Leeds require their goods to be delivered in London at a certain hour in the morning. The Midland say, We will give you half an hour longer at our station at Leeds if you send the traffic by us, and of course the Great Northern Company are obliged to do the same. That competion has been so severe that it has forced the speed up very much. Hence the trains are carried at a great cost to the companies. No doubt if the speed were diminished the work might be done with fewer trains.

17,892. As a general rule the whole of the load of any one truck must be delivered at the same place; you cannot divide a load between different places?—No, practically that is never done on the principal English railways. I believe that on the average goods trucks do not carry more than two tons. They are generally capable of carrying more. I do not think any of the vehicles are built to carry less than six tons.

17,893. Are there any other details of expenditure with reference to the working of railways on which you are prepared to give evidence?—The permanent way of the Great Northern Railway has cost during the last ten years 5·13*d.* per mile. In 1865 it cost 5·88*d.* per mile, showing a slight increase.

17,894. (*Capt. Galton.*) Then you think, with reference to all the items of expenditure in which labour forms an important element, that the cost is increasing?—I think so. The other expenses of the Great Northern Railway amount to 12·09*d.*, but in 1865 they amounted to 12·48*d.*, showing an increase, arising, no doubt, from the same reason, namely, an increased cost of labour.

17,895. What does the whole cost of running a train on the Great Northern come to?—The whole cost of running trains on the Great Northern Railway for the last ten years has been 27·98*d.* The cost in 1865 was 30·685*d.*

17,896. That is a very material increase?—It is a very material increase. There has been an increase in the locomotive expenses from 10·76*d.* to 12·33*d.* divided in this way, that engines which cost 8·50*d.* have cost 9·577*d.* Carriages and waggons which cost 2·26*d.* have cost 2·75*d.* The permanent way, which cost 5·13*d.* has cost 5·88*d.*, and the coaching merchandise, traffic, compensation duty, &c., in fact, all other expenses, have run up from 12·09*d.* to 12·480*d.*, or an aggregate of 30·68*d.* instead of 27·98*d.*

17,897. You have given the number of miles run by engines; can you give any information as to the number of miles run by carriages and waggons on the average?—No.

17,898. I suppose that calculation is not kept by any railway in the kingdom?—It is not kept on any railway in the kingdom. It has been estimated on many occasions, but I am afraid to give the figures because it has been estimated so very differently.

17,899.—It is comparatively a small mileage, is it not?—A very small mileage.

17,900. Do you think any public advantage would be derived from all railway companies furnishing their returns on the same principle?—I think it would be very desirable. I do not think even then, an accurate comparison could be made except by skilled people. You might get the elements of the accounts the same, but you would not get the description of the railway. Railways vary very much; of course the same figures on two different railways would not enable you to make an accurate comparison, unless you knew something of the railways. Different railways convey different descriptions of traffic. For instance, it is costing me more to work the omnibus traffic of the Great Northern, than it costs the Midland to work their main line traffic. We get much less duty out of an engine, and some of our drivers instead of running 200 miles a day, do not run more than 60 miles a day.

17,901. Is that on account of stopping so frequently?—Yes, they stop about; they stop a long time at Ludgate Hill before they return to King's Cross.

17,902. Do you think there would be any difficulty on the part of railway companies in agreeing on some uniform system of making out their returns?—I do not know why there should be. If it could be done it would be a great convenience to everyone, but I have no doubt it would be very difficult to arrange.

17,903. (*Mr. Glyn.*) Therefore there would be some difficulty?—There would be considerable difficulty in getting the different officers and accountants to agree.

17,904. There would be great difficulty probably in getting the different officers of each railway company to take the same views?—Yes, I believe there would be considerable difficulty, but it would be very advisable if it could be done.

17,905. And also great difficulty in getting the officers to adhere to it when it was laid down?—I think that might be overcome; if you could only get officers to once agree, I think the subsequent officers might be obliged to do it. It would be quite easy to keep up the system of accounts when once commenced.

17,906. (*Chairman.*) Has any plan of the kind been discussed among railway managers?—I do not think it has ever been seriously discussed. They meet at the clearing house and try to enact rules about the accounts, but there are no means of carrying them out. It has never been seriously attempted, I believe.

17,907. Is there not a general tendency to a better understanding by railway companies on these points than there used to be?—I think so; I think railway companies are becoming a little more sensible.

17,908. (*Capt. Galton.*) There is not the same difficulty that there used to be by reason of competition?—There is plenty of competition, but I think railway officers now take a broader view of things than they used to do.

17,909. Do you compete for Manchester traffic?—Yes; I think the competition is just as great as it was before. I do not think competition from difference in charge exists, but in other respects, convenience, speed, &c., is as great as ever it was.

17,910. Competition for convenience is a very much more legitimate competition than for charges.—So it is.

17,911. (*Mr. Glyn.*) Competition for accommodation applies to passengers as well as to goods?—Yes; it has a great effect on the circumstances of the railway. I met only the other day a gentleman from Scotland whom I had not seen for a long time, he said to me, "Your carriages are very good, we come to you "because you give us such nice carriages." That shows that if a company is liberal in the way of accommodation the public value it.

17,912. (*Chairman.*) Do you think if your company were to reduce the number of carriages that you would lose any traffic?—I have no doubt that if our company reduced the number of carriages that that would instantly reduce its traffic.

17,913. Will you put in the various tables to which you have referred during your evidence?—I will.

The witness delivered in the same, which are as follows:

COST of WORKING a TRAIN of 16½ mixed Vehicles a Mile on the GREAT NORTHERN RAILWAY to End of 1865.

WORKING EXPENSES.			1865.
		d.	
Engines (*See* Appendix A.)		8·50 per train mile	9·577
Carriages (*See* Appendix B.)	1·74	2·26 do.	2·32
Waggons	2·60		3·00 } 2·748
		10·76 do.	12·325
Interest on capital, Locomotive Department (*See* Appendix C.)		3·77 do.	
		14·53 do.	
The maintenance of way (*See* Appendix D.)		5·13 do.	5·880
The coaching and merchandise traffic, compensation duty, &c., &c. (*See* Appendix D.)		12·09 do.	12·480
Total working expenses (less interest on capital)		27·98 do.	30·685

	Engines.	Carriages and Waggons.	Total Cost.
	d.	*d.*	*d.*
The cost of working a passenger train of 7 carriages is	5·90	1·47	7·37
Do. do. 8¼ do.	7·63	1·74	9·37
Do. do. 10½ do.	8·54	2·21	10·75
Do. Goods train 25 do.	8·99	2·60	11·59
Do. Passenger and Goods 16½ do. (*See* Appendix E.)	8·50	2·26	10·76

Mr. A. Sturrock.

31 May 1866.

A.

STATMENT showing the Cost per TRAIN MILE for LOCOMOTIVE POWER, from 1st January 1856 to 31st December 1865.

Date.	Train Miles Run.	Cost.	Average Cost per Train Mile.
		£ s. d.	d.
1856. June - -	2,731,860	92,624 16 2	8·137
„ December -	2,865,493	94,262 3 9	7·895
1857. June - -	2,554,102	90,326 18 2	8·487
„ December -	2,852,212	95,904 6 0	8·070
1858. June - -	2,858,868	99,108 8 10	8·320
„ December -	2,987,933	101,515 17 3	8·154
1859. June - -	2,778,920	94,890 16 9	8·195
„ December -	3,043,928	97,485 14 3	7·686
1860. June - -	3,030,988	106,037 6 10	8·396
„ December -	3,184,414	102,891 18 1	7·755
1861. June - -	3,120,010	106,235 6 5	8·172
„ December -	3,200,619	108,410 17 2	8·129
1862. June - -	2,825,400	104,232 14 11	8·854
„ December -	3,362,728	122,257 3 10	8·725
1863. June - -	3,017,832	107,735 5 8	8·568
„ December -	3,477,440	121,495 8 1	8·385
1864. June - -	3,484,688	131,746 7 7	9·074
„ December -	3,805,685	143,196 10 0	9·030
1865. June - -	3,792,810	154,234 0 5	9·760 } 9·577
„ December - -	4,123,837	161,668 8 3	9·409 }
	63,099,767	2,236,260 8 5	8·506
Add for 1854 and 1855 -	- -	348,383 8 9	
		2,584,643 17 2	

B.

COST of REPAIRING CARRIAGES and WAGGONS—1852 to 1865 inclusive.

Date.	Passenger Train Miles excluding Ballasting.	Cost of repairing Carriages.	Cost per Train Mile.	Goods Train Miles excluding Ballasting.	Cost of repairing Waggons.	Cost per Train Mile.
		£ s. d.	d.		£ s. d.	d.
1852. June - -	812,408	3,636 4 1		976,760	4,235 19 3	
„ Dec. - -	940,206	4,062 4 5		982,144	5,251 3 1	
1853. June - -	907,784	4,252 15 8		1,160,831	6,404 13 5	
„ Dec. - -	1,012,309	4,078 14 8		1,376,148	9,645 4 4	
1854. June - -	943,090	4,315 9 1		1,482,494	13,466 14 10	
„ Dec. - -	1,010,557	3,882 12 9		1,660,971	14,300 8 9	
1855. June - -	989,287	5,027 1 0		1,551,237	14,604 7 5	
„ Dec. - -	1,020,709	6,161 16 4		1,847,707	16,509 13 4	
1856. June - -	1,082,591	6,750 8 8		1,649,269	18,511 2 3	
„ Dec. - -	1,085,047	6,169 19 11		1,780,446	16,660 19 0	
1857. June - -	1,022,042	7,179 11 7		1,532,060	16,542 12 4	
„ Dec. - -	1,161,025	8,131 16 9		1,691,187	18,550 4 6	
1858. June - -	1,106,064	8,554 2 7		1,752,804	20,206 14 11	
„ Dec. - -	1,120,564	9,711 9 4		1,867,369	19,799 7 5	
1859. June - -	1,121,785	10,566 11 9		1,657,135	23,896 17 4	
„ Dec. - -	1,185,665	11,432 2 7		1,858,263	20,796 0 11	
1860. June - -	1,138,593	11,107 14 2		1,892,395	26,614 1 6	
„ Dec. - -	1,252,882	9,869 16 4		1,931,532	23,838 8 9	
1861. June - -	1,178,224	10,027 10 2		1,941,786	32,888 9 5	
„ Dec. - -	1,277,334	11,683 4 2		1,923,285	21,239 0 0	
1862. June - -	1,199,839	7,850 19 3		1,625,561	16,521 0 6	
„ Dec. - -	1,393,633	9,506 1 0		1,969,095	20,741 4 5	
1863. June - -	1,277,546	9,650 13 9		1,740,286	15,361 13 9	
„ Dec. - -	1,352,171	10,842 10 6		2,125,269	22,705 1 3	
1864. June - -	1,337,870	11,507 11 3		2,146,818	24,867 6 3	
„ Dec. - -	1,431,365	10,403 0 8		2,312,536	29,047 10 11	
1865. June - -	1,426,991	13,862 4 5 }	2·32	2,273,313	31,325 5 0 }	3·00
„ Dec. - -	1,476,578	14,312 6 7 }		2,571,170	29,218 15 10 }	
	32,264,159	234,536 13 5	1·74	49,279,871	533,750 0 8	2·60
Total from Jan. 1854	28,591,452	218,506 14 7	—	44,783,988	508,213 0 7	—

Or Carriages and Waggons 2·26*d.* per train mile.

C.

Mr. A. Sturrock.

31 May 1866.

VALUE of G.N.R. ROLLING STOCK, TOOLS, &c., &c., and estimated VALUE of SHOPS and SHEDS on 31st December 1865.

Train mileage run during 1865:—7,991,347.

	Total Value.	Interest at 5 per Cent. per Annum. Total.	Interest per Train Mile run.
	£	£	d.
Engines	937,937	46,897	1·41
Carriages	284,362	14,218	·43
Waggons	830,757	41,538	1·25
Sheds, shops, tools, and stores on hand	456,029	22,801	·68
	2,509,085	125,454	3·77

Miles worked over 511 = £4,910 of capital per mile.

C A.

		£	s.	d.
	G.N.R. engines	897,602	8	1
	N. & G. and L.B. & H. engines	40,334	11	10
		937,936	19	11
CARRIAGES	G.N.R.	260,838	1	0
	Say half of C. & W. stock	7,673	3	7
	G.N. Share of E.C. joint stock	6,803	8	9
	N. & G. &c. stock, say one-fourth	9,048	3	8
		284,362	17	0
WAGGONS	N. & G. &c. stock, say three-fourths	27,124	10	11
	G.N.R. (omitting ballast waggons and rd. goods vans and cranes)	795,959	6	10
	Say half of C. & W. stock	7,673	3	7
		830,757	1	4
Buildings on June 1863, say		311,000	0	0
Do. expended since (carriage shops)		20,000	0	0
Do. paid through Locomotive Books		7,471	0	0
Tools, &c., &c. (*see* below)		97,020	5	0
Stores on hand, in Locomotive Books		20,538	0	0
		456,029	5	0

COST of MACHINERY, FITTINGS, and FIXING MACHINERY (details of the £97,020 in the above account).

	£	s.	d.
To December 1861	75,422	13	0
,, June 1862	873	14	10
,, December 1862	1,699	2	1
,, June 1863	2,015	1	11
,, December 1863	1,265	17	0
,, June 1864	3,631	19	9
,, December 1864	4,518	19	1
,, June 1865	4,092	12	4
December 1865	3,500	5	0
	97,020	5	0

Mr. A. Sturrock.

31 May 1866.

D.

STATEMENT of Cost of maintaining the Road (G.N.R.), Coaching, and Merchandise Traffic Expenses, &c. &c.

Date.	Maintenance of Road.			Total Expenses.		
	£	s.	d.	£	s.	d.
1854. June	42,856	9	4	241,864	10	2
„ December	42,429	0	2	271,766	14	2
1855. June	41,298	12	9	276,374	4	2
„ December	46,677	14	9	306,511	18	3
1856. June	49,326	7	11	301,417	8	9
„ December	50,322	12	0	303,064	3	2
1857. June	55,113	17	0	295,617	16	1
„ December	65,241	1	10	339,301	1	6
1858. June	59,789	15	11	325,893	11	1
„ December	56,717	16	6	338,348	19	8
1859. June	62,314	14	7	329,227	18	11
„ December	61,870	19	5	349,210	17	7
1860. June	61,475	15	6	361,911	5	3
„ December	73,783	10	0	365,042	7	5
1861. June	63,736	3	3	362,429	5	1
„ December	67,181	8	7	364,854	0	6
1862. June	60,399	13	2	342,421	0	11
„ December	76,420	4	3	405,694	11	4
1863. June	71,051	13	1	383,525	17	5
„ December	85,651	13	1	412,825	17	2
1864. June	89,584	17	5	439,990	11	10
„ December	97,818	16	1	474,944	6	0
1865. June	5·88*d.* per mile: 90,930	12	5	12·48*d.* per mile: 476,049	14	1
„ December	98,177	6	8	510,615	3	9
	£1,570,170	15	8	8,578,903	14	3
Deduct— Carriages				218,506	14	7
Waggons				508,213	0	7
Maintenance of Road				1,570,170	15	8
Engines				2,584,643	17	2
				4,881,534	8	0
				£3,697,369	6	3

£ 1,570,170 15 8 / 73,375,440 = 5·13*d.* per train mile.

£ 3,697,369 6 3 / 73,375,440 = 12·09*d.* per train mile.

E.

STATEMENT showing the Cost of Working Trains of various Sizes and Descriptions.

Date.	London Passenger.		Boston Passenger.		Total Passenger.		Total Goods.		Total Goods and Passenger.	
	Cost.	Load.	Cost.	Load.	Cost.	Load.	Cost.	Load.	Cost.	Load.
	d.		*d.*		*d.*		*d.*		*d.*	
1855. June	7·35	10	6·85	8	7·23	8	8·96	27	8·31	18
„ December	7·89	9	6·83	8	7·69	8	8·86	27	8·45	18
1856. June	7·71	10	6 67	8	7·07	8	8·96	27	8·23	17
„ December	7·46	11	6·11	7	6·96	8	8·61	27	8·00	18
1857. June	8·21	9	6·58	7	7·55	7	9·29	25	8·62	16
„ December	8·73	11	6·20	7	7·55	8	8·65	25	8·21	17
1858. June	8·51	10	6·51	7	7·32	8	9·07	30	8·40	19
„ December	9·20	11	6·36	8	7·73	9	8·49	26	8·21	18
1859. June	8·30	9	6·12	8	7·33	8	8·81	26	8·22	17
„ December	8·37	10	5·38	8	7·36	9	7·95	26	7·72	17
1860. June	9·54	10	5·73	6	7·92	8	8·72	24	8·42	16
„ December	8·93	9	5·47	7	7·38	8	8·07	24	7·81	16
1861. June	9·09	9	5·55	7	7·48	9	8·62	23	8·19	16
„ December	8·33	11	5·63	7	7·30	8	8·70	26	8·15	17
1862. June	8·05	11	5·29	6	7·81	8	9·61	24	8·85	15
„ December	8·62	11	5·37	7	7·76	8	9·38	25	8·72	16
1863. June	8·75	10	6·66	7	8·13	7	8·87	24	8·56	16
„ December	8·37	12	6·12	7	7·62	10	8·84	27	8·38	19
1864. June	9·06	12	5·89	7	7·80	8	9·77	22	9·04	15
„ December	8·59	12	6·24	8	7·69	9	9·66	22	8·93	15
1865. June	9·75	11	7·78	8	8·36	8	10·38	23	9·62	16
„ December	9·19	11	6·50	6	8·83	9	9·58	22	9·31	16
Engines	8·54	10½	5·90	7	7·63	8¼	8·99	25	8·50	16½
Carriage & waggon repairs per train mile	2·21	- -	1·47	- -	1·74	- -	2·60	- -	2·26	- -
	10·75	10½	7·37	7	9·37	8¼	11·59	25	10·76	16½

CALCULATIONS showing the Cost of hauling a Train of Coals with an Ordinary Engine compared with an Engine fitted with an Auxiliary Tender.

Load with an Ordinary Engine, 30 Trucks or 210 Tons.		Load with Engine and Auxiliary Tender, 45 Trucks or 320 Tons.	
Engine (including interest) -	10·0*d.* per mile	Engine (including interest) -	11·5*d.* per mile
Waggons do. -	3·5 „	Waggons do. -	5·0 „
Permanent way - -	5·0 „	Permanent way - -	6·5 „
Guards and greasing - -	1·5 „	Guards and greasing - -	2·0 „
Lighting and other charges -	3·5 „	Lighting and other charges -	3·5 „
	23·5×2=		28·5×2=
47·0*d.*, or 3*s.* 11*d.* per double mile.		57·0*d.*, or 4*s.* 9*d.* per double mile.	

PER-CENTAGE of Cost of Engine-power on Receipts in hauling the above loads :—

Receipts { 210 tons at ¾*d.* per ton per mile = 6*s.* 6½*d.* per double mile.
Expenses { 210 „ 20*d.* per double mile run, or 25 per cent. of receipts.

Receipts { 320 tons at ¾*d.* per ton per mile = 10*s.* per double mile.
Expenses { 320 „ 23*d.* per double mile run, or 19 per cent. of receipts.

RELATIVE Cost of Engine with Ordinary and with Auxiliary Steam Tender.

Engine with steam tender costs - - - - - £3,350
Do. without do. - - - - - £2,900

Two engines with steam tenders drag the load of three engines with ordinary tenders.

£2,900 × 3 = £8,700
3,350 × 2 = 6,700

£2,000 less cost, or £2,000 = 23 per cent. less capital for a similar amount of traffic.

Adjourned sine die.

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